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THE HONOURABLE GERALD R. OTTENHEIMER
SPEAKER *PRO TEMPORE*

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(Daily index of proceedings appears at back of this issue.)

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THE SENATE

Thursday, April 25, 1996

The Senate met at 2:00 p.m., the Speaker *pro tempore* in the Chair.

Prayers.

SENATORS' STATEMENTS

CANADA BOOK DAY

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am sorry that, for the moment, Senator Lynch-Staunton is not with us today, but I will rely on my friend Senator Berntson to help me out.

Honourable senators, I wish to note that today is Canada's first Book Day. I congratulate Lawrence Martin, the Canadian author, the Writers' Development Trust and the whole book industry, including all the authors and booksellers across the country who are promoting this issue.

The slogan of the day is "Give someone a Book — See what happens." I felt that there could be no better recipient on this day than my friend the Leader of the Opposition in the Senate, and I want to give him a book, which I will now deliver to his colleague, and I hope that he will enjoy reading it as much as I have. It is about a very distinguished Canadian, an old friend of many of ours, *Rogue Tory: The Life and Legend of John G. Diefenbaker*.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): I appreciate that very much.

Hon. David Tkachuk: You are lucky you did not buy that book in the Maritimes, or you would be paying GST on it. I hope that you bought it in Alberta.

Senator Fairbairn: These books were from Lethbridge.

GOODS AND SERVICES TAX

HARMONIZATION WITH PROVINCIAL
SALES TAXES—CHANGE IN LIBERAL POLICY

Hon. David Tkachuk: Honourable senators, like many Canadians, I have been watching with growing fascination as Mr. Chrétien and his cabinet flip-flop on the GST and, like many of my fellow citizens, I have grown increasingly resentful at the Liberals' disingenuous attempts to convince us that they never promised to abolish the GST.

As I thought about this issue, I was seized with a desire to say something. I wanted to speak out and add my voice to the growing multitude of ordinary Canadians who are unhappy with Mr. Chrétien's steadfast refusal to apologize and admit to us that

the Liberals' GST policy was just an election ruse, and with the Deputy Prime Minister's equally unwavering refusal to live up to her pledge to resign from Parliament if the GST was not abolished.

In order to help fellow senators describe this particular action, I thought I should do a little research, so before putting pen to paper, I thought it best to consult *Beauchesne's Parliamentary Rules and Forms*. It was a good thing I did, for Beauchesne informed me in no uncertain terms that I could not refer to the Prime Minister's attempt to abolish the GST in the same way as ordinary citizens and fellow Canadians are describing it today. In fact, I could not say that it was above the truth, an attempt to misrepresent, a deliberate distortion, dishonest, hypocritical or underhanded. Unfortunately, that left me with nothing to say. I just want to forewarn fellow senators that if we use language like that, we might be compelled to apologize.

I move then to my second concern, namely Ms Copp's cynical rejection of suggestions that she should have the integrity to follow through on her pledge to resign. Fellow senators, again I thought it prudent to consult Beauchesne, and again I received wise counsel. I was informed that I could not characterize Ms Copp's pledge as false. I could not say it was untrue, or wilfully misleading, nor could I refer to her as a bag of wind, "honourable" only by courtesy, so once again I was left with little to say.

While Beauchesne advises me that I could not refer to the Prime Minister and the Deputy Prime Minister using the words I have cited, I did find one word that I thought we could all use, but it is almost on an equal footing with that used by our fellow Canadians who are not in this place.

• (1410)

When I first realized, in 1993, that the present government would not abolish the GST, in my darkest moments I took solace in the fact that some good would come: Sheila Copps would have to resign. That, I believed, would help the country.

I congratulate the Liberals, after what Sheila Copps said last night, for being oh so politically correct. The Prime Minister, of course, being a male from French Canada, could not be the only one who — and I believe this is parliamentary — could say something he did not mean. We can say he misspoke.

We now, of course, have a deputy —

The Hon. the Speaker *pro tempore*: Order please. I point out that the honourable senator's time has expired. The honourable senator may continue only with leave and, unless my hearing is very deficient, he does not have leave.

As honourable senators are aware, the rules specify the time period, and that the Chair is obliged to point out that the time has expired. If there is leave, the honourable senator may continue. If there is not leave, the honourable senator may not continue.

[Translation]

HARMONIZATION WITH PROVINCIAL SALES TAXES—SOURCE OF FUNDING FOR DISTRIBUTION TO ATLANTIC PROVINCES

Hon. Jean-Maurice Simard: I want to quote an editorial by Jean-Robert Sansfaçon, published in today's *Le Devoir*. It says:

Talking about an individual who is unable to extricate himself from some situation that he knows is bad for him, some psychologists will say "Better the devil you know than the devil you don't know." Like a distressed being, the federal Liberals have just confirmed what all Canadians never doubted: the loathed GST is here to stay.

It is pointless to dwell on the fact that the federal Liberals have just killed and buried their most populist and popularity-seeking promise of the last election, that is, to scrap the GST. Let us just remind them how vigorously they fought against this wretched tax for four years and went so far as to wage a ludicrous war of attrition in the Senate.

It is because such promises were made on all forums and later discarded like warm clothing in the summertime that the citizens are ever more distrustful of politicians and doubtful about their mermaids' song.

A spade is a spade. When they promised to replace the evil GST by the perfect tax, the federal Liberals...

According to Beauchesne, I am not allowed to say in this house what everybody can guess.

If they think this is a minor mistake, they are wrong. A minister like Sheila Copps, who promised nothing less than to resign if her party did not scrap the GST, should at least have the decency to apologize. The same goes for Brian Tobin, the new premier of Newfoundland, who not only was one of the most fierce opponents of the GST but who today adds insult to injury when he states that abolishing the GST would be "destructive and irresponsible." In return for his loyalty to his federal friends, Mr. Tobin will receive for the 575,000 inhabitants of his island a gift of \$350 million in "adjustment assistance," that is, \$600 per capita. This amount, which will come directly from the federal budget, will help him sweeten the pill of a broken promise for his constituents.

Incidentally, where will Ottawa take the billion dollars in adjustment assistance that will be distributed over the next four years among the three Maritime provinces?

To conform to the tradition and rules of this house, I will continue next week.

FOREIGN AFFAIRS

EFFECTS ON LEBANESE POPULATION AND INFRASTRUCTURE OF ISRAELI BOMBARDMENTS

Hon. Marcel Prud'homme: Honourable senators, I will be very clear and very brief. I wish there were a lot more interventions. As Senator Finlay MacDonald has advised, I would like the questions and the answers to be kept short.

I am saying this to the government leader as a friend. The questions and answers were incredibly long yesterday. That prevented us from asking more questions. Senate meetings are interesting because we can exchange views.

Israel continues attacking Lebanon. There are Liberal, Conservative and independent senators who are very familiar with Lebanon. There are today 500,000 displaced persons. It seems that I did not make that clear enough yesterday.

Not only are these people displaced, but Israel continues to bomb the infrastructures, the road over which water and food are brought to those who are still lost in the villages of southern Lebanon. It is unacceptable. I ask the government leader to remind the Minister of Foreign Affairs that Israel refuses to abide by resolution 425 of March 19, 1978. He could also convey my disapproval to the Israeli ambassador.

That is where the problem started. That is why the Hezbollah came to be. As long as southern Lebanon is occupied, peace will not be possible. The risk is spreading, and that is unfortunate. There was a peace process. This resolution is extraordinary. Yesterday, the PLO recalled this unfortunate and unacceptable declaration.

[English]

It is clear that this resolution by the PLO calling for the destruction of Israel is unacceptable. It has been recalled now, so there is progress. However, it seems that as soon as there is progress in one area in the Middle East, there is another problem to contaminate the situation.

Again, I wish to be witness to the suffering of the people of Lebanon. I am sure that honourable senators will feel the same way.

ROUTINE PROCEEDINGS

AGRICULTURE AND FORESTRY

REPORT OF COMMITTEE TABLED

Hon. Leonard J. Gustafson: Honourable senators, pursuant to rule 104(1) of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Agriculture and Forestry. This report deals with the expenses incurred by the committee during the First Session of the Thirty-fifth Parliament.

(For text of report, see today's Journals of the Senate.)

ADJOURNMENT

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(h), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday next, April 30, 1996, at two o'clock in the afternoon.

The Hon. the Speaker *pro tempore*: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

• (1420)

CAPE BRETON DEVELOPMENT CORPORATION

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Lowell Murray: Honourable senators, I am advised that discussions have been held between the two sides of this chamber and that there is a disposition to waive notice and to pass today the following motion.

Therefore, I move, with leave of the Senate and notwithstanding rule 57(1)(d):

That a special committee of the Senate be appointed to examine and report upon the annual report and corporate plan of the Cape Breton Development Corporation and related matters;

That the committee be composed of 12 senators, three of whom shall constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to sit during sittings and adjournments of the Senate; and

That the committee submit its final report no later than June 15, 1996.

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

Hon. Senators: Agreed.

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Marcel Prud'homme: Honourable senators, I want to thank Senator Murray for informing me of his motion, and it does require unanimous consent. I would like to suggest, not for this motion but for future motions of this nature, a practice which exists in the United Nations. There, anyone who suggests a committee must give an idea of the cost involved before it can be implemented.

I am not saying that as criticism of Senator Murray. In fact, I will say yes to his motion. This morning I sat in on the Internal Economy Committee meeting, and it seems they are always looking for money. I put this suggestion to the Senate: Should we

[Senator Graham]

not adopt this good custom of the United Nations, where they resist the habit of creating all kinds of committees without knowing ahead of time how much money is involved?

We should have consultations to determine the cost before we say yes. It is very difficult to refuse the funds once the budget has been submitted to the Senate. I would hate to say yes today and then say no to the budget. However, it would be good to have in advance an idea of the cost of any special committee which is to be approved by the Senate.

Hon. Eymard G. Corbin: Honourable senators, I do not want to delay this matter. However, I had understood that a body would be set up within the existing committee structure to examine this matter, which I consider quite valid and important; do not get me wrong. I now realize that what we are doing here is setting up a special committee.

In principle I am not opposed to that, but it begs the next question: How realistic is the date of June 15 for the presentation of a final report? A date must be affixed to a motion like this, but is that a realistic date?

It usually happens, once we have embarked on these studies, that avenues arise which had not been foreseen; the issue grows and grows. Can we have some assurance that the timetable is in fact a realistic one?

Senator Murray: Honourable senators, I can only speak as the mover of the motion. I believe that the timetable we have set, providing for a report by June 15, is not only realistic but necessary. The fact is that the corporate plan for the Crown corporation is now in the hands of the government, which will have to make a decision very soon.

If honourable senators on the committee have recommendations to make or views to express, it had better be done quickly if we hope that those recommendations or views, as a practical matter, can be taken into consideration by the government.

Motion agreed to.

QUESTION PERIOD

GOODS AND SERVICES TAX

HARMONIZATION WITH PROVINCIAL SALES TAXES— SOURCE OF TRANSITIONAL FUNDS—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, my first question concerns the deficit forecast for the fiscal year that ended on March 31, 1996.

On March 6, 1996, the federal budget said that the government is on track to reach a deficit of \$32.7 billion for the 1995-96 fiscal year. Two weeks later, the government magically found funds to entice Atlantic Canada into GST harmonization while still meeting or beating its \$32.7 billion target. Six weeks later, with Tuesday's announcement, the figure was up to \$961 million. The Minister of Finance has said that he can charge this to last year's budget and still meet his target.

I have a short question which takes a short answer, I hope. Can the minister explain how \$1 billion can materialize out of thin air in just six weeks? Can the minister assure us that the budget numbers were not fudged or cooked, as we on this side have said many times before in this chamber?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, first of all, there has been no cooking of numbers. The Minister of Finance indicated that the compensation package and the whole question of the memorandum of understanding had been discussed some time ago with the provinces of Atlantic Canada, and that the compensation package was within the capability of the government for that fiscal year.

Senator Simard: Honourable senators, in my opinion, the integrity of the government's policies have been called into question by the GST announcement on Tuesday of this week, as has the government's bookkeeping. The entire \$961 million is being charged to a fiscal year that ended three weeks before the agreement was signed. However, the money will be paid over a period of four years, starting in the fiscal year that begins on April 1, 1997. I challenge the minister, or anyone on the government side, to explain, if the minister is unable to do so, how it is that an agreement can be concluded this fiscal year with payments to be made in future years, but with the entire amount charged to last year's deficit?

• (1430)

Senator Fairbairn: Honourable senators, I can only repeat what I have indicated already. The intent to pursue harmonization along the lines which have occurred was identified in the budget. The offer was made to the provinces during the last fiscal year. I am advised that the contingent liability, therefore, applies to the 1995-96 fiscal year.

Senator Simard: Honourable senators, on a regular balance sheet, contingent liabilities of businesses or governments are listed as such. They are not necessarily locked in every time to the budget surplus account or the deficit account. Auditors and chartered accountants usually note on the balance sheet the contingency involved.

I have no hesitation in charging again that this government is cooking the books — fudging the books — to please the Prime Minister and all the ministers in order to mislead Canadians, and this is not the first time they have done so. They have prepared four-year plans and five-year plans with respect to all these Estimates. I remember having heard, over the course of five or six years, how the Estimates of Messrs Wilson and Mazankowski were wrong. I am telling honourable senators that I have no problem comparing the two sets of Estimates.

It is now obvious that an agreement, signed this year involving a deficit, will be charged to last year. Payments will be made in the next four years, starting in April 1997. This is nothing but creative accounting. It is misleading. It is not being honest.

This is the week for many people to apologize. We heard General Boyle apologize yesterday for having forgotten that he authorized a certain memo. Paul Martin also apologized this week. I hope that, on behalf of the government, the Leader of the

Government in the Senate will not only apologize for the government having cooked these books, but that she will also apologize for Sheila Coppins, who has failed to apologize thus far. It is never too late.

Senator Fairbairn: Honourable senators, as I said in answer to the honourable senator's first question, there is no question of the Minister of Finance cooking the books of Canada. He has been very open and he has answered these questions, but obviously he is not satisfying my honourable friend. However, he has been very clear about what the process was in negotiating the agreement with the three Atlantic provinces of New Brunswick, Nova Scotia and Newfoundland, and where the period within which the contingency liability would apply.

I listened carefully to my honourable friend's question and his comparison of the past with the present. I would simply make the statement that I, too, am very comfortable not just with the Estimates but with the results my friend the Minister of Finance has achieved in reaching his deficit targets. He has systematically reduced the deficit for Canadians, year after year after year. His results are beyond the expectations of his own estimates to the point that we will have exceeded our original expectations in terms of the speed with which the deficit has been reduced for the people of Canada.

Hon. Lowell Murray: Honourable senators, the Leader of the Government will agree, will she not, that whatever year in which the contingency liability appears, the government was last year and is this year borrowing money to pay this transitional assistance, or whatever the appropriate term is, to those provinces? I have seen figures attributed to ministers in the other place as to the amounts that are available to certain other provinces, in particular Manitoba and Saskatchewan, were they to harmonize their provincial sales taxes with the GST.

Will the minister confirm the amounts that are available to those and to other provinces, and let us know to what year the relevant amounts would be charged?

Senator Fairbairn: Honourable senators, as Senator Murray knows, and as he has indicated, there is still a great deal of work for the government to do in bringing to fruition a national sales tax from coast to coast. The Minister of Finance will be working very diligently at that. I will transmit my honourable friend's question and provide him with an answer.

HARMONIZATION WITH PROVINCIAL
SALES TAXES—BENEFITS TO CANADIANS
IN ATLANTIC PROVINCES—GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, yesterday, in response to questions, the Leader of the Government in the Senate stated that Atlantic Canadians would realize benefits from this new Liberal "tax attack." The Leader of the Government in the Senate is right. If a single mother goes out to buy a new car, she will save a couple of hundred dollars. If a struggling family decides to buy a brand new TV set, they will pocket an extra \$40. What about when these same families go to pay their electricity bill or their oil bill, or buy a book for their child or even a newspaper for themselves? Where are the so-called benefits then?

Will the minister who is responsible for literacy stand in this house and apologize to those Atlantic Canadians who, far from benefiting from her government's tax attack, will suffer immeasurably?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I have said in the last few days in response to questions from my colleagues opposite, the three Atlantic provinces which have chosen to harmonize the tax into a simplified, integrated tax will, indeed, reap benefits from this act. Far from being pessimistic about the benefits to this area, as I have said before, the leadership in those provinces should be congratulated for having the foresight to act on behalf of the people who elected them, and for taking a course of action that will have great benefits in those areas.

• (1440)

My honourable friend has talked in terms of individuals, which is a valid approach. Some of the ministers in those Atlantic provinces have done so as well by indicating the average benefits per family that might be expected from this tax. However, the arrangement goes far beyond that, particularly in terms of the ability of business in that area to move ahead in a competitive way, because it will no longer have to pay tax upon tax upon tax. The position of consumers in that part of Atlantic Canada is also enhanced, not only by savings but also in terms of the purchases they make in their daily lives, in that by simplifying this tax it is more easily handled.

When you take all of these aspects into consideration, this arrangement holds a great deal of promise for Atlantic Canada. It relieves some of the burden on the people in that area and holds a brighter future in terms of jobs, economic growth, opportunities for business, and exports internationally. They have done an admirable job in working on this agreement with the federal government. I would urge others in this country to work in the same way so that other Canadians, too, can benefit from an integrated national tax.

Senator Lynch-Staunton: Why didn't you say that during the GST debate?

HARMONIZATION WITH PROVINCIAL SALES TAXES—POSSIBILITY OF REFUND TO ONTARIO TAXPAYERS—GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, the honourable minister is getting very good at giving speeches, but I wish she would answer my question.

Perhaps the minister is correct. Maybe there is some benefit to the Atlantic provinces with this new initiative by the federal government. If there is a benefit, it comes from the billion-dollar bribery that they were offered by the federal government at the expense of other provinces, such as the minister's province of Alberta and my province of Ontario, which will have to be responsible for approximately \$400 million of that billion-dollar bribery.

Would the minister undertake to ask the government if they are prepared to find a way to rebate Ontario taxpayers this \$400 million out of which we are being cheated, or to reduce the cuts to transfer payments of Ontario to help the taxpayers of the province with their own debt and deficit problems?

[Senator Di Nino]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I have a great deal of difficulty in listening to the honourable senator when he uses words like "bribes" and "being cheated." What has happened in Atlantic Canada is that they have taken advantage of an opportunity, as any province in this country may do. There is a clear formula set out for every province that will show a loss in revenue during the transitional period of harmonization. This affects the Atlantic provinces. It would affect Saskatchewan and Manitoba. They, too, would be open to assistance through a transitional period.

When we have structural change like this in Canada, whether it be in terms of taxation or in terms — and some of my friend opposite laughed when I said this the other day — of the gigantic change which took place in the grain transportation industry in Western Canada one year ago, every federal government, including the government to which my honourable friend belonged, offers compensation during the transitional period.

The benefits that Atlantic Canada will derive from this system will enrich that area in a way that, it is our hope and belief, will help them to reduce their equalization payments from the current level, and that could be the case all across Canada. It could help people in Ontario, British Columbia and Alberta.

There is no way that regions of this country should be afraid of cooperating for the common good of the nation. This is not "cheque-book federalism." This initiative will help each region of this country, in good times and bad. Throughout our history, every region of Canada has experienced those bad times and has been helped by others across this country.

HARMONIZATION WITH PROVINCIAL SALES TAXES—
REVENUE NEUTRALITY—RATIONALIZATION OF
CONCEPT—GOVERNMENT POSITION

Hon. Brenda Robertson: Honourable senators, this is not the time to respond to a speech but, believe me, coming from Atlantic Canada, I could throw a lot of cloud on the comments of the honourable minister. Those of us from Atlantic Canada — or at least those of us not showing our partisan colours as loudly and as brilliantly as some of the Liberals down there — are very worried about what will happen to our hydro bills in four years' time; what will happen to real estate deals in four years' time; and how people will be able to afford to live. You and I know that the government will tax other things.

My question on harmonization is simply this: In 1993, the Prime Minister promised to remove the GST within the context of revenue neutrality. Never mind what has happened; he said that if he removes the GST, it will be revenue neutral. I am advised that even with the additional funding that has been thrown into the Atlantic provinces, with the harmonization of the GST and the PST the federal government will pay \$364 million over four years to my province of New Brunswick. That is supposed to replace \$680 million in lost revenue. I would suggest that this is just the start. I should like the leader's explanation of that harmonization and revenue neutrality.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the Minister of Finance has indicated that the federal tax in this area is revenue neutral. There will be a reduction in Atlantic Canada, which is precisely the reason why a transitional adjustment process has been put in place.

My honourable friend has offered figures. I will take those figures, share them with my colleague, and seek to have some

response for her by next week. I cannot deal with those figures myself here today and I will not pretend to do so. I will try to get an answer for my honourable friend.

My honourable friend has talked about blatant partisanship on the part of people on this side of the house, or some people.

Senator Robertson: No, in Atlantic Canada.

Senator Fairbairn: In Atlantic Canada? Well, in looking around this chamber I see, on both sides, some of the finest representatives in the Parliament of Canada, and they are from Atlantic Canada. These senators care passionately for the people of their provinces and their areas. There is absolutely no way that there are people in this chamber with heart and understanding who are talking seriously about bribing and cheating when it comes to this situation.

• (1450)

There is a belief that, with the goodwill that has gone into these negotiations, and with the goodwill of the premiers of those provinces on behalf of the people they were elected to represent, there will be benefits and a brighter future for that area and for the entire country if we can get this on a national track. That is our objective.

Senator Robertson: Honourable senators, let me suggest to the honourable minister that this is not the first government that has worked at harmonizing. There are many pitfalls. Three Liberal premiers in the Atlantic provinces have signed on to this initiative. I doubt that anyone on this side of the house would contradict me when I say that your chore would be much easier if there were Liberal governments in Ontario, Alberta and British Columbia.

Let us be realistic about this: You received help from your friends. However, I say to you, Madam Minister, that the people will suffer because this tax will be expanded to cover all kinds of things that our people will no longer be able to afford to buy.

Senator Fairbairn: Honourable senators, my honourable friend is absolutely correct that the Liberal Party is the political affiliation of the premiers of Nova Scotia, New Brunswick and Newfoundland. They were handsomely elected to govern the people of those provinces.

Senator Lynch-Staunton: You were elected to abolish, not to harmonize!

Senator Fairbairn: They have done so on behalf of the people of their provinces. They have done so with goodwill, intelligence, and a great deal of —

Senator Lynch-Staunton: Chaos!

Senator Fairbairn: — perspicacity. They have done so to achieve benefits for their area.

I would challenge my honourable friend to find a premier in this country who, within his or her own set of beliefs and principles, would not always strive for benefits and help for the people of his or her provinces and his or her region.

My honourable friend may well be correct. If there were a Liberal premier of Ontario or, God willing, Alberta, perhaps he or she would have the impetus, foresight and enthusiasm to latch on to this program and bring that same kind of opportunity to the people of his or her province.

[Translation]

HARMONIZATION WITH PROVINCIAL SALES TAXES—
POSSIBILITY OF RETROACTIVE COMPENSATION FOR QUEBEC—
GOVERNMENT POSITION

Hon. Jean-Claude Rivest: Honourable senators, my question concerns the GST as well. I was involved with others, including my fine friend Senator Bacon, in the Government of Quebec, which blended its sales tax with the GST without any sort of compensation.

In view of the fact that the Government of Canada has just compensated the Maritime provinces, will it compensate Quebec and the people of Quebec retroactively in the matter of the GST?

[English]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the answer is yes, Senator Rivest's province has been in the process of harmonization for a number of years now. As I understand, that process will be completed this year. However, the Province of Quebec did not lose revenue when it harmonized its tax. It is in the same position as the Province of Ontario or the Province of British Columbia would be if they followed suit. They would also not lose revenue under harmonization. According to the public formula being used in this case, the Province of Quebec would not receive, at this point, retroactive compensation because it was not then, nor is it now, in a position where it would suffer losses from harmonization.

The helpful nature of what the Province of Quebec has done has caused businesses in Quebec to hail the process of harmonization as one that has simplified and enhanced —

Senator Lynch-Staunton: Come on!

Senator Fairbairn: Yes, indeed, it has enhanced and reduced costs.

[Translation]

Senator Rivest: I would point out to the government leader that, before the federal GST came along, there was no sales tax on services in Quebec. The people of Quebec were not penalized by harmonization. It involved some costs for the people of Quebec in the same way it will for the people of the Atlantic provinces that decided to harmonize their sales taxes.

You are aware that the Quebec government is about to ask the Canadian government, not to reverse the decision made by Mr. Bourassa's government but to give the people of Quebec the same benefits as those granted to the people of the Atlantic provinces.

I am convinced that if other Canadian provinces decide to harmonize their sales taxes, they will ask to be treated exactly the same as the Liberal governments of the Atlantic provinces.

[English]

ORDERS OF THE DAY

WITNESS PROTECTION PROGRAM BILL

SECOND READING—DEBATE ADJOURNED

Hon. Lorna Milne moved the second reading of Bill C-13, to provide for the establishment and operation of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions.

She said: Honourable senators, I am pleased today to move the second reading of Bill C-13, the Witness Protection Program bill. This bill was formerly Bill C-78 in the last session of this Parliament. The bill received the support of all parties in the other place, and I have no doubt that my colleagues in the Senate will be equally supportive.

Source and witness protection is an important instrument of law enforcement, particularly when dealing with organized crime. Persons who help police often put their own safety at risk to do so, and the promise of protection for those who assist in the fight against crime encourages people to come forward and cooperate with the police.

For 12 years, since 1984, the RCMP has had in place an administrative program to protect sources and witnesses. The current annual cost is about \$3.4 million, with the average cost per case running at about \$30,000. About 60 per cent of these cases cost less than \$20,000. About 50 per cent of them actually involve organized crime. We also have data that indicates that 85 to 90 per cent of cases involving witness protection result in conviction, usually due to the testimony of the protected witness.

Honourable senators, the government has taken the initiative to improve the effectiveness of this law enforcement tool by proposing a statutory framework which will provide a uniform and fair national system for providing protection, while ensuring that both parties to a protection agreement have clearly defined rights and responsibilities. Lack of accountability in the existing program has been a concern. The very fact of providing a statutory framework brings the whole program into the public domain, and it ensures greater transparency and accountability of the program.

Under this legislation, the RCMP will be required to submit an annual report to the Solicitor General, who in turn will cause that report to be laid before both Houses of Parliament. The purpose of the legislation is to aid police agencies in the investigation and prosecution of serious crime. The Solicitor General introduced this legislation as part of the Red Book commitment to working towards safer communities and safer streets.

I should like to note that the bill's stated purpose is to aid the RCMP or any police agency with which it contracts. Some might be interested to know that this definition excludes the Canadian

Security Intelligence Service, CSIS, from operating under the act since it is not a law enforcement agency.

• (1500)

The bill we are considering will provide statutory authority and a clear and uniform outline for federal witness protection programs under the administration of the Commissioner of the RCMP. Honourable senators should keep in mind that there are such programs already run by other law enforcement agencies in Canada, whether they be provincial or municipal. These will not be replaced or supplanted by this act.

Bill C-13 sets out clear criteria for deciding who is eligible for protection by the RCMP. A person who testifies in a prosecution or an information source, or even a police agent may be extended protection if they are put in danger by an investigation or a prosecution. In addition, the immediate family of that person may also be eligible for protection.

A person may only be admitted to the program if the RCMP commissioner deems that the person meets the admission criteria set out very clearly in the bill. In any case, where a person is refused admission, the bill provides that written reasons must be provided for the refusal, and the existing RCMP public complaints procedure is available for redress.

This bill is designed, in part, to remove the possibility of misunderstandings arising between the RCMP and the people they protect. Unfortunately, there have been a few cases in the past where disagreements and misunderstandings have led to litigation. The Witness Protection Program Act provides a statutory mandate for the RCMP to enter into a contract with a protectee. In fact, for a person to enter the program, a formal protection agreement must be entered into. Any such contract must contain the provision that the RCMP be required to take all reasonable steps to provide protection to the source or the witness.

In addition to specifying what the RCMP must do, the bill requires that all protection agreements also contain certain obligations on the part of the protectee, the person to be protected, and these are as follows: First, the protectee is required to cooperate with authorities by providing information or evidence and to participate as required in any prosecution or inquiry the RCMP pursues.

Second and third, the protectee remains responsible for all financial obligations and all legal obligations that are not specifically covered by the agreement. This clause, by the way, was added by the committee in the other place to address concerns that protectees might abuse the program as a means of escaping legal or financial obligations.

Fourth, the protectee is prohibited from committing an offence against any act of Parliament, from compromising his or her own security, or from compromising the security of another protectee, and I want to emphasize that any infraction in this regard could lead to termination of the program for that protectee.

Fifth, the protectee is required to cooperate with, and to follow reasonable instructions from, the RCMP with respect to establishing and maintaining his or her security. These five provisions will form the foundation for any contract whereby the RCMP will agree to protect a source or a witness. Other provisions may be added, but these fundamentals must always be present.

The bill also provides that the commissioner may take a decision to terminate protection of a source or a witness if the protectee has failed to disclose relevant information, or if the protectee fails to meet his or her obligations under the agreement. In the event of any decision by the commissioner to terminate protection, the RCMP must provide reasonable notice to the protectee, together with the reasons for the decision to terminate. If the protectee disputes the decision, the bill provides access to the public complaints procedure that is already in place.

Anyone refused entry into the program, or any protectee who has been served notice of termination, will receive written reasons for the commissioner's decision and may use these reasons as a basis for their complaint.

There is also a provision to prohibit the disclosure of information about protected persons except under very specific and controlled circumstances. Any contravention of this provision would lead to prosecution and punishment of the offender. In a case where a person were to publish or disclose information about a protectee, which information had already entered the public domain, no offence would be committed, but in a case where a limited disclosure is required for some reason, persons to whom that information is disclosed are also bound by the act not to disclose it any further.

In committee in the other place, the term "knowingly" was added to this offence provision, to clarify that only persons who consciously or intentionally violate the security of protectees can be prosecuted.

There is a clause in the bill as well to allow protectees to legally claim that their new identity has always been their only identity. For example, protectees could not be prosecuted for filling out a passport application and saying that they had never changed their name.

The bill authorizes the RCMP to enter into agreements with provincial or municipal police forces, and in some cases with foreign governments, to allow them to participate in the witness protection program on a cost-recovery basis. Because of this cost-recovery principle, agreements with the other agencies are not expected to increase the burden on federal coffers. As I have already mentioned, the program now costs about \$3.4 million a year and it is not expected to increase.

Finally, the bill requires the commissioner to make an annual report to Parliament, and adds the program to the purview of the RCMP Public Complaints Commission. These measures, as I said, are designed to address the need for greater accountability in the program.

In conclusion, by providing this statutory authority for an existing administrative program of the RCMP, the government intends to strengthen a law enforcement tool that has proven to

be very effective, especially in the investigation and prosecution of organized crime. At the same time, this bill responds to the needs of both the RCMP and the people it protects. Each party under the bill has very clearly defined rights and responsibilities. It is expected that the possibility for misunderstandings between the police and their witnesses will be virtually eliminated by this clarity within the bill.

This statutory basis for the program will ensure uniform application of policy, together with greater certainty about the operation and scope of protection agreements, and thus it will provide more assurance that both sides will live up to their part of the bargain.

I look forward to the committee process where we will have an opportunity to examine this bill more closely.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

CONTRAVENTIONS ACT

BILL TO AMEND—SECOND READING

Hon. Rose-Marie Losier-Cool moved that Bill C-16, an act to amend the Contraventions Act and to make consequential amendments to other acts, be read the second time.

She said: Honourable senators, I am pleased to address you today about a bill that translates into facts this government's firm commitment to working together with provincial and territorial authorities to ensure that that costly overlap is eliminated. The amendment proposals contained in Bill C-16 are the result of sustained consultations with the provinces and territories. These amendments to the Contraventions Act are designed to provide an efficient yet economical mechanism to implement the system adopted by Parliament in 1992, thus strengthening federal law enforcement.

As you know, under current legislation, any person charged with a federal regulatory offence, such as the mere act of picking a flower on National Capital Commission grounds, faces the same criminal procedure as someone charged with common assault. The peace officer who reports the offence must lay an information in the format prescribed by the Criminal Code and have it sworn in by a justice of the peace, who then makes out a writ of indictment, which has to be served to the offender in person. The writ informs the offender of the charges laid against him and instructs him to appear in court on a certain date. The offender has to go to court, even if he is prepared to plead guilty and does not wish to submit a defence.

[*English*]

• (1510)

Honourable senators, the current Contraventions Act, which is not yet in force, provides for a simplified means of enforcing federal offences. The ticketing scheme it proposes is designed as an alternative to the costly and inadequate Criminal Code summary conviction procedure currently used for those offences. The ticketing scheme is similar to schemes that exist in most provinces. By allowing an enforcement authority to issue a ticket

to a person charged with contravening the small vessels regulations, for instance, the act will lead to better enforcement of federal legislation.

A very important aspect of the Contraventions Act is that once an offence is designated as a contravention under the act, any person convicted of that offence can only be subject to civil and administrative sanctions. That person is no longer subject to the consequences of a criminal conviction such as having a criminal record, having one's fingerprints taken, or possibly having one's passport denied. The act is intended also to ease the workload of the enforcement officers, the prosecutors and the courts which would be involved under the current Criminal Code process by eliminating the trial of cases where the alleged offender wants to plead guilty to the offence and pay the set fine.

The amendments proposed by Bill C-16 have been suggested by the provinces and are but another example of the spirit of cooperation existing between both levels of government. These amendments will allow provincial and territorial offence schemes to apply to federal contraventions.

[Translation]

Rather than putting a complex and costly federal infrastructure into place for handling federal contraventions, it will be far more economical to use the system in place in a province or territory. The provinces have developed considerable expertise in handling contravention tickets over the past year. A number of them, moreover, have central agencies capable of efficiently handling heavy numbers of contraventions at reasonable cost. Ontario and Quebec, for instance, have highly developed centralized computer systems with the capacity to handle all contraventions issued within their territory, including federal ones, at reasonable cost.

With the amendments proposed by Bill C-16, an enforcement authority within the meaning of the Contraventions Act, a police officer, for instance, who becomes aware of a federal contravention committed in Quebec, for example, will simply be able to use the report in effect in that province. Once such a report has been made, the contravention will be dealt with in the same manner as a provincial contravention.

Although the penal system of each province and territory may now be applied to contraventions, it will still be incumbent upon the Governor in Council to designate which federal infraction will be classified as a contravention, and what the amount of the fine will be. Where the fine is concerned, the amount will be the same everywhere in Canada, but the bill will allow the provinces to charge the same administrative fees and expenses for contraventions that they levy on their own contraventions.

[English]

Since not all provinces and territories are at a stage where they can readily integrate federal contraventions into their respective systems, Bill C-16 provides also for the possibility of implementing the act province by province. It is expected that the first agreement will be concluded in 1996, and that the legislation will be fully implemented over the coming three years.

[Senator Losier-Cool]

[Translation]

In conclusion, honourable senators, these amendments to the Contraventions Act will enable the two levels of government to work together at reducing the costs associated with the administration of justice, as well as needless duplications, while providing Canadians with an efficient and economical law enforcement system.

[English]

Hon. Duncan J. Jessiman: Honourable senators, I am happy to rise today to speak on Bill C-16, to amend the Contraventions Act. As Mr. Gordon Kirkby, Parliamentary Secretary to the Minister of Justice and Attorney General of Canada explained to the House of Commons on March 28, 1996, to understand this bill it is important to understand the act which this bill amends, the Contraventions Act, which was given Royal Assent on October 12, 1992. To date, however, the Contraventions Act has yet to be proclaimed.

To educate myself on the Contraventions Act, I reviewed, first, the minutes of proceedings and evidence of the legislative committee of the House of Commons from April 30, 1992 through May 20, 1992; second, the *Debates of the Senate* of September 9, 1992, when the Honourable R. James Balfour spoke on behalf of then Bill C-46, the contraventions bill. Other senators also took part in the debate, in particular our Speaker, the Honourable Senator Molgat and the Honourable Senator Corbin; three, the proceedings of the Standing Senate Committee on Legal and Constitutional Affairs of September 22, 1992, when Senators Beaudoin, Cools, Di Nino, Doyle, Lewis, Nurgitz and Stanbury formed that committee, and the Honourable Senator Bonnell was also present and took part in the discussion; four, a backgrounder on the Contraventions Act amendment prepared by the Communications and Executive Services Branch, Department of Justice, dated December, 1995; five, a summary of the amendments to the Contraventions Act revised March 20, 1996, prepared by the Department of Justice; six, *House of Commons Debates* dated March 29, 1996, when the said Gordon Kirkby spoke to the House in respect of Bill C-16; and seven, Bill C-16 as passed by the House of Commons on March 29, 1996.

Unfortunately, it has been 20 years since the Law Reform Commission, in 1976, recommended that such legislation be put in place. When the Conservative government took over in 1984, Stan Darling, MP, Conservative member for Parry Sound—Muskoka, was the moving force in getting this legislation passed in the House of Commons in 1992. He persevered through two ministers, namely, the Right Honourable Ray Hnatyshyn and the Honourable Douglas Lewis, before he was able to persuade the Right Honourable Kim Campbell to push the legislation through in 1992.

At the committee stage in the House of Commons on May 4, 1992, Mr. Russell MacLellan, MP for Cape Breton—The Sydneys, asked Mr. Daniel C. Préfontaine, Chief Policy Counsel, Compliance and Aboriginal Justice, Department of Justice, the following question:

...this bill seems fairly straightforward to me, although there must be some pitfalls in it. The Law Reform Commission recommended this procedure back in 1976, and the department has been seized with this question since 1986. Why has it taken so long to bring forward this piece of

legislation on what seems to be a very straightforward procedural matter?

Mr. Préfontaine replied as follows:

When we began looking at the need for this type of procedure it was primarily in the context of the government property traffic regulations. At the time we were trying to identify the different departments in different federal areas and different enforcement agreements with the provinces to administer these government property traffic regulations.

As we began to delve into it, and based on the seminal work of the Law Reform Commission, a great number of issues began to pop up with respect to criminal records and what we do about them, with respect to fingerprinting, with respect to young offenders, with respect to the tie-in to the provincial offences and procedures act, for example, that Ontario had been proceeding with and was still working on during those years.

What with everything else we had, we continued to work on it and kept trying to figure out what was the best model, the best approach to follow. As a result of that it took time and effort, and because it is a procedural kind of a thing...Really, not until it became very clear that this was going to have some strong effects on the way the court systems keep building up and building up did we make it a priority. Today it became a priority because of all the elements that have come to into play over a period of years.

• (1520)

We were concerned about Charter questions until the courts began to tell us, no, it wasn't a problem if you had a different administrative approach from one province to the other, although be as consistent as you could nevertheless in a national piece of legislation.

Those are all the elements that went into the years that we have been working on this and I have personally been associated with it. It also took a willingness on the part of the minister to say, yes, this was something that had to be done, it was overdue and should be put forward, and she had done that by introducing the bill last December.

That was in 1991.

As the good senator just said, the Contraventions Act removes certain minor federal regulatory offences from the Criminal Code and other federal statutes. Its aim was to prevent those who break minor federal laws by committing offences which might not normally be considered criminal acts from overloading the courts. The act removed certain minor federal regulatory offences from the Criminal Code and other federal statutes, setting up a new class of minor federal offences for which offenders would no longer be sent through the court system.

Honourable senators, under the act passed by the former Progressive Conservative government, offenders would still face consequences for their actions; they would be issued a ticket which would be filed with the court office. The person could then

admit guilt by signing the ticket and paying the fine. They were trying to arrange it so that the fine could be paid at some financial institution, such as a bank. On the other hand, they could plead not guilty and request a trial. In that case, they would follow the usual route through the courts. This procedure is more appropriate and less costly than the practice of using Criminal Code procedures for these types of offences.

As Senator Balfour explained in 1992, there are three central objectives to the legislation. First, there is the decriminalization of minor federal regulatory offences. Those senators who are members of the Legal and Constitutional Affairs Committee know something about decriminalization of acts. The second is the removal of uncontested cases from the courts. The third is improved enforcement of fines.

The difficulty in getting this legislation into effect, however, has been that there are 12 federal departments and agencies concerned with hundreds of thousands of possible infractions which have to be winnowed down to about 3,000 infractions if they are to be dealt with in a summary way under this legislation. I refer to such minor infractions as speeding by boats too close to shore, hunting without a valid permit, camping in a park without a permit, picking flowers in a federal park, violation of parking regulations on federal lands, and the like.

If we then add the 10 provincial governments and the two territories — soon to be three — one can imagine the bureaucratic headaches one will encounter in trying to coordinate the various aspects of this measure.

The Department of Justice has had this measure in hand on an active basis for in excess of 10 years. Let us hope that the department can get it in place and get it working in 1996, as the good senator has just suggested it will.

Another matter that concerns parliamentarians is the fact that the approximately 3,000 offences that would be included will be prescribed by regulation, and the government of the day can pick and choose which offences will be applicable. It is also possible under the legislation to allow the enforcement authorities to make the choice of whether to issue a ticket or to lay a charge. They have to follow certain administrative guidelines developed by each department.

It would be preferable to have both the offences and the guidelines reviewed by Parliament before the legislation takes effect. However, if it would take another 10 or 20 years to do that, then perhaps the balance of convenience dictates that we should proceed sooner. This is something we will ask the representatives of the Department of Justice when they appear before the committee.

Another matter that concerned some of the Liberal senators when this legislation was before the Senate previously was the fact that the Legal and Constitutional Affairs Committee did not invite the governments of the 10 provinces and the two territories to make a written or verbal representation to the committee, as set out as a general policy under Appendix I of the *Rules of the Senate of Canada*. This, too, I hope will be discussed at the committee stage.

As to Bill C-16 itself, in addition to a number of technical and housekeeping amendments, the enactment would permit the Governor in Council to make the offence scheme in effect in a

province or territory, with any necessary changes, applicable to federal contraventions committed in that province or territory, and it would authorize the Minister of Justice to enter into agreements with provinces, territories, their municipalities and agents regarding the administration of the act, including the prosecution of contravention and discharge and enforcement of fines. The legislation will also authorize the Minister of Justice to enter into agreements with provinces, territories and their municipalities to share revenue resulting from fines imposed as a result of a contravention and provide for the accounting of any such compensation, and provide that whether a contravention is subject to the federal scheme or a provincial or territorial scheme, certain fundamental principles continue to apply.

There is no question that we on this side of the chamber are in favour of this legislation and are anxious that it come into effect as quickly as reasonably possible. We will, of course, want to question departmental officials in respect to the regulations and the list of offences that will be included, the guidelines to be used by each department, the delays that have extended far longer than necessary to proclaim this bill, and the fact that Bill C-16 was passed in the other house within one day and without referring it to committee, even though a couple of amendments were required.

I would like now to reiterate my support for the overall purpose of the Contraventions Act, as well as the amendments provided in this bill, and for its potential to reduce the cost of administering Canada's justice system and to increase compliance with federal regulation.

Therefore, it is my recommendation that Bill C-16 be sent to committee. It would be useful for government officials to appear before the committee to explain the amendments which were so precipitously made to Bill C-16 and also to explain why arrangements were not made to have the Contraventions Act proclaimed before now. I trust that once these questions are answered to our satisfaction we will be able to give our unqualified support to this legislation.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

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

• (1530)

Hon. Rose-Marie Losier-Cool: Honourable senators, before I move that this bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs, I should like to thank Senator Jessiman for his comments. I look forward to working with him on the committee.

On motion of Senator Losier-Cool, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Bacon, seconded by the Honourable Senator Rompkey, P.C., for an Address to His Excellency the Governor General in reply to his speech at the Opening of the Second Session of the Thirty-fifth Parliament.—(5th day of resuming debate)

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, I should like to begin by congratulating both Senator Bacon and Senator Rompkey, the mover and seconder of the Address in reply to the Speech from the Throne, for their excellent contributions to this debate. I thought they were among the best in this regard that I have heard since I came to this chamber.

One of the features of the Throne Speech was the government's challenge to the private sector to produce jobs for young Canadians. It was clear, as the Prime Minister subsequently pointed out, that business has a major role to play in helping to eliminate what he called the human deficit of unemployment.

Mr. Martin then delivered a budget which is a bold achievement in many ways. Analysts throughout the country applauded the Minister of Finance for the demonstrable commitment he made to the development of social programs in this country.

In an act which for many was the equivalent of squaring the circle, Mr. Martin also carried through on his pledge to take the lead in eliminating the fiscal deficit. The government has held to the difficult commitment of fiscal responsibility. It was only logical and fair that business be asked to shoulder, in turn, some of the burdens of the human deficit of unemployment. Or, as Minister Manley has put it so well, it is time for corporations to become real partners in society.

The Prime Minister has asked businesses, large and small, to invest one additional percentage point of their payroll budget into the creation of jobs for young Canadians. The 1 per cent commitment will be further proof that Canada can work not only for the powerful and the privileged but also for millions of ordinary Canadians. That commitment on the part of the business community would be central to restoring a partnership of trust in our country.

[Translation]

Honourable senators, we are living at a time in which two worlds coexist in one decade. On the one hand, we are seeing a spectacular surge of exports abroad as Canadians confidently welcome the challenges of the New Economy. On the other hand, we are faced with the human toll which has resulted from restructuring industry across the globe.

[English]

The Government of Canada has and is protecting Canadians from the worst consequences of the dramatic transformation of the global economy. Without our continuing commitment to social programs, Canadians would have been faced with the larger chasm that we now see between high income earners and low income earners in countries such as the United Kingdom and the United States. However, honourable senators, government alone cannot protect citizens from the consequences of the technological revolution and the massive restructuring we have seen over the course of this decade. Those forces do not respect national borders and the frontiers of state sovereignty.

Words like “predictability” and “security” seem to belong to an older, distant time. Young people are particularly hard hit by the rapid transition to the new economy. Many wonder whether the future has any room for them. They see businesses declaring record profits, while in the same breath laying off thousands of employees. Public confidence in the business community has reached an all-time low. Talk shows abound with callers demanding an end to excessive corporate profits. People wonder whether the competitive marketplace is permanently excluding large portions of our population. They worry about the consequences of a permanently unemployed, or underemployed, marginalized class in our society.

[Translation]

Behind all of this is the legitimate apprehension over the great power of computer communications technology, a force which threatens to make jobs across the board redundant, and these range from sales clerks to bank tellers to middle managers.

[English]

The government has been deeply concerned about the powerlessness that many Canadians feel in confronting the lack of security and predictability in their lives. The greatest concern is, of course, over the future of our young people. How do we nurture and encourage real citizens — that is, people who responsibly and actively engage in the greater good of their communities and of their country and of the world outside — how do we nurture and educate Canadian citizens if the social capital of trust erodes and washes away?

As the Prime Minister has well understood, we will have no lasting unity in this country without belief in one another. His appeal to the business community, an appeal for their partnership in building a new national policy, is central to the restoration of an economics of trust.

At the same time, the government has been fully supportive of the business community as it struggles with all the challenges of globalization; challenges which arise from the shrinking of time and space through technologies, and challenges that arise from the ever-shortening lifecycles of products and services. The Prime Minister understands only too well that smart capitalists the world over are also very concerned about the implications of joblessness, about the downside of downsizing, and the associated problems of instability that come with it.

Today, all of our institutions are undergoing unprecedented stress and strain. This includes the modern corporation, the

university, the government, organized labour — all of our institutions. I compare today's fear to the feeling people once had when they believed that the world was flat: that if you sailed too far, you could fall off into the abyss of nothingness. However, people challenged the abyss, and reached beyond what was then known, and charted a new course to the future.

[Translation]

Today, honourable senators, the Canadian spirit of innovation and adventure has already begun to turn the old world upside down. We see signs of this all around us.

[English]

- (1540)

To begin with, our global exports are soaring. Sales to the United States have maintained a spectacular growth over the last two years. However, the big story is the explosion of exports to countries such as China, Chile, Brazil, Japan, Australia, and Mexico, an explosion which, I submit, demonstrates that Canadian companies are tough enough to crack open the foreign markets that lie beyond our number one trading partner.

The very skills that we Canadians had to learn to build a vast, modern, up-to-date infrastructure across this country are the skills and services that the big, emerging markets of today need to expand their own infrastructures and their own industries. I am speaking, of course, of power generation, including hydro-electric power, of communications and transportation systems, of sophisticated natural resource development, and world-scale financial services.

We are using our skills to produce our own technology. Canadians are showing great strength in the export of value-added manufactured goods — in computer software, in telecommunications — all of which translates into knowledge-based jobs. Canada has become a respected player in the new economy for these very reasons. However, we cannot forget one of the most important of these: The “Made in Canada” label is universally respected throughout the world economy. The red maple leaf is synonymous with a country which exports values along with its value-added products. Canada also exports decency and tolerance and justice and stability — perhaps our most important, natural, comparative advantages.

In this crazy decade of the 1990s, we see the two worlds, the old model and the new model, parked next to one another in the same parking lot. The March job count for Canada, another 44,000 jobs produced, is representative of the new courses Canadians are charting every day. The spectre of downsizing, however, continues to preoccupy many Canadians. It preoccupies not only the thousands of Canadians whose lives have been impacted, but I would venture to say it preoccupies many of our more creative capitalists as well.

I come back to the issue of trust. Business must show that Team Canada is more than just an abstraction, that it really is a team effort. That is what the Prime Minister has asked for in the Throne Speech — a real team effort. We have to show Canadians that Canada belongs not only to the rich and the privileged but to millions of ordinary citizens as well.

In these times, business needs, more than ever, not only highly skilled individuals with the ability to integrate the knowledge

essential to succeed in the new economy but also people of the highest integrity, a key ingredient essential to us as a society in the process of reinventing our institutions. You might say that we need more people — and I do not refer just to the private sector but to Canadians in all walks of life — who are inspired by ideas greater than themselves, who are driven by a moral imperative to leave the world better than they found it.

We need the kind of people who sail against the wind, who believe, in the words of Matthew Arnold, “that life is not only a having and getting but a being and a becoming.” Call them idealists? Maybe we should, because in these times we need more of them than ever, those Canadians who are prepared to chart new courses and invest in the long-term interests of our most important natural resource, our human resource.

[Translation]

We must remember that Canada is a goal — not a starting point. Our ancestors were driven by ideas greater than themselves.

[English]

Together, they conceived a political culture of respect for people. Together, they engineered a political culture of decency and civility. Over the decades, that political culture became as instinctive to Canadians as our passion for fairness and equity is instinctive. However, the glue of our federation is trust: trust and belief in one another. That belief, that confidence, has been sorely tested in this decade. Many of us tend to forget that it is that belief, that confidence, which is the spiritual infrastructure of our nation.

[Translation]

We have to work together to bring that trust and that belief back, because we have a unique and important responsibility as Canadians.

[English]

I saw that so clearly a few weeks ago when I drove to Quebec City. It was my first visit in several years. I wanted to see the sights and feel the pulse of that very special place. I have felt the need to go there since last October when we nearly lost one of the most vital parts of our nation. During my stay, I was so reinvigorated that I wondered how I could convince more of my fellow citizens to visit that beautiful city which symbolizes all the drama and the passion of our past, and the great river which was the gateway to our continent.

For many tourists, Quebec City is renowned for the battle sites of the Plains of Abraham. However, for those who understand the city, the real story is a compact between peoples of very different ethnic backgrounds and ancestral experiences. The real story is about a compact between Canadians no matter their ancestral homeland, a compact which was conceived to leave the world a better place than they found it.

I took my own walk in the snow along the Plains of Abraham. A little plaque caught my eye. I wiped the snow away to better read the caption. Honourable senators, I was astonished to see in

large letters the words “O Canada!” I read on with some considerable fascination, and I quote:

This glorious National Anthem, verse by Sir Adolphe Routhier, music by Calixa La Vallée, was first sung at the First Congress Catholique Canadiens-Français,

on the Fête of Saint-Jean Baptiste,

24th June, 1880.

I read and reread the lines several times. I could hardly believe that the words of our beautiful national anthem were first sung 116 years ago on the feast of St. John the Baptist in Quebec City!

I wondered what it would take to have that great event repeated in 1996 or 1997. I wondered how we could regain that simple trust, that same belief, that same confidence in one another which prompted our ancestors so long ago to lift their voices together in Quebec City in a moving tribute to our home and native land.

[Translation]

Honourable senators, the answer is really not so difficult. We must remember that we are a great nation because we have believed, and we have practised that belief in one another for decades.

[English]

We share values which are as natural to all of us as the air that we breathe. Somehow today, we must find a way together to rekindle that trust and understanding. We must never, never give up on this country.

We are Canadians and, like our ancestors, we have promises to keep and miles to go before we sleep.

[Translation]

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO MEET
DURING SITTINGS OF THE SENATE

Hon. Lise Bacon: pursuant to notice of Wednesday, April 24, 1996, moved:

That the Standing Senate Committee on Transport and Communications have power to sit at 4:30 p.m. on Tuesdays to consider Bill C-14, An Act to continue the National Transportation Agency as the Canadian Transportation Agency, to consolidate and revise the National Transportation Act, 1987 and the Railway Act and to amend or repeal other Acts as a consequence, even though the Senate may be sitting at that time and that rule 95(4) be suspended in relation thereto.

Motion agreed to.

The Senate adjourned until Tuesday, April 30, 1996, at 2 p.m.

THE SENATE OF CANADA
PROGRESS OF LEGISLATION
(2nd Session, 35th Parliament)
Thursday, April 25, 1996

GOVERNMENT BILLS
(HOUSE OF COMMONS)

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-2	An Act to amend the Judges Act	96/03/19	96/03/20	Legal & Constitutional Affairs	96/03/21	none	96/03/26	96/03/28	2/96
C-3	An Act to amend the Canada Labour Code (nuclear undertakings) and to make a related amendment to another Act	96/03/27	96/03/28	Social Affairs, Science & Technology					
C-7	An Act to establish the Department of Public Works and Government Services and to amend and repeal certain Acts	96/03/27	96/03/28	National Finance					
C-8	An Act respecting the control of certain drugs, their precursors and other substances and to amend certain other Acts and repeal the Narcotic Control Act in consequence thereof	96/03/19	96/03/21	Legal & Constitutional Affairs					
C-9	An Act respecting the Law Commission of Canada	96/03/28	96/04/23	Legal & Constitutional Affairs					
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C-11	An Act to establish the Department of Human Resources Development and to amend and repeal certain related Acts	96/04/24							
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C-14	An Act to continue the National Transportation Agency as the Canadian Transportation Agency, to consolidate and revise the National Transportation Act, 1987 and the Railway Act and to amend or repeal other Acts as a consequence	96/03/27	96/03/28	Transport & Communications					
C-15	An Act to amend, enact and repeal certain laws relating to financial institutions	96/04/24							
C-16	An Act to amend the Contraventions Act and to make consequential amendments to other Acts	96/04/23	96/04/25	Legal & Constitutional Affairs					
C-18	An Act to establish the Department of Health and to amend and repeal certain Acts	96/04/24							

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-21	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996	96/03/21	96/03/26	--	--	--	96/03/27	96/03/28	4/96
C-22	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997	96/03/21	96/03/26	--	--	--	96/03/27	96/03/28	5/96
C-28	An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport	96/04/23							

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S-2	An Act to amend the Canadian Human Rights Act (sexual orientation) (Sen. Kinsella)	96/02/28	96/03/26	Legal & Constitutional Affairs	96/04/23	none	94/04/24		
S-3	An Act to amend the Criminal Code (plea bargaining) (Sen. Cools)	96/02/28							
S-4	An Act to amend the Criminal Code (abuse of process) (Sen. Cools)	96/02/28							
S-5	An Act to restrict the manufacture, sale, importation and labelling of tobacco products (Sen. Haidasz, P.C.)	96/03/19	96/03/21	Social Affairs, Science & Technology					
S-6	An Act to amend the Criminal Code (period of ineligibility for parole) (Sen. Cools)	96/03/26							

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