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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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THE SENATE

Thursday, February 20, 1997

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

Prayers.

SENATORS' STATEMENTS

THE LATE DENG XIAOPING

FORMER LEADER OF THE PEOPLE'S REPUBLIC OF CHINA—
TRIBUTES

Hon. Jack Austin: Honourable senators, yesterday, the Prime Minister issued a statement of condolences in connection with the death of Chinese Leader Deng Xiaoping, in which he said:

On behalf of the Government of Canada and all Canadians, I extend my condolences to the family of Deng Xiaoping, the Government of China and to the Chinese people. Deng Xiaoping will be remembered as one of the pivotal figures of Chinese history, who did much to modernize his country. We are confident that in the future China will continue to follow the path of reform and openness embarked upon by Deng.

Significant to Canadian foreign and commercial policy has been the development of our relationship with China. Honourable senators are aware that China has a population of nearly one-quarter of the world's people and that, in the last few years, in opening its economy and society to the Western World, China has become a highly significant trade partner. In fact, China's world trade now is close to \$300 billion U.S., and matches the trade that Canada has with the United States.

In November 1994, the Prime Minister led a trade mission called Team Canada to China. The team was composed of nine premiers and 400 business people organized by the Canada-China Business Council. This trade mission had a remarkable effect in opening trade opportunities for Canadians in China, but it also had a very important effect in opening other opportunities for dialogue between Canadians and the Chinese. Canadian university academics and administrators developed programs with Chinese universities. The Canadian government developed a program of teaching, by Canadian jurists, on the subject of the rule of law. We now have a program for training Chinese judges. There is an enormous amount of interaction between Canada and China today. It is very much in Canada's interests that it be so.

Honourable senators, Canada follows a policy of engagement with respect to China. We do not agree with China in all matters, and there are significant matters on which we have substantial

disagreement. However, the significant part of the relationship is that the dialogue is ongoing, the relationship is developing, and Canada hopes to play a small but significant role of influence in the development of China toward its position as a modern, participating and effective state in the world society.

Hon. Jeremiah S. Grafstein: Honourable senators, yesterday marked the death of Deng Xiaoping, the unchallenged leader of China for the last two decades.

Canada is an "old friend" of China's. Yet, in 1989, the Tiananmen incident triggered undulating tremors within China's leadership cadre which have yet to be fully detonated. As China emerges as the fastest growing economic power in the world, changes in China's leadership are becoming more vital to Canada's economic stability and well-being.

China has the largest standing army in the world, the second largest navy, air force and nuclear force and, early in the next millennium, will have the world's third largest gross national product.

The remarkable career of Mr. Deng matches the turbulent history of China in this century. He was a brilliant political organizer, hero of the Long March, unparalleled military leader and, finally, a pragmatic, if rather harsh, visionary who led first in agricultural reforms and, ultimately, in the wide economic reforms that have fueled China's unbelievable engine of growth.

A protégé, first of Mao and then of Zhou En Lai, he was thrice toppled from power, only to be resuscitated, twice by Zhou, after his clashes over policy and personality with Mao and his acolytes. Deng's colourful quip about socialism, that "...it did not matter whether the cat was black or white as long as it caught the mouse..." clearly antagonized Mao, the ultimate ideologue.

Mao wrote that being "Red" was more important to the continuing revolutionary struggle than being "expert" in technology and economics. In 1967, Mao declared that China "loved struggles." Deng retorted, "In real life not everything is a class struggle!" Yet in the periodic purges in China between 1957 and 1959, Deng joined the chorus of criticism against "rightists" and "capitalist roaders" that resulted in the brutal purging of over 500,000 bureaucrats, including 100,000 teachers.

• (1410)

During the uncertainty of the Tiananmen incident, Deng chose the hard-line leaders led by the current premier Li Peng over the more liberal group led by the then premier Zhao Ziyang who, since Tiananmen, has been living under close guard, and I believe house arrest, in Beijing. Apparently, Deng feared the spectre of civil disorder more than repression.

Still, Deng Xiaoping will be remembered as one of the most remarkable figures of the 20th century for his monumental achievements. We can only hope that the pragmatic, liberal side of his contradictory nature will re-emerge as the organizing consensus within the Chinese leadership that succeeds him. Before Tiananmen, Deng told party leaders, "Democracy has to be institutionalized and written into law." If the cycles of Chinese history are to be heeded, look to the re-emergence and rehabilitation of Zhao Ziyang to the Chinese leadership élite.

China has never separated the state from its people. China will change, but in its own way. Lu Xun, China's leading revolutionary writer, preached that China's progress depends on growth inward, not outward. Will China's next leadership heed the advice of its revered revolutionary thinker and activist, Lu Xun, who wrote these words in 1925:

When the Chinese are confronted with power, they dare not resist, but use the words "taking the middle course" to put a good face on their real behaviour so they can feel consoled.

Canada must help create circumstances to allow China to take "a middle course," a moderate course that will help China to take up its rightful role as a promoter of civilization's greatest humanistic values. Our only hope is that, in the leadership struggles that will no doubt follow Deng's passing, China will adopt a humane, "middle," liberal course, continuing the "open door" policy so firmly fixed by Mr. Deng.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I should like to draw your attention to a visitor in the gallery; an old friend and past colleague, Honourable Senator Norbert Thériault.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

FIREARMS LICENCES REGULATIONS

REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS
COMMITTEE TABLED

Hon. Lorna Milne, for Senator Carstairs, tabled the twenty-first report of the Standing Senate Committee on Legal and Constitutional Affairs concerning the regulations pursuant to section 118 of the Firearms Act.

CAPE BRETON DEVELOPMENT CORPORATION

NOTICE OF MOTION TO AUTHORIZE
SPECIAL COMMITTEE TO TRAVEL

Hon. John Buchanan: Honourable senators, I give notice that on March 4, 1997, I will move:

That the Special Senate Committee on the Cape Breton Development Corporation hold hearings in Cape Breton, Nova Scotia.

NOTICE OF MOTION TO AUTHORIZE SPECIAL COMMITTEE TO
ENGAGE SERVICES AND TO PERMIT COVERAGE OF MEETINGS
BY ELECTRONIC MEDIA

Hon. Bill Rompkey: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(f), and notwithstanding the procedural guidelines for the financial operation of Senate committees, I move:

That the Special Senate Committee on the Cape Breton Development Corporation be authorized to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of this study; and

That the committee be authorized to permit coverage by electronic media of its public proceedings with the least possible disruption to its proceedings.

Hon. C. William Doody: Has the budget been approved?

The Hon. the Speaker: Is leave granted?

Senator Doody: I would like to ask a question first.

The Hon. the Speaker: Is leave granted?

Senator Doody: If I give leave, there is no point in asking a question.

The Hon. the Speaker: Is leave granted?

Hon. John Lynch-Staunton (Leader of the Opposition): Senator Doody would like to ask a question.

The Hon. the Speaker: You cannot ask questions at this point. If leave is granted, the motion will be put and then questions will be asked.

Hon. Anne C. Cools: What is leave for? I just walked in.

The Hon. the Speaker: Leave is either granted or it is not. Is leave granted?

Senator Cools: No.

The Hon. the Speaker: Leave is not granted.

Senator Doody: Honourable senators, may I interject here?

The Hon. the Speaker: I am sorry, Senator Doody. I cannot entertain questions at this time. If you have a question for a chairman of a committee, you may ask it during Question Period.

QUESTION PERIOD

THE BUDGET

INCREASES IN FINANCIAL ASSISTANCE FOR STUDENTS IN POST-SECONDARY EDUCATION—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, I have a question for the Leader of the Government in the Senate with regard to the budget as it relates to education. Seniors were not penalized at all in the budget. When baby boomers went to university, they paid remarkably low tuition fees and had jobs, jobs, jobs when they got out. For 25 years, their contribution rate to the Canada Pension Plan was very low. They got off rather easily.

The youth of today pay very high university tuition fees, there are no jobs for them when they graduate, and now they will pay 60 per cent more in Canada Pension Plan contributions. That is quite a remarkable feat for a government which says it wants to create wealth and jobs for young Canadians. The budget does not deal with education in a meaningful way at all. The tax breaks which have been given are welcome, but are not tremendously meaningful because what will these young people do when they graduate?

Transfer payments to the provinces have been slashed by over 40 per cent. As a result, education and health care have been hit hard. Does the government believe that the extended tax breaks for students will have a profound impact on improving education in this country? How many students will be assisted?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the government is very aware of the difficulties facing young people in post-secondary education. That is why it has, at the first instance that the finances of this country permit it, chosen to offer both short- and long-term assistance. My honourable friend indicates that it is not enough. I agree with him that it is not enough. However, it is a significant amount: a total of \$275 million over three years.

• (1420)

My honourable friend will know of the combination of assistance for students and for their parents, and also the proposal for an innovation foundation, the Canada Foundation for Innovation, to help our universities build their infrastructure to deal with the new knowledge and economic climates, and to assist students in taking advantage of the jobs that are available. It is my opinion that the combination of factors in this program will be of assistance to students.

Is it enough? Of course, it is not enough. However, the government must keep up its battle on the deficit, because we are not finished yet, Senator Stratton. We have a \$19-billion deficit still to tackle. Until we have cleared the decks in terms of our fiscal stability, we must do the very best we can for students, for people with disabilities, for children in poverty and their parents. That is what this budget is all about.

As my honourable friend and colleague the Minister of Finance has stated, we are staying the course to ensure that our economy is operating in the best interests of every Canadian, to offer short- and long-term job assistance, to help students and, in the end, to assist those who need assistance most in our society.

The Hon. the Speaker: Honourable senators, before we proceed with further questions, I would ask those senators who must have conversations to please have them outside the chamber. It is virtually impossible to hear either the questions or the answers.

Hon. Senators: Hear, hear!

JOB CREATION STRATEGY FOR YOUTH—INCREASE IN CONTRIBUTIONS TO CANADA PENSION PLAN—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, I have a supplementary question, if I may. I appreciate what the Minister of Finance is trying to do, but by following this path we are creating, in the short term, an intergenerational conflict. The young people who are going through school and university, and trying to get jobs today, are saying, "When my parents came out of school, there were all kinds of jobs. Their education was inexpensive. They paid, at most, 15 per cent of the cost of their education, and they paid really quite low Canada Pension Plan contributions." This younger generation is taking a look at the situation of the baby boomers and the seniors — our generation — and asking, "Why is my generation being penalized?"

I also notice that the federal budget did not announce any national testing program for science and maths, as was promised in the Red Book. Does the government plan to keep this promise to Canadian youth, so that when they come out of school they are well educated, they have been tested, they have met a standard, and they will be able to get good jobs? Or is this another Red Book promise which has been broken?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to say a word about the first part of the honourable senator's question. I suggest to him that one of the reasons that the federal government and the vast majority of the provinces chose to come together and, in effect, save the future of the Canada Pension Plan, was not just for those who are collecting it now, and not just for those who, like myself, may be collecting it in the not too distant future, but for all of the younger generations in this country.

My honourable friend talks about the fact that the Canada Pension Plan will be costing more. What this agreement between the federal and the provincial governments has ensured is that the contributions, the premiums, required to sustain the Canada Pension Plan — which is what every Canadian who appeared in any of the consultations begged the different levels of government to do — will increase significantly less than if the situation had been allowed to continue to worsen and eventually destroy the Canada Pension Plan altogether.

There is a tremendous intergenerational benefit from sustaining this pension plan, this retirement security for all Canadians. It behooves those of us in public life, who have the opportunity, to try to explain the importance of sustaining the Canada Pension Plan for all generations, rather than speaking in the negative, saying that the plan is no good and that it is inappropriate to have to pay more to help it survive. We are making it survive. That is important for Canadians — older Canadians, middle-aged Canadians, baby boomers and young Canadians coming up. I feel very strongly that this initiative is not an attack on the security of young people in this country. It is an effort to underline our interests in maintaining that security.

My honourable friend asks about testing. As he would know, the Council of Education Ministers in the country has been working selectively on testing over the last few years. There has been a great deal of discussion and, indeed, the federal level is very involved in those discussions. Is the federal government introducing testing levels at this time? No, Senator Stratton, we are not. We are proceeding in our efforts to assist the post-secondary and other areas of education as much as we can. We are trying to do so in step, in consultation, and in cooperation with the provinces, under whose jurisdiction it lies. It is only through successful cooperation of that kind, as we have seen in recent months — whether it be with regard to literacy, national testing, post-secondary education — that we will truly be able to help our young people.

BUSINESS OF THE SENATE

DELAY IN TABLING OF ANSWERS TO ORDER PAPER QUESTIONS— GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I have a question regarding answers to Order Paper questions. I have had colleagues appeal to the deputy leader, and the results have been shameful, so I will make my appeal to the Leader of the Government in the Senate.

There are questions on the Order Paper that date back as far as March 19, 1996. While the answers may be lengthy and somewhat difficult to find, they are not the sort of questions that could justify such a delay. In particular, there are questions going back as far as March 19, April 23, May 7, June 19, September 24, and dates in October. I am not aware of any circumstances in the past where it has taken so long to answer questions on the Order Paper.

I would like to know from the Leader of the Government the reason for this delay. Can we have some guarantee that at least some, if not all, of the questions, some of which date back nearly

a year, will be answered by the time we come back after the week's break?

Hon. Joyce Fairbairn (Leader of the Government in the Senate): Honourable senators, I thank my honourable colleague for his question. I can assure him that his comments to the deputy leader have been passed on to me in spades. I agree with him that such delays are disgraceful, and I will do everything I possibly can to try to break through this wall of inactivity — I hope it is not indifference — in the system on which we are relying to get these answers.

I understand my honourable friend's frustration. I understand that he is severely perturbed, and I will do everything I can to try to break that blockade.

Senator Lynch-Staunton: Some of the answers to some of the questions have already been provided through others asking similar questions via the Access to Information Act. That means that the answers are available. Surely when a member of Parliament, either in this place or the other place, asks the same question, he could at least be afforded the same courtesy and be given an answer in the same time frame. Some of these questions have already been answered through Access to Information, and through information provided by journalists and others. Honourable senators who ask questions in this chamber must wait an inordinate amount of time before an answer is provided.

• (1430)

There is an inconsistency here, if not an unfairness. It may even be a deliberate policy by someone outside of this chamber not to provide answers to our questions.

Senator Fairbairn: Honourable senators, I do not agree with the last part of my honourable friend's comments. This is not deliberate. However, I do agree with his earlier comment that this is unacceptable, and I will work along with the deputy leader to try to produce as many responses as we can by the end of the break. I cannot guarantee that we will be able to provide all of them.

More important, I share my honourable friend's frustration. I want answers to be provided very quickly after questions are asked.

PROCESS INVOLVED IN OBTAINING ANSWERS TO ORAL QUESTIONS—GOVERNMENT POSITION

Hon. Finlay MacDonald: Would the Honourable Leader of the Government in the Senate inform us what process is followed in her offices when an oral question is put? To whom is the oral question forwarded?

Hon. Joyce Fairbairn (Leader of the Government in the Senate): Honourable senators, when a delayed answer is requested, the *Hansard* is sent immediately by my office to the offices of colleagues. I understand the pressures on other offices. Our people are working as hard as they can to break the blockade. We will do all we can to effect greater cooperation on this issue.

[Translation]

ORDERS OF THE DAY

EXCISE TAX ACT FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT INCOME TAX ACT DEBT-SERVICING AND REDUCTION ACCOUNT ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Moore, for the second reading of Bill C-70, to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts.

Hon. Jean-Maurice Simard: Honourable senators, first of all, I should like to congratulate my colleagues the Honourable Senators Buchanan and Robertson who, true to form, have provided us with detailed, well-thought-out submissions that take into consideration the needs of consumers in the Atlantic region.

I take this opportunity to encourage other Liberal colleagues from the Atlantic region to express their views and work with us to improve this bill further. I will get into what I think of the legislation in greater detail later.

We had grown accustomed to detailed, well-balanced speeches from Senator Kirby. However, we were terribly disappointed a few days ago when he tried to defend and find good things in this sinister bill. Senator Kirby attempted to defend the indefensible. What a disappointment it was to me!

My other colleagues probably feel the same way I do about his presentation. Senator Kirby outlined this harmonization or HST scheme. He indicated that it was the way to streamline and improve the federal sales tax system.

I have my own way of describing this exercise on the part of the Liberal government. Bill C-70 would be more appropriately described as an attempt to disguise the GST and to perpetuate another Liberal election heist in the Atlantic region and the rest of Canada.

I will therefore continue, in the weeks and months to come, to denounce this bill and expose the government that introduced it, until such time as this government, having done its homework, recognizes that this is a terrible, cruel and despicable bill. In fact, I encourage the government to do its homework. April 1 is not a magic date.

If we want the two million Canadians working and living in Atlantic Canada to be protected, I think that the people of Atlantic Canada deserve better from the government.

Senator Kirby told us that the bill is based on a 1994 study by the Finance Committee of the other House, to which the public contributed substantially.

Senator Kirby could have reminded us that his party had made a formal commitment to “scrap” the GST, to make the harmonized GST visible, to exempt books and so on.

He also told us that the bill underwent close, detailed and extensive public scrutiny at the committee of the other place.

Given that the committee chaired by Senator Kirby is scheduled to travel to Atlantic Canada in the next few weeks — we need assurances that the government is serious about its stated intention to make this bill fairer; in this respect, I could quote Senator Kirby’s speech, on page 1558 of the *Debates of the Senate* of February 17 — could we take for granted that the government and this committee are serious about wanting to make amendments, improvements to the bill before us to make it more balanced, better thought-out, and fairer to consumers and small business?

Could Senator Kirby assure us on behalf of his colleagues that this exercise is not just a charade? Should suggestions be made on how to improve the bill before us today, will his government consider them and include some — not necessarily all — of the suggestions or improvements we may come up with?

• (1440)

Perhaps Senator Kirby could take note of my comments and provide a reply later on this afternoon.

Senator Kirby told us that after the 1993 election, Canadians were asked to suggest alternatives to the GST. He mentioned that 500 witnesses had been heard from, including tax experts, business people and consumers from all over the country. He also told us that 700 submissions had been received and presumably reviewed, that about 20 different options were examined, and that a vast majority of citizens were in favour of harmonizing the tax. What a surprise to Senator Kirby and to the Liberal government!

During his speech, Senator Kirby quoted out of context, in his own way, statements made by two colleagues on this side of the house, Senator Lynch-Staunton and Senator Comeau. He quoted their comments in such a way as to mislead this house and anyone who might read the *Debates of the Senate*. What a surprise! He quoted my two colleagues, probably suggesting that these two senators were inconsistent because, he said, we had always been in favour of a harmonized tax. We, on this side, have not changed our minds. It is the Liberal Party and the current Liberal government that changed their minds. We are still in favour of harmonizing the tax in Atlantic Canada, and in fact all across the country. However, since we are discussing Atlantic Canada, let us say that we are still in favour of a bill that makes sense. I should tell you right away that the vast majority of people from the Atlantic region who read this bill are not pleased with it.

After having heard from 500 witnesses, reviewed 700 submissions and analyzed 20 different options — a majority of them in favour of harmonizing the tax — how do you explain that, in the Atlantic region, three out of four provincial governments, all Liberal governments, saw the light? The fact is that these governments were bought with taxpayers' dollars. I cannot find the words to describe this sham consultation in 1993 and 1994. I think that, next week, this sham consultation will resume or, worse still, that a Liberal con job will be orchestrated by Jean Chrétien, accompanied by provincial premiers Tobin, Savage and McKenna.

To ask the question is to answer it. Why did only three Liberal provinces from the Atlantic region accept this bill?

This tax harmonizing bill is ill-conceived and seriously flawed. This is another reason to scrap the GST; not to maintain it in Atlantic Canada, in Prince Edward Island, but to scrap it right across the country. Why not in Quebec? Why not in Ontario? Why not in Manitoba? Why not in Saskatchewan? In British Columbia? In the two territories, too? After all, the Prime Minister promised to scrap it.

We should scrap the bill before us, because it will have a very harmful, insidious, unfair and cruel impact on Newfoundland and Labrador, on Nova Scotia and on New Brunswick. The government should do its homework, even if it takes six months, a year or two years.

I have another question for Senator Kirby. I see that he is at his desk, taking notes. He will probably want to provide me with a reply later this afternoon. On page 1558 of the *Debates of the Senate* of February 17, Senator Kirby told us, and I quote:

Quebec, because it is using a gradual phasing-in approach, has not yet had its sales tax fully harmonized with the sales tax of the federal government.

I call upon Senator Kirby's spin-doctor talents to explain to this house, to the media and to the Liberal associations with which he has regular contact, what he meant by that. Canadians across the country, who follow politics at all, know that Quebec harmonized its sales tax with the federal tax a few years ago.

• (1450)

The Hon. the Speaker: Honourable Senator Simard, I am sorry to have to interrupt you, but your 15 minutes are up. Do you seek leave to continue?

Senator Simard: Yes.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

Senator Simard: Thank you, honourable senators. As always, Senator Stewart and the other honourable senators are generous and open-minded.

The federal government's spin doctors tell us it represents a substantial saving. This is what the government in power says. It represents a substantial saving for consumers in the Atlantic

provinces, according to cabinet. We are to believe that there will be a tremendous boom in the Atlantic provinces, leading to savings of \$400 million to \$700 million for small- and medium-sized businesses and perhaps for large businesses as well.

I think that businesses, stores, wholesalers and manufacturers will, as usual, want to pass these savings on to consumers. However, we know what will really happen. Members of the Canadian Retail Federation, and of other groups, testified that there would be a one-time cost of over \$100 million to change over to tax-included pricing. At least \$25 to \$30 million annually will have to be added to the costs incurred by wholesale and retail merchants in the three provinces in question to administer this new tax, and these extra costs will be passed on to consumers.

You can see, honourable senators, that we are far from saving \$400 to \$700 million. In addition to passing on these additional costs, the Government of New Brunswick announced a few months ago that it had thought of raising corporate taxes, no doubt to give itself something to work with after having spent its share of the \$900 million that these provinces received last year. There will be a shortfall for these provincial governments.

I urge the government to reflect, to take as much time as necessary to fine-tune its bill, and to consider amendments. This bill will spell disaster, whatever the Atlantic Provinces Economic Council has to say. It is predicting a \$100-million economic boom in retail sales in these three provinces over the coming years.

I submitted a request to Senator Kirby, through his committee, that these people from the Atlantic Provinces Economic Council be heard. This morning, I called the Conseil économique du Nouveau-Brunswick, the francophone counterpart, and I was informed that they are about to take a position. Through Senator Kirby's office, I suggested that APEC be invited, as well as the Conseil économique du Nouveau-Brunswick.

I will be in Fredericton on Monday or Tuesday, and perhaps in St. John's, Newfoundland on Thursday.

The reports I have consulted recently on the matter indicate that the harmonized tax will impact most on low-income consumers and the disadvantaged. We will have some examples to give to the committee after our trip to the maritimes.

To conclude on this point, I have no doubt, knowing the voracious appetite and the financial situation of the three governments concerned — and I am absolutely certain of this — that they will want to raise taxes, that is the sales tax, other taxes, income tax, the way Liberals do, as they did in New Brunswick for the past nine years. They will also want to raise the user fees for government services.

We are very far from a partial tax holiday. The government will be calling a federal election within months. Mr. Savage will no longer be a member of the group, anyway. Then there will be some damage control done. We cannot expect a partial tax holiday, but rather a significant raise in taxes and other revenues by these voracious governments.

Senator Kirby has spoken of surveys in an attempt to explain that the bulk of maritimers favour a hidden, secret tax that can be raised at the whim of these voracious Liberal governments.

Yet, the same senators are involved. I can see some present who were here in 1990. We have not forgotten that. During those disgraceful demonstrations, they had begged the government of the day to take the tax off books. Jumping on the bandwagon of a certain national press, they begged the government to make the GST visible.

Perhaps Senator Kirby could tell us what lies behind the about-face on these two questions: taking the tax off books, and the visible tax of which he claimed to be the defender.

I also recall that Doug Young, at that time Opposition finance critic in the House, had on numerous occasions joined his colleagues in putting forward a whole argument in favour of a visible tax. We all know that the Liberals, the current government, are no exception to the rule. Senator Kirby is very close to this government. He is familiar with surveys. He will survey just about anyone on just about anything.

Did you do a survey in 1990, when you were calling for a visible tax, for removal of the tax from books? First of all, did you do such a survey? Does the explanation lie in the statistics, which tell us that a survey is accurate 19 times out of 20, and wrong 1 time out of 20?

He has also told us that he was not good at mental arithmetic. He has told us that he understood the people. It is hard for him to calculate 18 per cent of 45, or of 60. According to his survey, he preferred to accommodate people, because this made it easier for them to calculate the final price. Perhaps the senator will clarify this for us.

I am therefore inviting the government to rethink things, to redo its homework before it is too late, so as to repair the damage that will be caused if this bill is passed in its present form. It is not too late to avoid jobs being lost, plants being closed.

It is true that there are only 32 federal Liberal members from the Atlantic provinces. They are not exactly a threat to this government, but they are not alone. What about the two million citizens who have to cope with this hybrid, sneaky system, in addition to having to cope with the results of last year's equally attractive unemployment insurance reform?

Granted, there are only 32 Liberal members from the Atlantic provinces in the federal Parliament, but is it not time for the government to penalize other regions? I mentioned unemployment insurance reform, the damned reform! I remember not a single Liberal senator in this house dared to rise in his place. They even refused to go and listen to what the people of New Brunswick and the Atlantic provinces had to say. They refused three times.

I hope some of you will stand up and speak before this debate ends at third reading. The people of New Brunswick and the Atlantic provinces have been penalized enough with employment

insurance, to use the ineffable Doug Young's favourite expression. There are 32 Liberal seats.

With your leave, I will quote parts of a report printed in the *Telegraph Journal*, New Brunswick's provincial newspaper, dated February 18 and filed by Jacques Poitras, a young, independent and brilliant journalist, a newcomer to Parliament Hill. He has been on the job for two weeks. I will read you most of this text. It is really worthwhile. You will see that there is a connection with my final comments when I referred to those 32 members in the federal Parliament. To quote Jacques Poitras:

[English]

• (1510)

Last week's non-debate, non-kerfuffle and non-crisis over the Harmonized Sales Tax in the House of Commons made a solid case for why Atlantic Canadian voters should send at least a few more opposition MPs to Ottawa in the next federal election.

Within the space of two days, the Liberal government rammed the bill creating the HST through two quick votes and sent it on to the Senate — with barely anyone in Ottawa taking notice.

Say what you want about the HST — which will replace the GST and provincial sales taxes in New Brunswick, Nova Scotia and Newfoundland with a single rate of 15 per cent — but a real political fight over the tax would have been healthy. The HST should have been the focus of a concerted opposition effort to force it higher on the public agenda.

The Reform Party and the Bloc Québécois both fired good shots at the HST last week, zeroing in on the compensation payments Ottawa will make to the three provinces in exchange for their signatures on the tax deal.

"I think people will remember that the provinces weren't exactly lining up to sign up for a harmonized deal — that is, until a billion dollars was put on the table," Reform finance critic Monty Solberg said. "Isn't it funny how a billion dollars will change attitudes, especially when the billion dollars is for Liberal premiers in Atlantic Canada."

"They said they hated the GST," Bloc MP Yvan Loubier thundered, recalling Liberal opposition to the tax when the Tory government introduced it in 1990. "They massacred the Tories over the GST. They said it should be abolished. They said no one in Canada wanted the GST... In fact, [the HST] is the same GST — it's a modified GST with a billion-dollar payoff."

Good lines, gentlemen, lines that might have resonated with taxpayers in Atlantic Canada — if only you had chosen to say them when people would notice.

The Reform and Bloc MPs made their remarks during formal debate on the bill, when the House is almost empty. In fact, at one point during the debate, this reporter was literally the only one in the chamber other than a handful of MPs, security guards and House staff. It's a shame, but the political reality in Ottawa is that Question Period, from 2:15 to 3 p.m., is when everyone is paying attention. It's when the national reporters show up (or tune in on TV from their offices) to look for their Big Story of the Day. If it doesn't come up in Question Period, it doesn't exist. Opposition parties know this and exploit it, carefully choosing their attacks.

By tackling the HST only during debate, and not during Question Period, Reform and the Bloc helped ensure that no one — other than a couple of reporters from Atlantic Canada — even noticed that the bill was being railroaded on to the Senate.

True, House rules say that when a bill is being debated, it shouldn't be raised in Question Period. But this rule is not enforced strictly. If the Bloc and Reform had really wanted to force the HST into the spotlight, they could have.

Saint John Tory MP Elsie Wayne did her best, but she's only one MP. In the abbreviated debate, she managed not once but twice to speak against the bill. But again, almost no one was paying attention. Unlike Reform and the Bloc, she was certainly willing to raise the HST during Question Period, but because the Tories lack official party status under House rules, it is rare that she gets to ask a question.

"There's no question why there is such a need for a change in the next election where we have a strong system of two national parties," Mrs. Wayne said in an interview. "This is an example of what you have when you have these regional groups."

By God, she is right.

The motives of the Bloc and Reform are understandable, even if they are crassly political. Reform, for all its assertions to the contrary, is a Western-based party. The Bloc, despite saying it takes seriously its role as Canada's Official Opposition, is a Quebec party. Neither is going to waste valuable time during Question Period on an issue that, at the moment, matters only to three Atlantic provinces.

The solution is for voters to help ensure that a truly national party, one that does care about our region, wins at least 12 opposition seats in the next federal election. A few Tories or New Democrats from these parts would help both

those parties to achieve that magic number - and contribute to a fuller debate about what's going on in Atlantic Canada.

I am quoting a bright, young, independent reporter from Atlantic Canada. I hope the national press takes note.

[*Translation*]

I would like to continue in the same vein and add the following comments. Jacques Poitras and no doubt a number of other Canadians have realized, since we believe in polls — Senator Kirby is the champion of polls — that, in the past two or three months, our party's standing has increased. That is not the end of it. Like myself, other Canadians have discovered an alternative to the government currently sitting in the House of Commons. The solution that Canadians will support in the coming months is that of an official opposition in the House of Commons formed by a national party. I think they will choose the Conservative Party under the leadership of Jean Charest. The official opposition will comprise a substantial number of Conservatives from all regions of the country. Thus, when we get a bill like the one before us and other similar bills, we will then be able to examine them on behalf of all Canadians.

Other regions are not immune from disastrous measures such as the one before us. In this particular case, it is Atlantic Canada that is under attack from a cruel and insensitive government. Who can assure us that other regions will not be affected by similar legislation in the future?

However, it is all symbolic. Some government members, not all of them, have misled the public, to say the least. I could have used the word "lie," but it is unparliamentary.

Senator Prud'homme: Straying from the truth.

Senator Simard: I salute the independent senator, Senator Prud'homme, who will certainly want to vote against this ineffable, disgusting, odious, dangerous, unfair and ill-conceived bill. I am almost done. Senator Kirby is my favourite senator today.

The bill before us deserves a first-class abortion. In its present form, it is an odious, fraudulent piece of legislation. If it is adopted in its present form, it will kill businesses and jobs in New Brunswick and in Atlantic Canada.

This bill affects low- and middle-income taxpayers the most. It also affects people who rely on government support, social welfare and other measures. It also affects students. In other words, this bill is brutal, cruel, unfair and ill-conceived. It will not even have the face-saving result expected by the present government because, despite its red and white markings, it will not make people forget that the Liberals had promised to scrap the tax.

People outside Atlantic Canada will see through this Liberal scheme. I predict that when the flaws or the loopholes of this harmonized tax become known — as was the case with the unemployment insurance bill adopted last year by this house — people in Atlantic Canada, Western Canada and Central Canada will realize that the present government has tried to fool them. They will always remember the formal promise, repeated so many times in all the media and in all the forums by Liberal senators, Liberal candidates and Liberal MPs. Canadians were misled by the Liberals, and they will not soon forget that broken promise.

I invite you to give a first-class burial to this bill, which cannot be patched up, in the short term and especially in the long term, even with the best of intentions. This piece of legislation deserves to die immediately, and if not at the second reading stage, at least at the third reading stage.

[*English*]

Hon. Noël A. Kinsella: Honourable senators, as in the case of my honourable friend Senator Simard, I wish to underscore categorically my opposition to this bill.

There are a large number of reasons why I am opposed to this bill. A few of the questions that have led me to that position are: First, is this a harmonization or not? Second, with regard to the price-in aspect, is this a good thing or not? Third, and very important because second reading is the stage for focusing on the principle of a bill, what is the policy decision upon which this bill rests? Fourth, what is the effect of the bill in terms of the tax which the ordinary Canadian living in New Brunswick, Nova Scotia and Newfoundland will be paying?

I am interested in the question of whether the Government of Canada or the governments of Nova Scotia, New Brunswick or Newfoundland have received a mandate specifically from the people to introduce this measure. I am also interested in this \$1 billion described by some honourable senators as a bribe. Should this legislation not pass, does that mean that the \$1 billion must be paid back?

• (1530)

Honourable senators, there is an important constitutional question here. It is my understanding that, as part of their agreement, the premiers of those three provinces have concluded that one premier or one provincial government by itself is not able to make a change. The British North America Act is quite clear on the jurisdiction of each province, and one would need to inquire into whether a given province has the right to contract out of the Constitution, to contract away a constitutional responsibility bestowed under the British North America Act.

Honourable senators, this HST has been called many things by the pundits. In my part of the country, New Brunswick, many are referring to it as the BST. It is not bull that this tax will cost the

average New Brunswicker millions of dollars and many lost jobs. We have heard already from the intervenors so far in this debate that the tax has a number of elements. There are two separate and distinct adverse impacts for people who live in those three provinces.

First, as a New Brunswicker, I will pay more for clothing, gas and home heating. All of those goods and services will come with a 15-per-cent premium. Second, the tax-in aspect of the proposal will force retailers and businesses to spend money on separate, complicated accounting and computer systems. According to some, it will cost in excess of \$100 million annually in New Brunswick to implement and monitor this unnecessary government interference.

Extremely important is the fact that this tax will not be in Ontario. Senator Kirby, in Manotick, will not face an increase in his fuel bill. The people in Oromocto, New Brunswick will pay, not 7 per cent, but 15 per cent tax for clothing and babies' diapers. In Manotick, they will be paying a much lower tax on their electricity.

From the standpoint of harmonization, if this tax does not apply in Alberta, Ontario, Manitoba or British Columbia, what will be the effect of it? New Brunswick will become isolated. We will become a cost-inefficient region. That is the reality that we must consider.

Already, some Greenberg and Metropolitan stores have closed in New Brunswick; this, because the governments in Ottawa and New Brunswick are trying to implement a federal campaign promise too quickly before it has been properly analysed in an effort to prepare for a national election. It has not properly analysed, for example, the impact of an increase in the cost of clothing on the average young family or on senior citizens on fixed incomes. It may not seem to be much money for people in this province, but an increase from 7 per cent to 15 per cent is a lot when you are buying children's clothing. That is the effect of this legislation.

Honourable senators, many families have to borrow from Peter to pay Paul in order to keep themselves going. Broadening the tax base on all these goods jeopardizes their ability to manage their family budgets. That has not been taken into consideration by the governments proposing this measure.

It is not right that seniors on fixed incomes should have to pay more for home heating fuel and electricity.

What was the policy decision based on? What has happened to the famous promise to scrap the GST? We all remember the infamous town hall meeting where the Prime Minister contended that he did not promise that he would scrap the GST. Yet, all Canadians heard him. Apparently, honourable senators, there was an acoustic problem that day. Although we heard him say, "I will scrap the tax for you," apparently he actually said, "I will tax the crap out of you."

Honourable senators, in searching for the policy decision upon which this measure is based, we have to ask whether we are doing this because the Prime Minister promised to get rid of the GST, and Premiers Tobin, McKenna and Savage came forward to implement this measure so that the Prime Minister could say, "Look, I did get rid of the GST." If that was the original strategy, of course, it was undermined a little by the fact that the Deputy Prime Minister resigned and the Minister of Finance apologized, presumably because they thought that the promise was indeed to get rid of the GST. There would have been nothing to resign over or apologize for if the Prime Minister's position that he did not make the promise were correct.

Honourable senators, it is regrettable that the more vulnerable provinces are being used in this face-saving strategy by the federal government. It is particularly disturbing that the federal government changed its position on whether it had promised to get rid of the GST in the first instance. Obviously, their original objective was to scrap the GST, but when they realized they could not do that, they changed course. However, in the meantime, the three Atlantic provinces in question had commenced this manoeuvre to get rid of the GST by having this so-called harmonized sales tax.

As mentioned by several intervenors previously, the bribe was in and the deal was done. The effect of the deal was not analysed. The effect on the average family in Nova Scotia, New Brunswick and Newfoundland has not been analysed. It will be devastating for those families to meet a 15-per-cent tax on items such as clothing and home heating. Given our climate, given our environment, given the socio-economic reality, this is a sad commentary on the social policy of this government. This is exactly what the committee will be hearing when it travels to those three provinces.

• (1540)

Honourable senators, at this stage of the debate, if Senator Simard's position was not clear, let me make mine clear: I oppose this measure.

Hon. Michael Kirby: Honourable senators —

The Hon. the Speaker: Honourable senators, I must advise the Senate that if the Honourable Senator Kirby speaks now, his speech will have the effect of closing debate on second reading of this bill.

No other senator wishes to speak.

Senator Kirby: Honourable senators, in rising to close this debate, I cannot resist first making an observation to members of this chamber from provinces other than the Atlantic provinces. Having listened over the last three days to Senators Buchanan, Simard, Robertson and Kinsella, I am certain that you will agree with me that the oral tradition of politics, the tradition of flamboyant and moving political oratory, is certainly not dead in Atlantic Canada. I want to congratulate the four speakers for, at the very least, the entertaining quality of their presentations.

May I also say a personal note to Senator Simard. As many of us know, a little more than a year ago Senator Simard was, in fact, very ill. To see him back in his traditional fine form is not only a tribute to him and a wonderful thing for him and his family, but is also a significant contribution to the chamber.

I realize that, in his presentation, Senator Simard asked me a number of questions. You will forgive me if, in listening to the presentation, it was difficult to grasp what the question was, given the number of words that passed between his opening remarks that he was about to ask me a question and when the question mark actually appeared. I will read the Hansard of Senator Simard's speech carefully, and be sure to answer his questions carefully, when I present the report of the Banking Committee's hearings on this bill.

I intend to touch on three or four of the issues that were raised specifically by Senators Buchanan and Robertson, but before doing that, I will address an issue raised on Tuesday by the Leader of the Opposition in the Senate, Senator Lynch-Staunton. He suggested that I had made "a deliberate, gross distortion" of certain of his words when I, in fact, quoted from a speech of his made on May 9, 1996, in this chamber.

On Tuesday I quoted Senator Lynch-Staunton, and he has agreed that it was an accurate quote. He said, however, that it was not a complete quote, just a section of a quote. These were the words I quoted:

Once again, the Liberal government has not only adopted a Conservative policy...

I went on to indicate, as Senator Lynch-Staunton pointed out, quite correctly, that in the context with which those comments were made, my impression was that the Leader of the Opposition in the Senate was saying that his Conservative Party originated the idea behind the harmonized sales tax.

Senator Lynch-Staunton on Tuesday strongly objected to my conclusion saying:

Nowhere in my remarks does the word "harmonization" appear.

The words that I quoted were taken from a preamble to a question which Senator Lynch-Staunton raised on May 9, 1996. As to context, there were a series of questions that day regarding the announcement which had been made a few days earlier about the agreement with three Atlantic provinces to harmonize their sales taxes with the federal one into a new harmonized sales tax, or HST. Indeed, honourable senators, Senator Lynch-Staunton's question appeared in the Hansard of that day under the following heading:

Goods and Service Tax, Harmonization With Provincial Sales Taxes—Efficacy of Agreement with Atlantic Provinces—Government Position

In other words, even Hansard was of the view that the question Senator Lynch-Staunton was raising dealt with the issue of harmonization.

It is quite true, as Senator Lynch-Staunton said, that I did not quote the entire preamble of his speech; I quoted several other senators who bluntly said that harmonization was part of the policy of the previous government and part of the Conservative Party policy. Having realized that several other Conservative senators were taking exactly that same position on that day, and having realized that Hansard clearly had felt the same thing, given the heading that they put on the question, I did think I was not deliberately distorting what Senator Lynch-Staunton was reported to have said. I assumed his remarks — and I was careful to say that he did not say it — implied his support for harmonization. I believe they did.

Therefore, I would say to him and to members of this chamber that I certainly did not do what he suggested I did, which was to perpetrate a “deliberate, gross distortion” of the meaning of his words. I thought, in fact, that it was not an unreasonable interpretation of what he had said. However, given what he said on Tuesday, honourable senators, I am happy to accept the fact that my assumption may have been wrong, though it was based on what other Conservative senators had said, on what his party’s position was in the election, and on the way he asked the question. If all those facts led me to the wrong conclusion and he is not in favour of his party’s policy on harmonization, honourable senators, I apologize to him for having indicated that he was.

I would now like to turn to a couple of issues related to Bill C-70. I wish Senator Buchanan was here. I almost called him “Premier Buchanan.” It was in that forum that I first heard him give that kind of — I almost said long-winded, and that happens to be true — entertaining speech that he gave in this chamber the other day. It was good maritime theatre. During the hearings that will take place over the next couple of weeks, the committee will certainly have an opportunity to explore the concerns that Senator Buchanan and his colleagues expressed about the bill. I would like to comment on one or two of the issues that were raised by both Senator Buchanan and his colleague Senator Robertson.

Senator Buchanan spoke eloquently about the fact that, under harmonization, taxes will increase on electric heating and fuel oil. As Senator Buchanan acknowledged, the problem arises from the fact that these items are not presently within the Nova Scotia provincial sales tax base but they are, in fact, in the GST tax base.

Many of you will recall that when the GST bill was being debated in this chamber, many members on this side of the house, who were in opposition at the time, fought strenuously to not have electric heating and fuel oil included in the GST tax base. As you know, we clearly lost that debate. Electric heating and fuel oil — which Senator Buchanan regards as a terrible thing to have included in the harmonized tax base — were included in the GST tax base precisely because that was the position taken by his Conservative colleagues of the day. I cannot remember when Senator Buchanan joined us, but he certainly would have supported that position had he been here.

I find it passing strange, honourable senators, that having successfully persuaded Parliament — and indeed this chamber — to include electric heating and fuel oil in the GST sales tax base, Senator Buchanan should devote some 10 or 15 minutes of his speech the other day to the awful fact that these items are now about to be included in the harmonized tax base. They are included in the harmonized tax base precisely because it was the Conservatives who decided that they ought to be included in the tax base, always.

• (1550)

Senator Lynch-Staunton: I thought the intention was to replace the GST.

Senator Kirby: I would point out for the record that, in the province of Newfoundland and Labrador, gasoline and fuel oil are already subject to the provincial sales tax. In that province, at least, the price of these items will go down immediately, with an almost 5-per-cent reduction in their cost.

The real issue of concern, though, upon which I thought Senator Buchanan touched rather eloquently in his remarks, is how lower-income families and individuals will cope with this broadened tax base.

It is important to point out to my colleagues that the federal government will continue to provide \$2.7 billion a year under the GST credit for qualifying low-income individuals and families. In addition, Nova Scotia has recently increased the benefits under its provincial Low-Income Tax Reduction Program and provided other targeted relief to help low-income families and individuals. Nova Scotia has also reduced the personal income tax rate by 2 percentage points, effective this July.

In a similar vein, New Brunswick has announced that it will be increasing assistance for low-income families, including \$20 million for a child tax benefit and \$5 million for a working income supplement.

Honourable senators, given the issues raised by Senator Buchanan in his speech regarding his concern for lower-income families and individuals who might be negatively affected by such a tax, the reality is that, between the federal government and the participating provinces, considerable relief is being targeted to precisely those people who need it most.

In fact, the bottom line is that, because of the reduction in the sales tax rate in all three provinces, and because of the removal of the embedded provincial sales taxes which I explained in some detail in my remarks on Monday night, the vast majority of goods sold in these provinces will go down in price. Contrary to what Senator Buchanan said, it is not just fur coats, fancy television sets and cars that will go down in price. Indeed, Senator Buchanan talked about the price of a haircut going up because of the broadened tax base. What he did not mention, and what I think one ought to remember, is that the haircut price which he pays in Halifax includes embedded taxes on all hairdressers’ supplies, from the scissors and the salon equipment to the shampoo that is used.

These hidden, embedded taxes will disappear under the HST. This fact will lead, as a number of independent studies have shown, most notably the recent study by the Atlantic Provinces Economic Council, to the price of most items sold in the Atlantic provinces going down, not up.

I regret that Senator Robertson is not in the chamber because I wish to refer to several points she raised. Both Senator Buchanan and Senator Robertson went on at great length, in a most entertaining way, about the potential for confusion in the new tax-inclusive pricing system.

Unlike Senators Buchanan and Robertson, I have considerable confidence in the people of Atlantic Canada's ability to read signs on bins or shelves and to understand the information they are given about the price of the particular goods they are about to purchase. They can read and understand the sign telling them what they will pay when they get to the cash register. That is not complicated. That, in fact, is substantially simpler than what happens now. The complicated situation is not what will occur after the HST is in effect, but what is occurring now.

Indeed, Senator Buchanan referred to a report indicating that the harmonizing governments had said that consumers wanted a final price on stickers and were ready to pay a bit more to get it. Senator Buchanan then asked rhetorically, "Who told them that? Who told governments that is what consumers want?" Senator Buchanan need only read the poll I tabled on Tuesday as a result of a question from Senator Macdonald. In that poll, taken three weeks ago, consumers told us clearly that most of them liked the idea of having the final price posted on something when they go to buy it. Indeed, 80 per cent of respondents in that poll in the three provinces of Nova Scotia, New Brunswick and Newfoundland and Labrador said that they wanted the sales taxes included in the price marked on the product so that they would automatically know the price they would have to pay. Indeed, a substantial majority of respondents in that poll said that tax-inclusive pricing should be mandatory. They thought everyone always, on all goods, ought to have tax-inclusive pricing, even if this meant additional work for businesses.

Another interesting statistic emerged from that survey, and I found it quite revealing. In that survey, 67 per cent of respondents said that they try to figure out the final price before they get to the cash register. They take the price on the store shelf and they do mental gymnastics to determine what it will cost at the cash register. A corresponding two-thirds, according to the survey, said that they were unpleasantly surprised by the difference between the sticker price and the final price.

The complicated and convoluted system is the present system, where most people try to figure out what something costs and they cannot. They get to the cash register and find that they are unpleasantly surprised. Surely that system is far more complicated and far less desirable than an all-inclusive, tax-inclusive pricing system.

I enjoyed listening to both Senator Buchanan and Senator Robertson musing about the possibility of consumer confusion. That, however, is the current system, not the new system.

I also wish to speak briefly about the figures which were bandied about earlier today by Senator Simard, figures which estimate the cost for businesses to comply with tax-inclusive pricing.

Senator Buchanan quoted the Retail Council of Canada as saying several months ago that it would cost \$100 million for the retail trade in Canada to comply with the HST. I look forward to hearing from the Retail Council when they appear before the Standing Senate Committee on Banking, Trade and Commerce next week, because I am quite anxious to understand how they arrived at that figure. Indeed, honourable senators, it is my clear understanding that that \$100-million figure was calculated before there was agreement to change a number of elements related to this bill. In particular, that \$100-million amount was calculated before there was an agreement to allow certain types of disclaimers in national advertising; before there was an agreement to allow shelf and bin pricing; before there was an agreement to allow dual pricing; and so on. All of these changes, which were made at the request of the Retail Council and other retailers in Canada, were made in amendments introduced in the other place. Therefore, honourable senators, I would suggest to you that the \$100-million figure which had been suggested before any of these changes were made is, in fact, a vast exaggeration of the real costs.

I do not dispute the fact that there is some cost involved but, whatever that cost is, we must put it into context. Businesses in the Atlantic provinces will save over \$2.8 billion in the next four years alone as a result of the reduction in taxes which will come about by the combined 15-per-cent provincial and federal sales tax rates. Looked at in that light, the \$100 million, or substantially less than that, represents only one-half of 1 per cent or even less of the value of total retail sales in the three provinces. While the savings from harmonization will go on year after year, the savings will continue to accumulate. The cost of transition is a one-time cost only.

• (1600)

The Atlantic Provinces Economic Council, in a study which was reported in *The Globe and Mail* last week and from which I quoted in my remarks on Monday night, looked at this question, and they were very persuasive in their conclusions. They pointed very clearly in their study to a number of key sectors which will benefit directly and immediately from the harmonized sales tax. These include the construction sector which, according to APEC, is a critical component of investment spending. Other sectors highlighted by APEC as what they called "winners" under the proposed system, include the advertising and promotion sector, the office and laboratory supplies sector, the business services and finance sector, the insurance and real estate sector, manufacturing, mining, and transportation. The list goes on.

Honourable senators, all of these sectors of the economy were studied by APEC. This is a well-known, independent organization that does not, traditionally, agree with federal government tax measures. Many of us have been the recipient of lobbying efforts by APEC over the years and have come to understand that APEC is not a puppet or lap dog of the party in power. APEC's report gives a long list of sectors of the economy which will clearly come out ahead as a result of the HST.

Honourable senators, I find it interesting that none of these winners were commented upon by senators opposite when speaking to this bill. Indeed, Senator Simard, a former distinguished minister of finance in the New Brunswick government, used to give speeches in this chamber and quote APEC regularly. I heard him do so a number of times when the Conservatives were in power and since the last election. I note that Senator Simard, in his lengthy speech today which went on for well over an hour, was strangely silent on the study APEC of the HST. I guess the answer is that APEC is only a reputable source in Senator Simard's eyes when it happens to give information that supports his case.

Honourable senators, we all know the importance of these sectors to the economies of the provinces and the creation of jobs in the Atlantic region. Indeed, Senator Buchanan spoke precisely about the need to look at the jobs issue when one is examining the HST.

I am sorry that Senator Robertson is not here. In speaking yesterday, I thought she said something strange. She spoke disparagingly of different estimates of the Nova Scotia and New Brunswick governments on how many thousands of jobs the HST will create. Senator Robertson clearly implied that it was an unmitigated disaster that two provincial governments should put out studies, one indicating that 3,000 jobs would be created and the other indicating that 6,000 jobs would be created. Frankly, honourable senators, I do not know which is true, but I will tell you what I do know: I do know that the creation of even the smallest number in that range — the creation of 3,000 jobs in the Atlantic region — is of significant economic benefit, the kind that normally members of this chamber would regard as a very substantial contribution to their regional economy.

I found it passing strange that Senator Robertson would argue about the number. She was not arguing about the lower number; she was arguing about whether it was the lower or the higher number. Clearly, she has conceded that the HST will create a very significant number of jobs in the Atlantic region, and I thank her for that concession or admission during the course of her presentation.

Honourable senators, as you see, the problem with following Senator Simard is that I have a tendency to get caught up with the moment, much as he does when he is making presentations. I could go on at considerable length to respond to many of the other incorrect statements and assumptions that have been made. However, given the hour and the fact that we will have a considerable amount of time over the next two weeks in

committee to listen to these issues, debating both with witnesses and amongst ourselves, I think I will let it go with the exception of one issue.

I must correct a comment made by Senator Buchanan. I think he made this statement because he was not aware of an amendment introduced in the other place. One of the documents Senator Buchanan quoted in his presentation on Tuesday was a letter he received from the Maritime Life and Assumption Life. It was a technical document about the impact the tax would have on the life insurance industry. Senator Buchanan did not realize that that precise issue raised by Maritime Life had been addressed in an amendment introduced in the other place, and is contained in the bill before us. Indeed, the Maritime Life issue or the insurance company issue he raised has now been taken care of.

In closing, honourable senators, I must say that I look forward to hearing from witnesses about issues raised in this debate. On the basis of the debate which has taken place over the last few days, it is probably an extreme understatement to say that they will be lively hearings. I look forward to travelling to the Atlantic region — Newfoundland and Labrador, Nova Scotia and New Brunswick — and hearing from consumers, business people, charitable organizations and government officials in all three provinces. I believe that when we have completed those hearings, we will understand the public policy rationale of the governments involved. We will understand the economic implications from organizations such as APEC. We will understand that poll after poll shows that somewhere between two-thirds and 80 per cent of the people in the region favour the HST, contrary to what has been suggested by members opposite. I am sure that, once we have finished our two weeks of hearings and have all of that background information and all of the understanding that will inevitably arise from the discussions, the committee will return to this chamber and have no difficulty recommending that this bill will reduce prices, boost the economies of the provinces involved, and create jobs in the region. Therefore, the committee will present a report — I hope supported by members opposite — recommending the passage of Bill C-70.

[*Translation*]

Senator Simard: Honourable senators, could the senator answer the questions I put to him this afternoon in the course of my presentation? They may not all deserve to be handled with the usual urgency, but one of them is of particular concern to me. Does Senator Kirby, Chairman of the Committee on Banking, Trade and Commerce, have the support of the government to accept suggestions and amendments designed to improve this bill?

I have a supplementary. If this is only a charade, I am not interested in being part of it. If the committee chairman, speaking on behalf of the members of his committee and with his government's support, tells us that the committee is ready to consider amendments, I would like to hear from him.

[English]

Senator Kirby: Honourable senators, I am not sure I am in a position to speak for other senators. However, let me make it very clear that under no circumstances are these hearings a charade. Let me remind Senator Simard of two examples, one of which is Bill C-5, the bankruptcy bill.

Bill C-5 went through this chamber within the last couple of weeks. On that particular piece of legislation, the Standing Senate Committee on Banking, Trade and Commerce passed 10 amendments. Those amendments were adopted by this house, and the bill has gone back to the other place.

• (1610)

The other example is the so-called *Sports Illustrated* bill — I forget the exact title, but the Banking Committee also passed an amendment to that bill which was, unfortunately, from my point of view, subsequently defeated in this chamber.

Taking into account the history of the Standing Senate Committee on Banking, Trade and Commerce and its willingness to consider representations made to it at public hearings, those two examples leap to mind, and they both occurred within the last year. The track record of the committee is unassailable in that we clearly take committee hearings seriously, and we have responded in the past to representations.

[Translation]

Senator Simard: I am very happy.

The Hon. the Acting Speaker: Honourable senators, we almost have a debate here.

Senator Simard: According to procedures, we are allowed a few questions.

Senator Robichaud: These are not questions but speeches.

[English]

Senator Corbin: I rise on a point of order. Before Senator Kirby was recognized to speak, His Honour the Speaker pointedly advised the house, that if Senator Kirby speaks at this time, his speech will have the effect of closing the debate. We are now engaging in a debate.

Senator Kirby: No, one question.

Senator Corbin: That question is a debatable question. We are now engaged in debate, and I would ask His Honour the Acting Speaker for a ruling.

Senator Lynch-Staunton: Before a ruling is given, surely we can debate the point of order.

Senator Corbin: I do not want to be difficult, but this is an abuse of the rules.

Senator Simard: I put my full question in my speech.

Senator Corbin: You are debating.

Senator Simard: I put my full question.

Senator Kirby: Honourable senators —

The Hon. the Acting Speaker: Order, please. Senator Simard has the floor.

[Translation]

Senator Simard: Honourable senators, I am very happy with the partial answer provided by Senator Kirby. I was also a member of this committee until very recently.

[English]

The Hon. the Acting Speaker: Senator Simard rose in response to the point of order by Senator Corbin. If he wishes to ask a second question, now that we have leave for the first question, I must ask if the house is willing to give unanimous consent for a second question after debate has closed.

Hon. Senators: Agreed.

[Translation]

Senator Simard: Honourable senators, having sat for 10 years on the Committee on Banking, Trade and Commerce, I am well aware of how generous its members are.

Senator Robichaud: Put your question.

Senator Simard: Honourable senators, I have a supplementary question. Given the April 1 deadline — and Heaven knows how often we hear that time is of the essence — could the chairman of the committee tell us if, should amendments to the bill be approved, there will be enough time for the House to pass the bill? That is my question, yes or no?

[English]

Senator Kirby: Senator Simard, you are asking me to respond. In fairness, I tried to give you an honest, thorough answer to your first question. Your second question asks me to attempt to deal with a theoretical situation which is based on the assumption that there will be amendments. I do not know the nature of those amendments, nor do I know how long they will take to deal with. I will not speculate on how long a process will take.

As Senator Simard knows, I make a determined effort to respond as thoroughly as I can to his questions, and I understand why he asked this question. However, this is clearly a theoretical question, and therefore Senator Simard knew when he asked it that I could not possibly respond.

The Hon. the Acting Speaker: Honourable senators, it was moved by Senator Kirby, seconded by Senator Moore, that bill, Bill C-70, be read the second time.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

Senator Lynch-Staunton: On division.

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

REFERRED TO COMMITTEE

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

Hon. Michael Kirby: Honourable senators, before I move that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce, I wish to make a few remarks.

A number of honourable senators associated with the committee understand that the committee has agreed to a schedule for hearings. I ought to put that schedule on the record for the chamber, if that makes sense. The committee will sit next week, beginning at nine o'clock on Tuesday morning in Ottawa, to hear national witnesses. The following week, which is the week of March 3, the committee will spend the entire week in the three Atlantic provinces that are participating in the HST.

The committee will return to Ottawa on March 10 to hear final witnesses and to proceed with a clause-by-clause study, with the intention of presenting its report to the Senate on either the evening of March 10, if the Senate is sitting at that time or, alternatively, on the next day, Tuesday, March 11.

The committee has agreed to televise its proceedings. At least, to be precise, we have agreed to ask CPAC to televise the proceedings. The committee has also agreed to allow individuals who so wish to come up and do what has been typically called in this chamber a "walk-on" presentation at the end of a day's hearings; five-minute walk-on presentations will be allowed with no comments or questions from senators.

The main point for honourable senators to understand is that there will be an intensive series of all-day hearings in Ottawa next week, and there will be an intensive set of hearings the following week in the Atlantic provinces.

[Translation]

Senator Simard: Honourable senators, Senator Kirby has informed us that he has asked CPAC to broadcast our hearings. Does that include a broadcast of the meetings to be held in Atlantic Canada?

[English]

Senator Kirby: Yes, absolutely.

Senator Lynch-Staunton: Could the chairman of the committee tell us when the Minister of Finance will appear before this committee?

Senator Kirby: I do not know the precise answer to that question yet, senator. I have been asked to try to persuade Mr. Martin to appear. I am making every effort to persuade him to appear as the last witness on the morning of March 10. In any event, I will have an answer on that question later.

The minister, unfortunately, as you can appreciate, is out across the country at this point. I will only have an answer on that point early next week. I am optimistic that I will be able to persuade him, but I cannot give a 100-per-cent confirmation of that. However, I will know definitively, one way or the other, by early next week and will let your office know.

[Translation]

Senator Simard: Honourable senators, I know that some committees that have travelled and others that have held hearings here in Ottawa have allowed people to walk in off the street and make a statement. These people were given 5 or 10 minutes to express their views. Do you agree with that? Do you intend to inform the public, through ads in the newspapers and on the radio, that anyone who wants to appear before the committee will be welcome?

[English]

• (1620)

Senator Kirby: Honourable senators, I thought I responded to the first question when I described the hearing process. I said explicitly that five-minute walk-ons, which has been a tradition of a variety of Senate committees, will be allowed.

The honourable senator asks if there will be advertising. The committee agreed that the committee clerk and staff will make every effort to advertise in the region so that people will know the hearings are to be held.

All of this was decided only late yesterday. The intention is to fully notify the media in those provinces.

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

Hon. Senators: Agreed.

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

STATE OF THE ARTS IN CANADA

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Johnson, calling the attention of the Senate to the state of the arts in Canada.—(*Honourable Senator Pearson*).

Hon. Landon Pearson: Honourable senators, I should like to speak briefly today in support of Senator Johnson's call for a study of the state of the arts in Canada.

My particular interest is in the state of the arts for children and the essential role that publicly funded cultural institutions have in ensuring that they are encouraged and maintained. As the daughter, sister, aunt and mother of professional painters, poets and writers, I have always been deeply interested in the arts and fully appreciative of the role they play in the growth of the imagination and the enrichment of the spirit. The absolute nadir of the Soviet period, the years of the great purges, included a temporary ban on fairy tales, a concerted attempt by the Soviet state to smother the freedom of the imagination and to turn all Soviet children into passive consumers of the products of socialist realism. Fortunately, the Fire Birds, the Snow Maidens and the baba yagas refused to disappear into the gulags and remained variously portrayed and gorgeously illustrated in millions of books in little home libraries all over that vast land, helping to conserve the Russian soul.

The Canadian soul is threatened less by the gulag than by mindless entertainment and international trivia, a market realism that can be just as deadening as its Soviet counterpart. Not that I am overly concerned, for children are remarkably resilient, even in the worst of circumstances, given a little magic.

However, I do not want the worst of circumstances for Canadian children; I want the best. I know that government support in one form or another is vital to the survival of variety and innovation in the arts, especially in circumstances where the market dominates what is widely available.

Honourable senators, let me tell you some Canadian success stories. When my own children were small, the pool of Canadian children's books was really quite small. However, through the support of the Canada Council for book publishers, Canadian children's authors and illustrators, and promotional activities such as authors' reading tours, Canadian Children's Book Week, the Canadian Children's Book Centre and Communication Jeunesse, and the Governor General's Award for literature in French and English has emerged. Now, when I go to buy books for my grandchildren by Canadian authors that reflect Canadian values or are set in Canada, I am astounded by the richness and variety of what is available.

Canada now excels in children's literature and is regarded as a quality leader globally. This simply would not have been possible without the support of the Canada Council and other cultural institutions.

The same is true with respect to children's theatre. There are now more than 20 young audience companies across the country, creating works of enduring quality based on original Canadian stories. This means that many thousands of children in schools and community centres are able to recognize themselves and their country on the stage. The Canada Council has been supporting these groups since the 1970s.

Children's festivals are another feature of the artistic landscape that has emerged since my children were young. Festivals flourish in Vancouver, Prince George, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, London, Toronto, Ottawa and Montreal. Exchanges among these festivals allow children from Vancouver to see the best from Montreal, and vice versa. These festivals are often supported by local arts councils with assistance from the province in which they take place and by the Canada Council through its touring office. They are enormously popular with children and parents alike, and are full of Canadian content.

Support is also available to promote both young musicians and the capacity for musical appreciation in children. Jeunesses musicales du Canada does over 400 school shows a year called "Concertino." These are adapted for different levels, primary and secondary, in English and French. This, too, receives council funding.

We have the National Film Board to thank for some brilliant work that delights and enchants and, thanks to video technology, CD-ROMs and the Internet, that work will reach wider and wider audiences. Recently, the National Film Board produced two exceptional series on the rights of the child called "Rights from the Heart," "Droits au cœur." These are short, animated segments, each one focussing on a particular right and each produced by a different artist. They demonstrate the fascinating possibilities of animation, not only for humour and narrative but also for emotional engagement, and make the Disney films that swamp our screens look banal and flat.

Honourable senators, I have brought forward these examples to demonstrate the effective role that Canadians, through the cultural agencies they support, have played in nurturing a sense of Canadian identity among our children. However, all these institutions, both federal and provincial, have been placed under such severe constraint in recent years as we have collectively been putting our fiscal houses in order, that many of us, and I include myself among them, fear that we may have cut to the bone. The only way we will know for sure and be able to lay out directions for the future when new resources are available is to study the situation in depth.

How have cultural policies worked in the past? Which ones have been successful and which ones have not? What is the current situation for the arts, and for artists of all ages? What should we propose for the future to ensure a vibrant, creative and rich cultural life for Canada and for all Canadians? We really need answers to these questions. Our children deserve no less.

On motion of Senator Spivak, debate adjourned.

POVERTY IN CANADA

INQUIRY—DEBATE ADJOURNED

Hon. Erminie J. Cohen rose pursuant to notice of February 12, 1997:

That she will call the attention of the Senate to the Report entitled: "Sounding the Alarm: Poverty in Canada".

She said: Honourable senators, it is with great pleasure that I rise today to speak to a report called, "Sounding the Alarm: Poverty in Canada." It was written by myself and Angela Petten, who sits in the gallery today. I believe it will be of interest to many Canadians both inside and outside this chamber. I therefore ask the permission of the chamber for leave to table this report.

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

Hon. Senators: Agreed.

• (1630)

Senator Cohen: Honourable senators, the purpose of this report is to bring the complex problem of poverty to the attention of the Canadian public and the collective mind of government with the expectation that a comprehensive anti-poverty strategy will be developed and acted upon.

While I was pleased to see that this week's federal budget offered some welcome measures on behalf of poor children and persons with disabilities, it is clear that Canada is still playing at the edges of the problem. Piecemeal solutions are not sufficient to address Canada's disgraceful poverty situation in an effective, meaningful and sustainable way.

In just a moment, I will outline the report's contents for the benefit of honourable senators, although I trust and hope that you will also take the time to read it for yourselves. First, however, I should like to share with you a brief history of the report in order that you can better appreciate the context and spirit in which I am tabling it today.

"Sounding the Alarm: Poverty in Canada" sprang from my involvement last spring in an event that, unexpectedly, was to represent a pivotal point in my understanding of what it means to be Canadian. "Voices in Action," the Atlantic Canada Conference for Poor People, was being held in my home city of Saint John, New Brunswick. It was the first such event ever organized by the poor to address their specific issues. Invited to be honorary chair, I attended with notes in hand and a genuine sense of pride that I might be viewed as a sympathetic "dignitary" to the plight of the poor.

"Voices in Action" turned out to be an event which truly changed my life and my perceptions of poverty, social programs and, indeed, Canada itself. What I experienced during that

conference profoundly altered the context in which I viewed my world. Unfortunately, like many Canadians, I had never given much thought to the poor people around me. I believed that my country had strong social programs which ensured everyone an adequate standard of living. However, I was shocked to learn that our social programs have been chipped away to the point where they often no longer provide even the basics of nutritious food, adequate clothing and secure, decent shelter. I was further dismayed to discover that poor people are often treated as second-class citizens, facing discrimination when applying for apartments, bank accounts and cashing government cheques.

In the midst of this gathering of people of poor economic status, I was moved by the wealth of spirit and courage that was expressed in their dignified and honest discussions about being poor in Canada. Shocked and, above all, inspired with what they had to say, I came away with a renewed sense of purpose. I was determined to add my voice to those who will not tolerate poverty in this rich land of ours. I was determined to use the resources that I have as a senator to help sensitize Canadians and governments to the true state of poverty in Canada today.

I was also inspired by the work of the late Honourable David Croll, whose dedicated service in this chamber helped place the issue of poverty squarely on the public agenda. Unfortunately, however, it has long since been displaced as a public policy issue by other concerns arising from rapid changes in the Canadian economy.

Little consideration has been given to how these turbulent economic times are affecting the most vulnerable among us, and the federal commitment to those facing financial hardship has been increasingly withdrawn. A sad result of this situation is that attitudes in Canada toward poor people and their plight are hardening, with the poor now being blamed for all of their economic hardships. Acting on our own fears and our own vulnerabilities, we blame the victims instead of taking a critical look at the larger social and economic circumstances which are creating more widespread and persistent poverty.

It was my hope, honourable senators, that I could help focus the attention of Canadians once again on poverty as a priority issue and thus turn the tide of public sentiment so that we could all start working together on solutions. So it was that "Sounding the Alarm: Poverty in Canada" was born.

My report provides an overview of the most significant poverty issues of the 1990s, bringing to the forefront the types of economic and policy changes which have had a negative impact on the poor. Among other things, it analyzes the measurements of poverty, those classified as poor, the role of the labour market and Canada's international commitment to combat poverty. Above all, the report paints a portrait of poor Canadians and their families, from children to seniors. It explores the reasons for and the consequences of their poverty, including discrimination and poor-bashing, and it warns of a bleak future if changes are not made soon; a future where children who live in poverty today will be at threat of life-long exclusion from mainstream society.

What the report does not do, honourable senators, is point the finger of blame at anyone. That is because we as a nation, not any one government, political party or group, have created this problem. Neither does it propose any grand solutions to the problems that poor people face. That is because, just as we cannot assign blame to a specific case, workable solutions cannot be developed by any one individual or group.

“Sounding the Alarm” simply underscores Canada’s need for the political will and commitment to begin a long-term strategy that is consistent with our international commitments to alleviate poverty. It points out that we desperately need a vision for our country as we move into the 21st century. Too many Canadians are losing faith in the belief that their interests are truly being addressed.

Honourable senators, we are all proud of the fact that the United Nations has, for three years now, rated Canada as the best nation in the world in which to live, and indeed it is for some, perhaps even a majority of Canadians. The United Nations uses an index that is based on averages and limited to three factors: life expectancy, education levels and per capita income. Since most of our population is middle class, Canada is bound to score well, but we should not allow ourselves to be complacent or to forget the needs of the many poor Canadians, young and old. After all, being rated number one does not put food on the table or pay the rent.

Honourable senators, consider, for example, that over 1.4 million Canadian children lived in poverty in 1995, that 631,000 Canadian seniors lived in poverty in 1995, that 25 per cent of Canada’s working population is working poor, that 60 per cent of persons with disabilities live below the poverty line, that the poverty rate for single mothers in 1995 was 56.8 per cent, and that poor people living in urban areas must spend up to 80 per cent of their total income on housing alone.

Keeping these sad facts in mind, I would now like to share with you some of the key observations and conclusions that are presented in my report. In addition to describing the sorry economic state in which far too many Canadians are forced to live, “Sounding the Alarm” notes that poverty is getting worse as federal and provincial cuts to social assistance programs force many Canadians into deeper and deeper poverty. It warns that, because health care is more popular than welfare, there is a real risk that the provinces will use Canada Health and Social Transfer funds, which no longer earmark money for social assistance, to support health care at the expense of welfare budgets.

Honourable senators, perhaps most important, “Sounding the Alarm” notes that this great accomplishment that is Canadian society, one which guarantees everyone an income when in need, access to education and free medical care, is in immediate and mortal danger. The report also discusses the plight of the working poor, as well as the economic circumstances which have pushed many Canadian workers into the economic underclass, and the forces which keep them there.

The jobless recovery of the 1990s has been fuelled by a decrease in full-time, adequately paid jobs and a increase in poorly paid, short-term or contract jobs, as well as an increase in the number of self-employed Canadians, many of whom are low income. At the same time, the federal minimum wage has been drastically devalued, providing only 55 per cent of the poverty line in 1992.

• (1640)

I am sure you will agree, honourable senators, that every Canadian should be appalled that any child should have to live in poverty in such an affluent nation as ours. However, unless positive changes are made and we see a beginning — and soon — as part of a national antipoverty strategy, this situation could persist for generations, lost generations, to come.

Meanwhile, as if poverty itself were not enough for the poor to contend with, my report notes the growing incidents of poor-bashing which, fanned by debt and deficit hysteria, has sadly infected Canadian society. Canadians who must rely on social programs are forced to feel humiliated and despised. Poor-bashing promotes discrimination against the poor and blames them for their poverty, as though anyone were actually poor by choice.

Finally, honourable senators, “Sounding the Alarm” points to the growing disparity between what our Canadian delegates are signing in international forums and the lack of real outcomes. Our legislators have yet to position the issue of poverty as a priority on the political agenda. The report frames its call for action on the poverty front both in terms of it being a domestic policy imperative and in terms of Canada honouring international commitments that it has already made.

For example, Canada ratified the International Covenant on the Economic, Social and Cultural Rights in 1976. In signing the covenant, the federal government recognized the right of every Canadian to:

...an adequate standard of living for himself and his family, including food, clothing and housing, and to the continuous improvement of living conditions.

While living conditions have improved in some ways for some Canadians, Canada has failed to ensure that its most vulnerable citizens have access to the basics of food, clothing and housing. In fact, in June 1993, the UN committee on Economic, Social and Cultural Rights released a report that was sharply critical of Canada’s lack of progress in implementing the covenant.

Honourable senators, based on these disturbing observations and conclusions, “Sounding the Alarm: Poverty in Canada” makes four recommendations. It is important to note that none of these recommendations involve any new spending at this time. First, the Senate should urge the federal government to honour international agreements signed by Canada to improve the lives

of poor people here and to develop an action plan to eradicate poverty within a decade. Second, a parliamentary committee and a committee of Canadians should investigate unemployment and underemployment and their consequences in light of the reductions in social transfers and present the report to the Prime Minister. Third, low-wage work should not be overtaxed and social security contributions should be restructured to reduce the burden on low-wage earners. Last, the Canadian Human Rights Act should be amended to ban discrimination based on economic status.

Honourable senators, I feel it is important to say a few words about the timing of my report. You may or may not be aware that 1996 was declared the International Year for the Eradication of Poverty by the United Nations. If any of you are not aware of this fact, it may be because, unfortunately, its designation was largely ignored by politicians, policy makers and the public here in Canada.

Honourable senators, it is not too late. The United Nations has given us a second chance by declaring 1997 to 2006 to be the International Decade for the Eradication of Poverty. I believe that the international decade is a wonderful opportunity to keep people focused on poverty for long enough to propose, implement and start seeing the results of meaningful, long-term solutions to this terrible problem.

The snapshot of poverty in Canada that my report provides will, I sincerely hope, help mobilize the political will to address this scourge. It can also serve as a benchmark against which progress can be measured as the International Decade for the Eradication of Poverty unfolds.

We must begin early in this international decade to declare that we, as a nation, can no longer overlook the growing problem of poverty among our citizens; nor can we continue to play at the

edges of the problem by offering piecemeal solutions. It is ultimately not in Canada's interest to continue to ignore the needs of 20 per cent of its population.

Honourable senators, having described the purpose and contents of my report and the spirit in which it was conceived and produced, I am hopeful that we can use it as a springboard for collective efforts on behalf of poor Canadians. The International Decade for the Eradication of Poverty has begun and the alarm has been sounded. Now it is time for Canadians to work together to take real action to address the terrible problem of poverty in Canada.

Hon. Senators: Hear, hear!

On motion of Senate Bosa, debate adjourned.

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

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 March 4, 1997, at 2:00 p.m.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, March 4, 1997, at 2 p.m.

THE SENATE OF CANADA
PROGRESS OF LEGISLATION
(2nd Session, 35th Parliament)
Thursday, February 20, 1997

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	96/05/01	none	96/05/08 referred back to Committee 96/05/16	95/05/29	12/96
C-4	An Act to amend the Standards Council of Canada Act	96/06/18	96/06/20	Banking, Trade & Commerce	96/09/24	none	96/09/25	96/10/22	24/96
C-5	An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act	96/10/24	96/10/31	Banking, Trade & Commerce	97/02/04	eleven	97/02/13		
C-6	An Act to amend the Yukon Quartz Mining Act and the Yukon Placer Mining Act	96/10/21	96/10/23	Aboriginal Peoples	96/11/05	none	96/11/06	96/11/28	27/96
C-7	An Act to establish the Department of Public Works and to amend and repeal certain Acts	96/03/27	96/03/28	National Finance	96/05/14	none	96/06/12	96/06/20	16/96
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	96/06/13	fifteen	96/06/19	96/06/20	19/96
C-9	An Act respecting the Law Commission of Canada	96/03/28	96/04/23	Legal & Constitutional Affairs	96/05/09	none	96/05/14	96/05/29	9/96
C-10	An Act to provide borrowing authority for the fiscal year beginning on April 1, 1996	96/03/26	96/03/27	National Finance	96/03/28	none	96/03/28	96/03/28	3/96
C-11	An Act to establish the Department of Human Resources Development and to amend and repeal certain related Acts	96/04/24	96/04/30	Social Affairs, Science & Technology	96/05/15	none	96/05/16	96/05/29	11/96
C-12	An Act respecting employment insurance in Canada	96/05/14	96/05/30	Social Affairs Science & Technology	96/06/13	none	96/06/20	96/06/20	23/96

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-13	An Act 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	96/04/23	96/04/30	Legal & Constitutional Affairs	96/05/28	one	96/05/30	96/06/20	15/96
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	96/05/08	none	96/05/16	96/05/29	10/96
C-15	An Act to amend, enact and repeal certain laws relating to financial institutions	96/04/24	96/04/30	Banking, Trade & Commerce	96/05/01	none	96/05/02	96/05/29	6/96
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	96/05/02	none	96/05/08	96/05/29	7/96
C-18	An Act to establish the Department of Health and to amend and repeal certain Acts	96/04/24	96/04/30	Social Affairs, Science & Technology	96/05/08	none	96/05/09	96/05/29	8/96
C-19	An Act to implement the Agreement on Internal Trade	96/05/14	96/05/30	Banking, Trade & Commerce	96/06/11	none	96/06/12	96/06/20	17/96
C-20	An Act respecting the commercialization of civil air navigation services	96/06/05	96/06/10	Transport & Communications	96/06/19	one	96/06/19	96/06/20	20/96
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 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-23	An Act to establish the Canadian Nuclear Safety Commission and to make consequential amendments to other Acts	97/02/19							
C-26	An Act respecting the oceans of Canada	96/10/21	96/10/23	Fisheries	96/12/03	none	96/12/04	96/12/18	31/96
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	96/05/30	Legal & Constitutional Affairs	96/06/10	seven	defeated 96/06/19		
C-29	An Act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances	96/12/03	96/12/13	96/12/17 Energy, the Environment and Natural Resources					
C-31	An Act to implement certain provisions of the budget tabled in Parliament on March 6, 1996	96/05/28	96/05/30	National Finance	96/06/13	none	96/06/18	96/06/20	18/96
C-33	An Act to amend the Canadian Human Rights Act	96/05/14	96/05/16	Legal & Constitutional Affairs	96/05/28	none	96/06/05	96/06/20	14/96
C-35	An Act to amend the Canada Labour Code (minimum wage)	96/10/31	96/11/07	Social Affairs, Science & Technology	96/12/04	none	96/12/05	96/12/18	32/96
C-36	An Act to amend the Income Tax Act, the Excise Act, the Excise Tax Act, the Office of the Superintendent of Financial Institutions Act, the Old Age Security Act and the Canada Shipping Act	96/06/18	96/06/19	Banking, Trade & Commerce	96/06/20	none	96/06/20	96/06/20	21/96

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-41	An Act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act, the Garnishment, Attachment and Pension Diversion Act and the Canada Shipping Act	96/11/25	96/11/28	Social Affairs, Science & Technology	97/02/12	two	97/02/13	97/02/19	1/97
C-42	An Act to amend the Judges Act and to make consequential amendments to another Act	96/06/18	96/10/02	Legal & Constitutional Affairs	96/10/21	none	96/11/07 (2 amend.)	96/11/28	30/96
C-45	An Act to amend the Criminal Code (judicial review of parole ineligibility) and another Act	96/10/03	96/10/22	Legal & Constitutional Affairs	96/12/05	none	96/12/18	96/12/18	34/96
C-48	An Act to amend the Federal Court Act, the Judges Act and the Tax Court of Canada Act	96/06/18	96/06/20	—	—	—	96/06/20	96/06/20	22/96
C-53	An Act to amend the Prisons and Reformatories Act	97/02/05	97/02/11	Legal & Constitutional Affairs	97/02/13	none	97/02/17	97/02/19	2/97
C-54	An Act to amend the Foreign Extraterritorial Measures Act	96/10/21	96/10/30	Foreign Affairs	96/11/06	none	96/11/07	96/11/28	28/96
C-56	An Act for granting Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997	96/09/24	96/09/26	—	—	—	96/10/01	96/10/22	25/96
C-57	Act to amend the Bell Canada Act	97/02/04	97/02/12	Transport & Communications	97/02/17	none	97/02/18	97/02/19	3/97
C-60	An Act to establish the Canadian Food Inspection Agency and to repeal and amend other Acts as a consequence	97/02/13	97/02/18	Agriculture & Forestry	—	—	—	—	—
C-61	An Act to implement the Canada—Israel Free Trade Agreement	96/11/07	96/11/28	Foreign Affairs	96/12/11	none	96/12/12	96/12/18	33/96
C-63	An Act to amend the Canada Elections Act, the Parliament of Canada Act and the Referendum Act	96/11/27	96/12/05	Legal & Constitutional Affairs	96/12/12	none	96/12/18	96/12/18	35/96
C-68	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	96/11/25	96/11/27	—	—	—	96/11/28	96/11/28	29/96
C-70	An Act to amend the Excise Tax Act, the Federal—Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts	97/02/12	97/02/20	Banking, Trade & Commerce	—	—	—	—	—

COMMONS PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-202	An Act respecting a National Organ Donor Week in Canada	96/12/13	96/12/18	Social Affairs, Science & Technology	97/02/04	none	97/02/06	97/02/19	4/97
C-216	An Act to amend the Broadcasting Act (broadcasting policy)	96/09/24	96/12/03	Transport & Communications	—	—	—	—	—
C-243	An Act to amend the Canada Elections Act (reimbursement of election expenses)	96/05/16	96/05/28	Legal & Constitutional Affairs	96/09/26	none	96/10/01	96/10/22	26/96
C-270	An Act to amend the Financial Administration Act (session of Parliament)	96/12/03	96/12/11	National Finance	97/02/13	none	97/02/17	97/02/19	5/97
C-275	An Act to establish the Canadian Association of Former Parliamentarians	96/04/30	96/05/14	Legal & Constitutional Affairs	96/05/16	three	96/05/16	95/05/29	13/96

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-347	An Act to change the names of certain electoral districts	96/11/25	96/11/27	Legal & Constitutional Affairs	96/12/12	three	96/12/12	96/12/18	36/96

SENATE PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
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	96/04/24		
S-3	An Act to amend the Criminal Code (plea bargaining) (Sen. Cools)	96/02/28	96/05/02	Legal & Constitutional Affairs	96/11/07	Rec.			
S-4	An Act to amend the Criminal Code (abuse of process) (Sen. Cools)	96/02/28	96/10/28	Legal & Constitutional Affairs					
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		Dropped from Order Paper re: Rule 27(3)	96/11/07				
S-9	An Act providing for self-government by the first nations of Canada (Sen. Tkachuk)	96/06/13		Dropped from Order Paper re: Rule 27(3)	96/11/06				
S-10	An Act to amend the Criminal Code (criminal organization) (Sen. Roberge)	96/06/18	96/12/10	Legal & Constitutional Affairs					
S-11	An Act to amend the Excise Tax Act (Sen. Di Nino)	96/06/20	97/02/19	Social Affairs, Science & Technology					
S-12	An Act providing for self-government by the first nations of Canada (Sen. Tkachuk)	96/11/25	97/02/18	Aboriginal Peoples					
S-13	An Act to amend the Criminal Code (protection of health care providers) (Sen. Carstairs)	96/11/27							
S-14	An Act to amend the Criminal Code and the Department of Health Act (security of the child) (Sen. Carstairs)	96/12/12							

PRIVATE BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-7	An Act to dissolve the Nipissing and James Bay Railway Company (Sen. Kelleher, P.C.)	96/05/02	96/05/08	Transport & Communications	96/05/15	none	96/05/16	96/10/22	38/96
S-8	An Act respecting Queen's University at Kingston (Sen. Murray, P.C.)	96/06/06	96/06/10	Legal & Constitutional Affairs	96/06/13	none	96/06/13	96/06/20	37/96
S-15	An Act to amend An Act to incorporate the Bishop of the Artic of the Church of England in Canada (Sen. Meighen)	97/02/13	97/02/18	Legal & Constitutional Affairs					

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