

*Government Orders*

order houses that are able to avail themselves of this foreign certification program. I really think the government has to answer for this.

There is another element in the bill I want to address. The purpose of the two amendments on the *Order Paper* in my name is to reduce the gift exemption the government is creating. Under the present rule, there is an exemption for someone receiving a gift from offshore. If a gift is received from offshore, this particular tax does not have to be paid.

Someone was mentioning to me in the lobby a little while ago that if her mother sent her a gift from offshore, she would have to pay the \$5 surtax. Well that is not so. That only applies to goods purchased offshore. If a gift is received from offshore, right now one does not pay customs or any kind of administrative fee on the first \$40 of value of the gift.

The bill proposes to increase the \$40 to \$60 and the amendments I have proposed would delete those clauses. At the very least, let us leave it the way it is now at \$40. Let us not give an advantage to companies outside of this country. Let us give every advantage we can to the ones operating within Canada.

The Minister for International Trade and a few others across the way have recited to us at length the phrase "operating on a level playing field". That is their favourite line across the way. What is level about the playing field I have just described when we are plugging up loopholes in our system and creating new ones that will not make the plugging up we are trying to do half as effective?

Again, I repeat that we want those provisions to be tight but we cannot help but wonder why the government created this new loophole in the bill under this foreign certification clause.

I have here briefing documents for people working in Revenue Canada. These are questions and answers. These are prepared questions for the officials. This information was sent to me. I do not know whether I should call this information a leak or what, but anyway I have it. The information works this way. Proposed question No. 6: Finance has announced the foreign certification program, how does it work?

• (1100)

The proposed answer for the government official who is supposed to recite those prepared lines goes this way: A foreign mail order business can apply for certification which would allow it to collect duties and taxes on behalf of the Government of Canada. It would collect duties and taxes from its clients in Canada when the Canadian pays for the good and then send a cheque to the federal government on a periodic basis. This would in turn reduce the number of dutiable/taxable parcels to be processed by customs.

Then there is a supplementary question in case the person is real nosy and wants to know more. Question No. 7 goes this way: If I understand you correctly, by allowing foreign businesses to collect duties and taxes, Canadians can bypass customs altogether along with the Canada Post handling fee and have the parcel delivered right to their door. Is this not really facilitating cross-border shopping through these American mail order houses?

Well, thank you for asking, Mr. Speaker. Listen clearly to the proposed answer the official is supposed to give because you might find that it does not quite answer the question. As a matter of fact, I submit to you it does not answer the thing at all. Here is the proposed answer the government official is supposed to give to whoever is nosy enough to ask this supplementary question. Answer: Not at all. Foreign firms of course will have to consider this option in light of the cost that they will have to absorb or pass on to perform the collection and remittance function.

That is very clear, is it not? That is the proposed answer.

Again I recommend to this House the two amendments that I propose to close in on the loophole for gifts, but in addition I ask the government to really reconsider this foreign certification program because it is itself creating a new loophole that will not make its bill half as effective as it would be otherwise.

**Mr. Horner:** Point of order, Mr. Speaker. I am seeking unanimous consent of the House to table a report from a standing committee. Could we revert to that now?

**The Acting Speaker (Mr. Paproski):** Does the hon. member have unanimous consent?

**Some hon. members:** Agreed.