

**FROM THE DEPARTMENT OF FINANCE CANADA:
Further Legislation to Amend the Excise Tax Act Tabled in the Commons**

February 8, 1994, No. 94-016

Secretary of State for Finance Doug Peters tabled in the House of Commons a Notice of Ways and Means Motion to amend the *Excise Tax Act*. The Motion will further implement the government's action plan on smuggling announced following tabling of two other Motions earlier the same day. The new Motion responds to provincial tobacco tax reductions announced by Quebec. These changes implement the Prime Minister's undertaking to further reduce federal excise levies on tobacco products in response to provincial tobacco reductions. It proposes that the Excise Tax Act be amended to further reduce the rates of excise tax imposed on cigarettes and tobacco sticks that are marked by the manufacturer for consumption in Quebec. The excise tax on cigarettes will be reduced by an additional \$5 per carton and by an additional \$1.80 per 200 tobacco sticks. These reduced rates will apply to cigarettes and tobacco sticks that are marked for sale in Quebec and delivered by manufacturers on and after February 9, 1994. A rebate of \$5 per carton will be provided to persons holding excise-tax-paid cigarettes in inventory on February 9, 1994, in excess of a threshold level, and which are marked for consumption in Quebec.

Income Tax Legislation Introduced

February 4, 1994, No. 94-015

Finance Minister Paul Martin tabled in the House of Commons an Income Tax bill to implement measures announced in the December 1992 Economic and Fiscal Statement and the April 1993 budget. At that time Mr. Martin noted that an amendment in Bill C-136 that would have paid the GST credit twice yearly instead of quarterly had been dropped.

Independent Review of the Department of Finance Forecasting Methods and Performance Announced

February 4, 1994, No. 94-014

Finance Minister Paul Martin announced that the firm of Ernst & Young has been selected to conduct an independent review of the forecasting methods and performance of the Department of Finance. The review will begin immediately and be completed this spring with the release of a public report. "This review will contribute further to the Government's policy of opening up the budget process," Mr. Martin said.

**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT:
Lloyd Axworthy Announces Strategy for Social Security**

January 31, 1994, No. 94-4

The Honourable Lloyd Axworthy, Minister of Human Resources Development, launched the Government's Social Security reform strategy, in a statement in the House of Commons. "I am asking the House and our colleagues in the Senate, our counterparts at the provincial and territorial level, members of the business and labour sectors, the leaders of our communities -- indeed, each and every Canadian -- to throw off old ideas, put aside vested interests, and begin thinking of the kind of ground rules we need in Canada to restore fairness, hope, and a sense of security.... A meeting between labour market and social services ministers has been arranged for mid-February to start discussions about this working relationship." The Minister outlined a three-stage process to reform Canada's social security system. In the first stage of the process, the Standing Committee on Human Resources Development will be asked to hold public hearings on concerns regarding social security on the labour market. Concurrently there will be federal/provincial/territorial discussions on issues of joint concern. A small task force will be appointed shortly to help the Minister. These deliberations will form the basis of the Government's Action Plan to be tabled in April. The second stages of the reform will involve detailed consultations and analysis based on the Government's Action Plan. The third and final stage involves the development, tabling and debate of legislation late in 1994, with implementation to begin in 1995.

NATIONAL DEFENCE:

Canada to Review Cruise Missile Testing

February 3, 1994, AFN No. 94-001

Following is a statement by the Minister of National Defence, the Honourable David Collenette, on cruise missile testing: Just one year ago, the previous Government renewed the Test and Evaluation Agreement between Canada and the United States for a further period of 10 years. It is under this agreement that cruise missiles are tested in Canada. The previous Government agreed last summer to allow the United States Air Force to proceed with planning for two tests of the cruise missile in Canada in the first quarter of 1994. In view of the fact that this planning was already well-advanced when our government took office, and that there will be ample opportunity to examine further the matter of cruise testing in the context of the forthcoming reviews of both foreign policy and defence policy, we have decided to allow the tests now planned for next month to proceed. I would like to make very clear that while we have advised the U.S. government that these tests may go ahead this year, we have stressed the fact that they should make no presumption about the outcome of the defence policy review and the foreign policy review which will take place over the course of 1994. Given the depth of feeling within the country and within the Liberal Party on this issue it would be imprudent indeed to presume anything about our government's willingness to proceed with further cruise missile tests in Canada. That said, we have indicated we will be reviewing these matters with an open mind and we will do so."

UPCOMING EVENTS:

March 1994: Inter-American Development Bank Annual Meeting (Guadalajara)
March 22-25, 1994: Canada Expo94 (Mexico City, Mexico)
June 5-11, 1994: OAS Annual Assembly (Belem, Brazil)
July 8-10: G-7 Economic Summit (Naples, Italy)

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