

# HOUSE OF COMMONS

Tuesday, February 6, 1990

The House met at 11 a.m.

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*Prayers*

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[English]

## PRIVILEGE

### GOODS AND SERVICES TAX

**Mr. Speaker:** I should advise the House that I have an application for a question of privilege. The hon. member for Kamloops.

**Mr. Nelson A. Riis (Kamloops):** Mr. Speaker, I rise to bring to your attention a situation which I suggest may be yet another contempt of the House on the part of the Department of Finance. On September 25, the right hon. Leader of the Official Opposition presented to you his view that a national advertising program explaining the goods and services tax in full-page newspaper ads was contemptuous of the House's authority and prejudiced the proceedings of House committees.

Some weeks later, Mr. Speaker, you returned to the House. While you did not find a *prima facie* case of contempt you did express serious reservations about the advertising campaign. You told the House of Commons and the people of Canada that the contents of the advertisement gave you difficulty. You said that the content was obviously drafted in a cavalier manner and that there was an element of confidence, if not of boldness.

However, you accepted the word of the Ministers of Justice and of Finance that the intent of the ad was to inform Canadians and not to diminish the dignity or authority of the House of Commons and the Parliament of Canada. We left the issue with some confidence that it would not be repeated. After all, you summed up your ruling with the following cautionary remark:

I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous. This is a case which, in my opinion, should never recur. I expect the Department of Finance and other departments to study this ruling carefully and remind everyone within the Public Service that we are a parliamentary democracy, not a so-called executive democracy, not a so-called administrative democracy.

This morning, I read, as I am sure did all other members, that the Department of Finance is continuing to advertise the goods and services tax. While it is not using the print or broadcast media, it is exploiting a very effective advertising tool, namely, direct mail.

• (1110)

We learned from a report by Alan Freeman in *The Globe and Mail* today, that the finance department has mailed out 1,855,000 copies of a 20-page brochure; 1.4 million English copies; 375,000 French copies, and 80,000 bilingual copies.

The brochure claims that the goods and services tax will result in lowering operating costs to small business, an improved cash flow, a more competitive edge, and so on. These are debatable claims. We have heard from various organizations that represent the small business sector, as a matter of fact that speak for tens of thousands of people operating small businesses, that exactly the opposite will occur. So as I say, Mr. Speaker, what one person believes is a fact would be questioned by someone else.

Again finance department officials are claiming that this is not advertising but is simply factual material intended to inform the public. I find this, as I am sure others do, very reminiscent of the situation last fall. The Department of Finance is employing a communications strategy in advance of a House of Commons decision. After all, today we will likely only be completing second reading of the goods and services legislation.

Such a campaign can only be prejudicial to the work of the House and of the committee which will be charged with amending the GST bill, should it receive second reading later today.