

*Government Orders*

Motions Nos. 1 and 2 standing in the name of the hon. member for Glengarry—Prescott—Russell will be grouped for debate with a vote on Motion No. 1 applied to Motion No. 2.

Motion No. 3 standing in the name of the hon. member for Glengarry—Prescott Russell was moved, debated and negated in the Standing Committee on Finance which studied the bill. Consequently, Motion No. 3 will not be selected.

I shall now propose Motions Nos. 1 and 2.

MEASURE TO AMEND

**Mr. Don Boudria (Glengarry—Prescott—Russell)** moved:

Motion No. 1

That Bill C-74 be amended by deleting Clause 39.

Motion No. 2

That Bill C-74 be amended by deleting Clause 40.

He said: Mr. Speaker, first of all I obviously accept the Chair's ruling in terms of Motion No. 3. I will make my remarks to all three of the motions. I invite the parliamentary secretary to avail himself of the answers to some of the questions that I will be raising.

First of all, I indicated at second reading that it is my intention to vote for this bill and to recommend that my colleagues do the same. I want to indicate to the government that we have no interest in blocking, stalling or otherwise delaying the passage of Bill C-74.

It should be made clear to all Canadians and to all members of this House that the reason Bill C-74 is needed is because of an action by the government across the way some years ago. It decided in its so-called wisdom to make all parcels coming into Canada under \$40 exempt from customs duties. In so doing, it has created an industry in the United States.

I have here a magazine entitled *The Guide to Cross-Border Shopping, Tourism and Entertainment*. This little publication comes from the U.S.A., right across the border in Ogdensburg, New York. It tells of all the great ways Canadians can cross-border shop.

I understand that Canada Post is busy right now in the United States soliciting this kind of business to encourage Canadians to shop in the U.S. We will deal with that some other time. Right now, we are going to talk about the amendments that are before us.

The bill does two things. One, it reduces the tax free amount from \$40 to \$20. I had proposed in the amendment that has been ruled out of order to reduce that amount to \$5. The government said at committee: "Don't worry because all articles even under \$20 will be subject to a \$5 fee at the border by Canada Post".

That is not true, because in the bill there is what is known as a foreign certification program by which a large mail order house in the United States will be able to apply, collect the taxes themselves, and exempt themselves from the \$5 surtax.

The long and the short of it is the following: A company in the United States will be able to by-pass the new \$5 fee that the government is proposing by registering under the foreign certification program. Okay? Now, say a Canadian small retailer imports by mail some small article made in the United States to resell in Canada. It has no possibility of being so exempted.

What have we created? We are going to make it harder for a small business in Canada to compete with a large business in the United States because the certification program is only made available to foreign companies and not Canadian ones. We are actually creating a new device in order for foreign companies to exempt themselves from paying the \$5 surcharge we are initiating in the bill.

That is why the government has to answer for this. I invite the parliamentary secretary or one of the ministers across the way to explain to this House and to Canadians why yet another loophole has been created in a law that is supposed to get rid of loopholes this government created in the first place.

We really need to clarify that. As far as I am concerned, that foreign certification program should not exist. There is no reason for it. Why are we so desperate on wanting to export jobs out of this country? I cannot understand it.

If a Canadian mail order house wants to sell something to the U.S., it has to pay \$8.40 U.S. at the border in order to get the privilege of sending a parcel across the border. That is roughly \$10.50 Canadian at the time we are speaking today.

We are proposing to charge them \$5 for what they charge us \$10 and then we are proposing to exempt most of them from paying it anyway. Do they exempt us? Likely not. We are proposing to exempt all the large mail