

Regulations and other Statutory Instruments

bullied into writing the report and making a certain recommendation. That, of course, is not at all the case.

It is a real pleasure to be a member of this committee because its work is carried on in a non-partisan way. There is a free flow of ideas back and forth. We do not have to vote but rather arrive at a consensus of opinion. The reason the committee decided not to condemn the minister again was that we could not reach a clear consensus but had a strong feeling that the minister was really trying to resolve the problem. We think he is a pretty honest guy though we may disagree with some of his politics. That is another matter. We agree with him on this issue and feel he is trying to make an honest effort. As a result we felt there was no need to condemn, censure or blame him, or to make partisan comments on the subject matter. We believe it will be resolved in due course.

My colleague the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) presented his usual brilliant analysis of the report before us. He read a large part of it into the record. The minister then responded. The hon. member for Wellington-Dufferin-Simcoe said in simple terms that what we are dealing with here is whether the government can do indirectly what it cannot do directly.

The minister said that his concern—and this says something about the humanity of the man—is that these regulations affect people and their livelihood. That is really what we are talking about here. We are dealing with the abuse of people by the bureaucracy. I do not suggest that abuse is necessarily intentional, but situations arise as a result of regulations over which we have no control.

My colleague the hon. member for Provencher (Mr. Epp) suggested that perhaps what we should do in reforming the affairs of this House is to carry out an examination not only of the statutes but the regulations at the same time. This is done in other jurisdictions and I see no reason why it cannot be done here.

Having regard to a mechanism to amend the regulations, let me say that in the short time I have been in this House we have dealt with two or three large omnibus bills dealing with a whole series of regulations in statutes that had to be changed and amended. I see no reason why that could not become part of the practice of this House, taking place once a year before the House rises. If that sort of practice could be followed, I think probably there would be an all-party agreement on such an initiative. I am sure my colleagues to my left would look at this idea very seriously.

Let me draw a parallel to this abuse through the arbitrary power of the government and its officials who are responsible for the drafting of regulations. Let me give you an example of how this power can be used to destroy people, and how, as the minister has said, the regulations affect people and their livelihood. I want to refer to the case of a gentleman in Toronto who, admittedly, is far from that matter concerning Irish moss, wire weed, horsetail and the like. However, he suffered abuse as a result of the arbitrary imposition of regulations.

This gentleman operated a manufacturing business. He had an agreement with the Department of Manpower and Immigration in relation to a training program as a manufacturer of bicycles. He held an excise tax licence as a manufacturer. He was classed by Statistics Canada as a manufacturer and was listed as a manufacturer by the province of Ontario. He imported machinery through the machinery board of the Department of Industry, Trade and Commerce duty-free as a manufacturer.

One day a man from National Revenue, a customs appraiser, walked into his place of business and said he was not a manufacturer but rather was an assembler. My friend asked if the appraiser could show him in regulations or statutes the definitions of an assembler and a manufacturer. The official replied that he could not do that because it was the subject of an interdepartmental memo between deputy ministers. My friend asked for a copy of that memo and was told it was confidential. This was a catch-22 situation. The result was that this dominion customs appraiser levied a tariff of 17.5 per cent on the products this man was importing, and presented him with a bill for \$335,000. The man put together approximately \$250,000 and paid that amount. He said, "I don't know where I am going to get the rest, but I am going to go to Ottawa and appeal."

● (1740)

He then came here and spoke to the Minister of National Revenue (Mr. Rompkey) and a variety of officials but got nowhere. He just could not get to first base. The result was that the bank withdrew its support from his operation and he went into receivership. In spite of the fact that all his competitors were importing the same components as he was duty-free, he had to pay 17.5 per cent. That made him non-competitive and he went bankrupt. He lost his business.

I might say that he had a year's business sold in advance. He had 200 employees at his plant. He was turning out 200 bicycles a day. It was a going concern, but he went down the tube.

When he lost his home, he lost every asset which could be claimed, and finally he appealed to the Tariff Board, which is part of the Department of National Revenue. Twenty-four months later the Tariff Board ruled that the government had neither the regulatory or the statutory authority to impose the 17.5 per cent duty on this gentleman. Six months after that he received a cheque for about \$250,000, but no interest. His money was gone for two and a half years but no interest came back to him. In the meantime, he was bankrupt. The money went to the receiver in bankruptcy and was disbursed among the creditors.

Just as an aside, when I began to look into this matter, I went to the Tariff Board and asked for a copy of its report. Strangely, the Tariff Board said it could not let me have the report. The Tariff Board referred me to a private stenographic service which had prepared the minutes. I called that service, which wanted \$725 for a copy of the report. The service charged so much per word and I could not buy just the English