

Adjournment Debate

In the Canadian importers' magazine for October 5, they raise real objections to the increase in security demanded. This increase would force them to freeze assets, most of which are used to secure their working capital.

The conclusion of the industry committee's report on financing small business is that the lack of financing for small business is the fault of everyone except the government. It makes no sense.

Furthermore, I learned today that some very big importers like GM, Chrysler and Honda strongly refuse to provide such security and that they are negotiating with the Department of National Revenue to obtain a review of this policy. They are negotiating with the big ones, but crushing the little guys.

Is an importer or a very large customs broker with remittances of \$250 million a month, who secures only \$10 million of that, not favoured by this measure compared to a very small broker who must secure 100 per cent of his monthly remittances? Is favoritism not being shown, at the expense of the smaller operators? The government says that it is ready to encourage small business, but when the time comes to keep its word, it backs down.

I would like to have an explanation of this.

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the department has experienced a significant number of defaults by customs brokers in the past two years where security was inadequate to cover the defaults. Therefore, to protect the Crown and importers a security increase was deemed essential.

[English]

Importers remain fully liable for payment of duties and taxes under the Customs Act regardless of any arrangement with the customs broker to act on their behalf. In the case of defaults by customs brokers, importers who have already delivered payment of their duties and taxes to the customs brokers are required to pay the unsecured portion of the total amount a second time directly to the department.

On the basis of consultations, it was decided that the new security level would be equal to 100 per cent of the average monthly K84 invoice up to a maximum of \$10 million.

The \$10 million ceiling applies regardless of whether the security is posted by importers or by customs brokers on behalf of its clients.

The ceiling was established because the surety industry advised that there is not sufficient security available in Canada to guarantee the total liability that the brokerage community carries in any given month.

[Translation]

History has shown that most of the difficulties have arisen from the small to medium sized brokers whereas larger brokers have not shown any evidence of being a risk. Therefore, it is essential that the higher risk group be covered to 100 per cent.

I should also mention that the Canadian Society of Customs Brokers has negotiated a master bond with a surety company which will be available to its members. This should greatly facilitate companies being able to acquire the necessary security.

The surety company underwriting the Canadian Society of Customs Brokers' master bond has indicated that, under the new security regime, it will cover the 80 companies which they currently secure.

• (2010)

[English]

ETHICS

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I recently asked the Prime Minister a question concerning ethics and the role of his private ethics counsellor. His answer was both evasive and unsatisfactory. His answer and his attitude to the whole integrity and accountability issue contravene what was said in the Liberal red book.

The government seems to have a very selective memory when it concerns the contents of its red book and its election promises. If the government's promises happen to coincide with what it is doing today, then government members quote from it. If they have changed their minds or if the promises are inconvenient, then the government forgets what it said one year ago.

Let me refresh their memories about what they said about integrity and ethics. On page 92 of the red document, it says: "Open government will be the watchword of the Liberal program". Why then are they so secretive about the actions, responsibilities and activities of the ethics counsellor? Page 95 of the red book continues: "A Liberal government will appoint an independent ethics counsellor. The ethics counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and will report directly to Parliament".

The Prime Minister has tried to make a virtue of the fact that the ethics counsellor reports directly to him and not to Parliament. He has said repeatedly that the counsellor's role is to be the private advisor to the Prime Minister. This represents a clear break of a very specific election promise. This should not be the action of a government that is trying to restore integrity and reassure cynical Canadians.

If the ethics counsellor is not made accountable to the House of Commons, then he is nothing more than a lapdog and a government yes man. It is clear that the role of Mr. Wilson is not to ensure any sort of ethical standard for the government. It is