

Government Orders

So we have responded to these changes. Some of these changes were also requested by members of this House.

I have a response to the hon. member from Mr. Light of the department who says: "We open a number of gifts that arrive in Canada and if we find an invoice from a company in the package we know it is not an unsolicited gift. Basically, when a package is sent from an individual to an individual and the declaration declares it as a gift, we basically accept that, except where we have evidence to the contrary. Since we sample parcels on a regular basis and if we find something that indicates it is not a gift we then disallow the gift exemption".

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of Mr. Boudria. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. Motions Nos. 1 and 2 are therefore defeated.

Motion No. 1 negatived.

Hon. Gilles Loiselle (for the Minister of Finance) moved that the bill be concurred in.

Motion agreed to

The Acting Speaker (Mr. Paproski): When shall the bill be read the third time? With leave of the House, now?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Mr. Loiselle (for the Minister of Finance) moved that the bill be read the third time and passed.

• (1110)

Mr. Barry Moore (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am honoured to begin today third reading of Bill C-74, an act to amend the Customs Act, the Customs Tariff and the Excise Tax Act.

This is an important piece of legislation, important to both Customs and Excise, and important to Canadian business. It is designed to enhance voluntary compliance in the importing community and also to assist Canadian businesses by ensuring a level playing field and greater opportunity to compete in the global trading environment.

This bill is composed of two main parts. The first is directed to the elimination of the imbalance that currently exists in the interest provisions of customs legislation and to introduce penalties for the lack of compliance in certain instances.

It is noteworthy to mention at the outset that Customs and Excise has a very large commercial clientele who for the most part are very familiar with and who comply with customs legislation. For these importers then the proposed amendments will have no impact on their day-to-day operations. It will be business as usual.

Rather, these measures are aimed at those commercial importers who find it financially rewarding to delay filing their accounting documents or paying their fair share of duties and taxes. Current legislation requires Revenue Canada, Customs and Excise, to pay interest on moneys owing to an importer. However, the same obligation is not required of an importer who owes money to the Crown.

These proposed interest and penalty provisions have been designed to bring customs and excise business operation more into line with current commercial operating practices and they are fair to both the importing community and to customs, as the regulator. The proposed amendments are quite straightforward. Moneys owing by either party would be subject to interest provisions. As well, to further encourage compliance, the proposed amendments dealing with penalties will provide an incentive for the provision of timely and accurate information to customs.

The second part of Bill C-74 is directed to the importation of parcels through the mail. This aspect of the proposed legislation would modify current policies