

Government Orders

The Minister of National Defence, who has all the resources at his disposal, said that it is okay to shoot at us as long as you do not hit us because we do not want to retaliate. Anyone else in this country who takes a potshot at government property and government personnel, you can bet your boots that they are going to answer for it in court. Yet the minister says as long as they were not hit it did not matter.

In answer to the hon. member's question, the disinformation is coming from over there. Look at the facts. This is a serious situation.

I will finish up by saying a nation must defend its borders and enforce its laws and that is the basic, fundamental principle that has been abused. This government should ensure that these things are looked after or make sure that the laws that are not enforceable are not applied or not introduced.

The Acting Speaker (Mr. Kilger): Before resuming debate I do want to indicate to the House that we will now move to the next stage of debate. Members will be entitled to a maximum of 10 minutes intervention with no questions or comments.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I was looking forward to the questions and comments.

• (1720)

We will have a special audience outside after.

Mr. Speaker, thank you very much for the opportunity to participate in this debate. As you know, Bill C-32 represents a very important part of the budget which was first presented on February 22, 1994.

I would like to spend part of my time going over the major features of this legislation, but I would also like to take some time to respond to some comments made by members during yesterday's debate. In the haste of debate we often do not take time to seriously read each other's material and to think about the consequences of what other members might be saying.

The first issue I would like to address is on page 5626 of yesterday's *Hansard*. A member raises the question: Why does the present Liberal government always seem to be in a hurry to table bills without having the appropriate committee reports prepared?

I would like to leave Canadians assured that the government does not rush through important legislation. We began this debate openly, not in February but back in December, and continued it through January and February, ending up with the presentation by the Minister of Finance.

The measures in this legislation were clearly explained in the original budget documents and enable the government on a technical basis to carry out these measures which are important to the success of the budget.

We gave the opposition parties an opportunity to call witnesses, and of course our own members too, and some witnesses did appear to discuss Bill C-32. The fact is the coalition made not one but two presentations concerning the tobacco tax portions of this legislation.

It is important, therefore, that members of the opposition do not play too loosely with the activities of the government and leave Canadians with the impression that we have been in a hurry and that they have not had an opportunity to speak. I would like to assure the House that anybody who approached the House of Commons finance committee to speak on this legislation was given an opportunity and that in future cases we would give the opposition parties and our own members every opportunity to invite people to speak about legislation that was presented.

As an extension of that, members of the opposition are invited to present amendments both in committee and at report stage so that we can consider ways of improving the legislation.

This legislation deals primarily with tobacco smuggling. As members have discussed in the last few days and previously, there has been a rapid growth in tobacco smuggling in Canada. The contraband tobacco trade has had serious consequences for government, business and citizens of our country. The increasing market penetration of contraband tobacco products has caused a serious decline in government revenues. These revenues are an important part of the government's tax collection and are used to provide funding for programs and services across many areas of responsibility.

Based on these concerns, the government announced a comprehensive anti-smuggling initiative on February 8, 1994 designed to eliminate smuggling as a significant national problem. Leading this national action plan was an increase in enforcement, with greater resources assigned to both the RCMP and Canada Customs to intensify their efforts along the Canada-U.S. border and to target organized criminal networks dealing in contraband tobacco and other products.

In addition to specific excise and income tax changes, Bill C-32 also contains a number of measures that are important to the long-term success of a national action plan on smuggling. This legislation contains provisions for full inventory rebates to be provided in respect of the national \$5 excise tax reduction.

All wholesalers and retailers are eligible for complete reimbursement for tax paid inventories of cigarettes, tobacco sticks and fine cut tobacco held as of midnight, February 8, 1994.

Administration of the inventory rebate program is the responsibility of Revenue Canada. This bill will provide the Minister of National Revenue with the authority to pay out inventory rebate amounts once it receives royal assent.

There have been a number of questions raised and I would like to assure the House that we have been listening very carefully to these. Dealing with the question of the reductions, the question