

*Excise Tax Act*

We have before the House Bill C-12 which, as you know, Mr. Speaker, amends the Excise Tax Act and the Excise Act and provides legislative authority for a number of sales and excise tax changes that were proposed first in the April Budget of 1983 and then in the February Budget of 1984. It includes some provisions which were proposed more recently in the November economic statement of the Minister of Finance (Mr. Wilson).

We have heard the claims of the Hon. Member from the Liberal Party that he has had some background in this. We know that there was some additional input into the Bill when it fell to our lot to form the Government. The lack of mixed blood comes only from the fact that members of the New Democratic Party have consistently been the jilted suitor throughout the piece. They have always been able to criticize the provisions of this Bill from the same vantage point.

I would like to enter this debate for the express purpose of drawing attention to three specific points to which enough attention has not yet been paid. These specific points are the provisions relating to newspapers and magazines, the wholesale tax for motor vehicles and the increase in tax for tobacco and alcohol.

Before coming to those substantive points, I would like to reflect for just a moment on the speech to which I listened with such care made earlier this afternoon by the Hon. Member for Hamilton Mountain (Mr. Deans). It was a reasonable speech and was made in the eloquent tones with which the Hon. Member has for so long presented his points, both in this Chamber and at Queen's Park. It was a reasonable speech but one which was based on an unreasonable proposition to which I will return in just a moment.

Thinking as I did about the fine baritone voice of the Hon. Member for Hamilton Mountain, watching the Hon. Member for Ottawa Centre (Mr. Cassidy) nodding in agreement to at least some of his points, and enjoying the halcyon silence in the House this afternoon as the Hon. Member for Hamilton East (Ms. Copps) is noticeably absent, it strikes me that there are three Members opposite whose voices had previously been heard in the Ontario Legislature. It makes me reflect on how true it is that in the federal system the cream clearly rises to the top.

● (1540)

**Mr. Deans:** So does sour milk.

**Mr. Boyer:** There are many tastes in the House. All I was saying is that we found the speech of the Hon. Member for Hamilton Mountain to be reasonable and most eloquently delivered, but based on an unreasonable proposition. It is unreasonable in two aspects. First, a political aspect. Second, a tax policy aspect. The political aspect was to contend that a Party could move from the Opposition—where we justly and for a long time criticized government policy, including tax measures—and into Government, and within a matter of weeks could completely take the great ship of state and turn it around 180 degrees.

That is completely unreasonable. Many measures are in process, most of which are reflected in this Bill. The Bill will clean up previous measures as a part of the transition to the new Government. Anyone looking at this with a sense of realism will appreciate that these things have to be carried through, in certain cases with fine-tuning.

I think the second aspect, which dealt with tax policy, was also unreasonable. The Hon. Member for Hamilton Mountain said that if \$4.4 billion had to be raised, there were other less harmful ways of doing it. I question the wisdom of that. What has become evident in redressing national finances is the balanced, even-handed approach which is being taken by the Government. It is manifested in terms of the cuts which are necessary. No one sector is suffering unduly. We are trying to spread the pain evenly so that we will all bear a share of the burden. The same goes for raising tax revenues. This Bill does not contain one big tax bite aimed at any particular sector. What it contains are modest increases on many fronts where taxes have already been imposed. The Government is generating an essential \$4.4 billion, which is needed to help pay for government programs without unduly burdening any particular sector of Canada.

I would like to bring three points to the attention of the public. The provisions that deals with the newspapers and magazines does not really increase taxes; it is a technical change to provide clarification. As a result of Bill C-12, in order to qualify for an exemption from the federal sales tax, newspapers and magazines must devote at least 10 per cent of their space to news and editorial content. The change is proposed to ensure that it applies to printed space and that margins and other blind spaces will not be counted as part of news content.

I am the fourth generation of a family which has a weekly newspaper in Ontario, so I have an abiding interest in the press in this country. It is important to ensure that advertising supplements do not replace traditional community newspapers that accurately reflect the voice and concerns of individual communities. The economic base should not be undermined by publications which cut corners and try to use a minimum amount of editorial content in relation to advertising, to sneak in under the wire and take advantage of the federal tax exemption.

The second point, which has not received full recognition in this debate, deals with the wholesale tax for motor vehicles. The change is significant. As a result of Bill C-12, the point at which the federal sales tax is levied on automobiles will be shifted from the manufacturers' level to the wholesale level. That move will put North American automobile manufacturers in a much more competitive position in relation to European and Japanese automobile manufacturers. The wholesale tax on motor vehicles reduces the advantage of overseas vehicles because it changes the tax base from the point of entry to wholesale. Therefore, the tax will take into account such things as distributor charges, which make up the cost of a car. It will amount to a difference of \$250 on the retail price of an average car. It will be an advantage for Canadian and Ameri-