

THE SENATE

Tuesday, October 30, 1990

[*Editor's Note: Continuation of proceedings from Issue No. 105F.*]

The sitting of the Senate was resumed at 2 p.m., November 5, 1990, the Speaker in the Chair.

The Hon. the Speaker: The sitting is resumed. I call on Senator MacEachen.

**EXCISE TAX ACT
CRIMINAL CODE
CUSTOMS ACT
CUSTOMS TARIFF
EXCISE ACT
INCOME TAX ACT
STATISTICS ACT
TAX COURT OF CANADA ACT**

BILL TO AMEND—THIRD READING—MOTION IN AMENDMENT

Hon. Allan J. MacEachen (Leader of the Opposition): Mr. Speaker, I thought you might have called Presentation of Petitions first. We were all waiting eagerly for that opportunity. However, we will postpone that pleasure until a later date, possibly tomorrow when we return to the routine proceedings.

Under the provisional rules that we have adopted, we will be asking to have the vote on the question on the amendment which I will be proposing deferred until tomorrow. It may be unnecessary to defer a decision until tomorrow if the government would accept the amendment immediately. Of course, that is a lot to expect, but we were encouraged this morning to hear Senator Castonguay tell us that the government would consider reasonable amendments, that reasonable amendments would be carefully considered and any effort to improve the bill would be accepted in good faith.

Honourable senators, if there is a single amendment that would qualify under that particular description, it is the one that I propose to move today to Bill C-62. It is a simple amendment and one which has universal appeal. It has to do with what can broadly be described as reading materials.

Even the Prime Minister, in his visit to British Columbia, expressed the view that he himself had concerns about the imposition of a tax on reading materials, particularly books like the Bible, and reading materials in general.

The acceptance of such an amendment at this stage would give a signal that the government indeed is truly concerned about the views of the Canadian public on such an important matter as reading materials. It would be too much to expect at this stage to ask the government to withdraw the GST, although many Canadians would appreciate that decision; but

I do not think it is too much to ask the government to consider a number of important amendments.

Honourable senators, I am sure, are fully familiar with the current situation with respect to reading materials. It was explained fully before the Standing Senate Committee on Banking, Trade and Commerce by representatives who appeared before the committee and by a submission which was delivered to the committee in respect of the proposed goods and services tax on behalf of the Don't Tax Reading Coalition. The Don't Tax Reading Coalition represented the following organizations: Antiquarian Booksellers Association of Canada, The Association of Canadian Publishers, The Canadian Book Publishers' Council, The Canadian Booksellers Association, The Canadian Community Newspapers Association, The Canadian Daily Newspaper Publishers Association, The Canadian Library Association, The Canadian Magazine Publishers Association, The Canadian Teachers' Federation, the Canadian University Press, and Periodical Marketers of Canada. A patron of the Don't Tax Reading Coalition is Mr. Stephen Lewis.

Honourable senators who have not had an opportunity to read this submission will find it interesting, and that it covers most of the pertinent information that any senator would require in deciding whether there is merit in the request of the coalition and in the amendment which I intend to propose. I do not intend to take a long time addressing this subject because a number of other senators on this side wish to speak and because the matter is really fairly simple and clear cut.

In the testimony which was presented before the Standing Senate Committee on Banking, Trade and Commerce, it was made very clear that books and similar materials, printed materials, are not presently subject to any federal sales tax at any stage during their manufacture. They are free totally from the burden of taxation.

In the presentation to the committee, the coalition asked that the government maintain the present position. There is no federal sales tax on any aspect of the production of a book or printed material. As was pointed out by witnesses, there is no federal sales tax on the paper, the binding or the colour separation that is involved in production of printed material. In fact, the testimony went further and pointed out for example, that there was no federal sales tax on the purchase of printing equipment.

The lead speaker for the coalition before the committee said:

Not even on the capital costs of the purchase of printing equipment. Except for a very small percentage of what we might buy in terms of office equipment, furniture