

## REFERRED TO COMMITTEE

**The Hon. the Speaker *pro tempore*:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Lynch-Staunton, bill referred to the Standing Senate Committee on Transport and Communications.

## BUSINESS OF THE SENATE

**Hon. John Lynch-Staunton (Deputy Leader of the Government):** Honourable senators, I know there is a bill on which Senator Corbin would like to speak. I suggest that if no other senator wishes to speak, we let all the other items stand and proceed to that bill.

[Translation]

## EXCISE TAX ACT

## BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Frith, seconded by the Honourable Senator Hébert, for the second reading of Bill S-14, an Act to amend the Excise Tax Act. (*Honourable Senator Corbin*)

**Hon. Eymard Corbin:** Honourable senators, I may go slightly over 15 minutes, but I hope I will be allowed this minor extravagance.

On September 23 last year, Senator Frith, the Leader of the Opposition in the Senate, tabled Bill S-14, to amend the Excise Tax Act. It would have the effect of excluding all reading material from the application of the GST. This bill is the second attempt at amending the legislation, since November 1990.

After the GST came into effect on January 1991, Canadians thought, and apparently they were wrong, that the government would reverse its decision to tax books and would exempt reading material from the GST. Statements by ministers and by the Prime Minister himself had led Canadians to believe that an amendment was imminent to correct this serious error. However, no legislation was forthcoming. The idea never materialized. That is why Senator Frith took the step of rousing the government benches out of their stupor while giving the government a chance to clean up its act, which would undoubtedly be to its political advantage.

No modern government should impose a tax on learning, education, reading and knowledge. The GST, which is having a severe impact on some printed matter, is in fact a regressive tax. It aggravates our national illiteracy problem. It is a barrier to the development and circulation of ideas. It is a kind of censorship, a penalty imposed on those who wish to publish,

to learn, to improve their skills or simply get the information they need.

A government that calls itself progressive has a duty to guarantee to the greatest possible extent the free circulation of ideas and knowledge and to respect that freedom, won after centuries of struggle. These are conditions that are basic to the development of an enlightened and modern society.

Well before the GST came into force, the government was aware of the consequences the imposition of that tax would have for reading materials. Already in 1986, the Department of Communications had before it a study demonstrating that an increase of one tax point would result in a drop in sales of as much as 2.5 per cent.

After a year under the GST, the "Don't tax reading" coalition, consisting of writers, publishers, book sellers, teachers and consumers from every nook and cranny of Canadian society, informed us of the disastrous impact of the tax on the books and periodicals industry.

In 1991, book sales dropped by 10 to 20 per cent, while subscriptions plummeted by 50 per cent. Sales of newspapers and magazines at news stands dropped by 10 to 15 per cent. In 1991, the GST was also responsible for a 5 per cent drop in the circulation of Canadian newspapers, something we had not seen in this country in the past 50 years. These net losses have had repercussions on employment, supply, profits and new investment. And add to all that the fiscal shortfall for governments.

The GST's impact was felt not only by the producers but also by the users and consumers of printed matter: students, researchers, libraries, publishers and writers. None were spared.

French-language publishing suffered even more because of limited resources, translation costs, competition, imports and a more limited market in this country than is the case for English-language publishing, although I will admit the latter has also been hard hit. My point is that French-language publishing has far less room to manoeuvre.

Although Senator Hébert has already given us his insights, he may wish to speak again on the specific problems facing publishers, writers and the public in Quebec.

Francophone communities scattered across the country, which are fighting for their cultural survival, are doubly penalized, because where access to French-language books and publications was already limited, the GST has now made learning the intricacies of one's mother tongue and one's culture an even more hazardous proposition. Without oxygen, life cannot be sustained. In this case, the GST on French-language books and publications becomes one more factor that encourages assimilation, as though we needed that, in addition to all the other problems facing French-language minorities in Canada, including some inflicted by this government and some by the provincial governments.