

Excise Tax

lation. Frankly, the local newspaper, in more instances than may be imagined, is probably the sole remaining local forum in many communities. If this tax strikes deeply and hard at those community newspapers, it is another knock on what we would like to have as the true system of free local press.

Free press is abused by both the press and others in many ways. I feel completely at ease here, because outside one distributive paper which contains some editorial comment—and the ads pay for its production and distribution, and there is no annual subscription—other than two city dailies, there are no newspapers distributed in my riding. Therefore, I am not arguing on behalf of a particular constituent. Surely, all those in this House who represent rural ridings in particular will want to be at the committee hearings when they start next week or the week after to hear what the tax people and the newspaper association people have to say.

I will conclude my remarks because a number of my colleagues wish to speak, and I am sure there will be other speakers from other parties. I hope the committee will deal with this bill quickly. It must return to the House some time before Easter, and there is a lot of other work to be done, including a companion piece of legislation called the customs tariff which also goes back Anno Domini in its origin, not having been considered by the House for nigh unto three years.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, because of the fact there has been agreement to move this matter to committee, I do not think it is necessary, particularly on Friday afternoon, that I deliver a lengthy address on the taxation policies of the government, the nature of the government's energy policy or any of the other topics on which a speech could be made. Because of the importance of the measures contained in Bill C-57, however, I do wish to give the minister an indication of some of the questions which we will be raising in committee with respect to this bill, questions which would involve officials from this department, representatives at other levels of government and representatives from the industry.

I will deal first with the non-oil and gas issues and refer the minister to two or three areas which have already been touched upon somewhat by the hon. member for Edmonton West (Mr. Lambert). There is the question of the new definition of newspapers, the impact of the government's plan to tax those newspapers which, in its opinion, have an unduly high advertising content, and the effect it will have on the community newspapers.

I expect the government has had studies performed to determine how many newspapers would be involved and how many have a content of more than 75 per cent advertising. This is a very important factual question. Just how many people and what kind of community publications will be affected? We are also entitled to know whether the tax will have the effect of restricting communications and the ability of smaller businesses and smaller community publications to communicate with a fairly wide public.

As the minister will know, the definition of advertising is sometimes a tricky one. There are many community newspapers printed in Canada's non-official languages which have a very high advertising content because of the fact many of them include government advertising for government programs. This question is of great concern to me because many multicultural publications have a difficult time surviving.

If the impact of this legislation will be to reduce the quantity of those publications and the ability of the publishers of those publications to make a living, then this must be taken into account. Obviously, the government is concerned with publications which have as their primary or sole concern the publishing of advertisements for various businesses. The government is intent on arriving at a definition which will eliminate these publications from the category of newspapers.

However, as the hon. member for Capilano (Mr. Huntington) called out in the middle of the speech of the hon. member for Edmonton West, "The question is what is a newspaper and what is news". There are instances in many community publications where an ad could be defined as advertising in some context but, in another context, could be considered a very important aspect of the dissemination of information.

Since the minister has now returned to his seat, let me repeat, there is the question of heavy government advertising in many third language publications and the fact that these vehicle communications are terribly important to many communities in our country. I would like some hard factual information from the minister's department as to what forms of publications it hopes to deal with, what precise effect the government's proposal will have on the dissemination of information and the provision, in many cases, of a very useful service, and whether the taxation of this service will help the economy or eliminate an unnecessary loophole which presently exists.

There are many other areas with which one could deal in excise tax legislation. I am sure the minister is aware of many small businesses which have complained and lobbied vigorously with respect to the effect of the 9 per cent federal sales tax on cosmetics. I am sure he is also aware of the tax change being put on sales to the retailer trade level. I appreciate the justification from the department that the purpose of this tax is to eliminate tax avoidance arrangements which place Canadian cosmetic manufacturers at a disadvantage compared to importers of cosmetics. I think it is also important for us to realize that while this may be the intention of the department, in eliminating the previous arrangement of sales tax on cosmetics, we will again want to hear representations from the business community to see whether this is, in fact, the effect. We will want to judge for ourselves whether the government's purpose is well served by a measure that we will have put in.

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We have also received letters from small independent retailers concerned about the new changes in retail sales tax. Shifting the imposition of the sales tax will have little, if any, effect upon the large retail chains, since they often deal