

● (1640)

[English]

Hon. John B. Stewart: Honourable senators, may I ask a question of Senator Poitras? I gather from what he just said about this amendment that he would regard a zero rating for books, scholarly books, for example, as a kind of tax expenditure in relation to the new goods and services tax. It is on that ground that he proposes to vote against Senator MacEachen's amendment. Would he carry that line of thinking against tax expenditures over into the income tax field, let us say the corporate income tax field? If so, would he tell us which tax expenditures in that field he would first abolish?

Senator Poitras: Honourable senators, those are two different matters. I feel that the GST should apply to everybody at every level. If other ways to support the book publishing industry are needed, I feel, as Senator Hébert mentioned, that there are other ways of doing it. He mentioned in his remarks the Department of Communications as well as the Conseil des Arts du Canada. Thus, there are various ways to support entrepreneurship in this country. They are the ways in which I am sure the government will support this sector, as it has done in the past.

Hon. Joyce Fairbairn: Honourable senators, in the past week—

Hon. Jean-Maurice Simard: Mr. Speaker, I thought that you had recognized Senator Chaput-Rolland, who was on her feet until she was interrupted by Senator Molgat.

Senator Molgat: I did not interrupt the honourable senator. I asked a question, which is perfectly proper. Questions are to be asked immediately after a speech is made.

The Hon. the Acting Speaker: Senator Fairbairn has the floor.

Senator Fairbairn: Honourable senators, in the past week we have relearned that more than three out of every four Canadians continue to object strenuously to the GST. The numbers continue to grow despite government expenditures to sell it to the Canadian public.

Canadians understand that Bill C-62 represents a radical increase in the scope and breadth of federal taxation on individuals. This bill will tax the most profitable and the most marginal activities alike. Articles and services which have never been taxed before will now be taxed at every level of manufacture and sale. Indeed, this is a form of taxation which will reach into every pocket in the land. In doing so, the GST will have a particularly devastating and long-reaching impact on the activities that are already under most pressure in this country.

In particular, Bill C-62 will introduce punitive taxation on materials fundamental to our future progress, materials that must be made more accessible rather than less accessible. That is why our first amendment in this debate on the GST urges tax-free status be retained for books and printed matter of all types, including, as has been mentioned, the Bible—materials crucial to learning, to knowledge, to education and to spiritual

fulfilment which are in turn activities fundamental to Canada's ability not just to compete but to survive in the 21st century.

Honourable senators, this tax is as hurtful as it is unnecessary. When confronted recently by a student in British Columbia, the Prime Minister conceded that it was not right. He was asked by a young man from Burnaby South High School why the GST would be applied on school textbooks and the Bible. The Prime Minister responded, "Of all the criticisms I have heard this worries me the most". He added, "When the tax has been applied across the board for a while the government will want to look at its impact, perhaps review it and revise it later after it has been put in place".

I guess the question we have to ask today is this. Why wait? Our amendment to zero rate books and printed materials gives the Government of Canada a golden opportunity to remove that tax right now. I think it would be an honourable response to public concern.

The Prime Minister has also called for a collective national effort in education, a call which I very strongly support. A year ago he cried out for renewed cooperation from his provincial colleagues toward educational excellence, and a national task force on human resource development was established. I think it is working toward some guidelines for the year 2000, if I am not mistaken. However, in view of this stated priority the Prime Minister is now bent on implementing a tax on the very materials essential to reaching such a state.

Let us look at his words for a moment. Those on the other side will recognize some of them from the annual convention of the Conservative party held in Ottawa at the end of August one year ago, at which time the Prime Minister told his Conservative supporters, "The quality of a nation's system of education is a reflection of its civilization. It is also a measure of its wisdom because no nation can succeed without the full participation of all its people."

Others will remember similar concerns and commitments from the Prime Minister's opening remarks to the first ministers conference a year ago:

● (1650)

We are here to ensure that Canada's youth finds challenge and reward, as they grow and build this great nation.

Honourable senators, testimony before our Senate Banking, Trade and Commerce Committee suggested that students were very deliberately exempted from any tax credit relief from the GST. We know from the hearings—and other senators have referred to this—that students currently pay about \$700 per year for required textbooks. With the GST, plus whatever top-up provincial governments might tax, students could be looking at an additional \$100 a year in costs. I have no doubt that Canadian students will find that challenging, particularly those least able to pay in the first instance. These are people that many of us have heard from in vast numbers.

Honourable senators may recall that I have read hundreds of names from petitions that have been sent in by students