

the advertising were to take that same thing down the street to a newspaper and have it included in the newspaper for distribution, it was not taxable.

If we are talking about tax equity, it seems to me that surely, if we are going to tax this material when it is distributed by one group of people, then either we should tax it when it is distributed by all groups of people or we should not tax it at all. That is a totally different argument, but what we said was that the tax as it was being applied was putting small business at a competitive disadvantage compared with large newspaper chains as well as with weekly newspapers, and that that should be rectified as there should be equity. So the correction was made. The fact of the matter was that many of the small companies which contacted us with regard to this inequity which was facing them as door to door distributors of material were forced out of business before this change could be made. There are still such companies in existence, but they will not be in existence much longer unless this change is brought forward. So we are talking about equity in the tax system.

The hon. member for Broadview-Greenwood said the 80 per cent figure and the 90 per cent are arbitrary figures picked out of a hat, that they have no meaning but that the New Democratic Party has put forward a rational way of responding to this problem. "We are going to define a catalogue". What is a catalogue? Is it 20 pages, is it 10 pages, is it 8½ by 11, is it 7 by 14 or is it 12 by 20? What is a catalogue? If the definition of a catalogue can be so objectively determined, then why does the hon. member accuse the government of being subjective in the definition of 80 per cent or 90 per cent, or in the definition of what shall, for the purposes of this tax, be a newspaper? That kind of inconsistency is typical of the New Democratic Party. Its definitions are objective; everyone else's are subjective. The concern of members of the New Democratic Party for a certain class of small business is fair and equitable, but our concern for small business is inequitable because we are not looking after the same class they happen to be looking after or at the same time.

● (1740)

The problem is, of course, they did not understand the rationale or logic for the change in the tax in the first place. We tried to explain it in committee but apparently we did not get across. The point is that this tax has been in place for a very long time. It is the manufacturers' excise tax, a tax which applies to printed material, and the question that was put to us was: if a newspaper expands into another field using its tax free status to make additional profits through the distribution system where it can be non-taxable, is that equitable to other non-newspaper firms which compete in the same field? We say, no. That is why we have brought forward the change, to retain equity in the tax system. The overwhelming evidence, Mr. Speaker, is that the weeklies will not be affected by this as a result of the 80-90 per cent definition. The inserts are taxable now in all places except when they are distributed by a newspaper, and we believe they should be taxed.

Excise Tax

If the hon. members want to say all advertising should be tax free, that would be a proposal they could put forward. However, unless they are willing to do that, we say advertising that is printed and taxable in the hands of anybody should be taxable in the hands of everybody. That is equity, that is equality. That is what this party stands for, and that is what is in this particular amendment.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 14. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The question now is on motion No. 15. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen: