

someone told him that the tax would apply to the Bible, he reacted by saying something, "Oh no, we can't have that. We will have to have another look at it." Honourable senators opposite, I believe, in the course of debate yesterday said that much. "We have to have the bill go through as is, but come the new year or after the bill is in place, we will do something to get rid of the tax on reading material." The Prime Minister, I am told, said that on the tube last night or on a hotline. Now if anything is confusing the public mind at this stage, it is these pronouncements by government spokespersons, statements by senators who say, "In principle, we are opposed to the tax on reading material, but we are going to follow the party line".

● (1710)

Does the government expect people in the business of selling printed material to go through the expense of setting up—if this tax is eventually given royal assent—the necessary cash registers, et cetera, only to be told by the government that they will be taken care of next year during the course of a budget speech or through changes to the regulations? The government is sending two messages. On the one hand it says that the GST is going to apply January 1; on the other hand, it is starting to leak out the rule of exception, starting with printed material. The government also says it is going to do the same for other sectors. The government is seeding confusion in the business community, which is getting very mad at the government. I am receiving calls to that effect. People want you to stop this nonsense and axe the tax.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the short answer to that question is no. Let me clear up any confusion in the mind of the honourable senator.

Senator Corbin: I got it from your side.

Senator Murray: Let me clear up the confusion in the honourable senator's mind. The government has made no commitment whatsoever to change any particular provision of that legislation at any particular time. The Minister of Finance, the Prime Minister and others have pointed out that there is a budget in this country every spring. At that time, the government takes the occasion to examine the impact of all of its tax measures on the Canadian people and, as a result, makes timely and necessary changes.

With respect to the tax on books, the honourable senator has referred to the statement of the Prime Minister in Burnaby; and, yes, that is one area of concern.

Hon. H.A. Olson: Do it right now! We will help you do it right now!

Senator Murray: If my honourable friends had not abandoned the technique of pre study, we might have had an opportunity many months ago—

Some Hon. Senators: Hear, hear!

Senator Murray: —to look at possible improvements in that entire bill. But my friends abandoned that practice in favour of confrontation. There is no commitment on the part of the government to make any particular change to Bill C-62 at any

particular time. However, we make the commitment that the impact of this tax will be monitored throughout its implementation. We have a budget every year, at which time there will be ample opportunity for us to make whatever changes are desirable.

Hon. Jearahmiel S. Grafstein: I have a follow-up question to that last comment by the Leader of the Government in the Senate. All of us watched the Prime Minister last week on television respond to a student from the University of British Columbia. I do not have the exact text of his comments, but, as I recall, the student asked whether or not the Prime Minister was still prepared to tax knowledge or books, which are the implements of a student. In response to that student's question, the Prime Minister said "Not to worry," or words to that effect, "Not only does the government understand your concerns, but it will resolve your concerns", leaving the student, and certainly the television audience, with the clear impression that the Prime Minister intended to resolve the student's problems. The logical conclusion from that would be that the Prime Minister was going to withdraw or at least ameliorate those tax measures under the GST that cover books and other costs that a student has to pay by the new tax. That was the clear implication of his statement. Subsequently the Prime Minister was asked questions in the House of Commons, and Mr. Wilson moved off that position and said that the government would respond to those concerns in the next budget or at some future time.

If the Prime Minister made that moral commitment to the students of Canada, why does he wait until next spring? Why can the Government of Canada not decide in the next 60 minutes to delete the tax provision, satisfy the concerns of aroused students across the country, and fulfil the Prime Minister's moral commitment to that student and all students?

Senator Murray: Honourable senators, I do not now have in front of me the full text of what the Prime Minister said in Burnaby. I suggest a reading of that would support the interpretation I gave earlier; namely, that there is no commitment to make a particular change at a particular time, but that these matters will be monitored during the implementation of the tax, and we will have an opportunity to make the necessary improvements at budget time.

An Hon. Senator: Why not do it now?

Senator Grafstein: If I misquoted the Prime Minister, perhaps the record could be corrected if the Leader of the Government in the Senate would table the transcript of the Prime Minister's comments. I was certainly left with the impression, as were others on this side, that he was going to deal with the concerns of that student who raised the question of the GST as it applies to books.

Senator Murray: Honourable senators, what I was referring to was a full newspaper account, which I read yesterday. There may also be a verbatim transcript. If there is, I will make it available to my honourable friends.

Senator Grafstein: To help the Leader of the Government, I am referring to the transcript of what the Prime Minister said