

*Excise Tax*

We have, as I indicated, three departures from the usual consideration of excise tax. I intend to talk about indexation. My colleagues will take on the petroleum and natural gas tax section, that portion marked part IV of the bill, since it will be part IV of the Excise Tax Act. Others will deal with a variety of subjects, for instance, marginal manufacturing. Included also will be the manufacture of alcohol by individuals in limited quantities and oddly for limited periods, but I will let those hon. members speak for themselves. There will be others who will speak about a change in newspapers.

Representations made with regard to the incidence of the excise tax have now resulted in an increase, according to a government amendment, of 75 per cent to 80 per cent of advertising matter before a publication will attract excise tax. We will see what reaction there is to that. I found as a result of the representations, certainly from the small weeklies and the small city dailies, that this is an absolute killer. It did not affect the large newspapers as much. Certainly over the period of time during which calculations could be made, percentages could be worked out so that the independent inserts could be calculated. Large papers, precisely because of their volume, could escape tax. An eight or 12-page paper coming out on a weekly or bi-weekly basis and carrying inserts with it because that was deemed to be the best distribution in the district of such advertising inserts, would attract sales tax or federal excise tax. I am not talking about the distribution of full catalogues within the folds of newspapers. That is not the purpose, and that in itself can be dealt with. I am sure that no new newspaper would insist that it has the right to distribute, say, a Sears catalogue within the confines of a 16-page newspaper.

**Mr. Cullen:** Except O'Callaghan.

**Mr. Lambert:** I heard the hon. member for Sarnia-Lambton (Mr. Cullen). I can always stand up to the representations of the gentleman to whom he referred, even though I find that Ontario Liberals have a great deal more difficulty digesting his other views. They are so "right" in so far as a Canadian's concept of Canada is concerned, the right to resources and so forth, that I commend his particular articles as mandatory reading for all Ontario Liberals.

**Mr. Cullen:** He might be "right" but not correct.

**Mr. Lambert:** In any event, when I consider his original political views and where they are now, certainly he has my sympathy. In so far as the newspaper machine for which he works, that is quite a colossus.

I think that we, as Canadians, have to pay some attention to the size of some of the newspapers in the big chains. I am not one who gets worried about bigness by itself, but there comes a point when we have to look at the absence of healthy competition and alternatives, something which is happening here in Canada at the present time, unfortunately.

One area about which I must say something, and on which my colleague, the hon. member for Etobicoke Centre (Mr. Wilson) will have a great deal more to say, is the petroleum

and natural gas tax of 8 per cent. It is a revenue tax of 8 per cent which, in itself, is a punitive tax to which the government has no right. As a matter of fact, the Alberta appeal court, in so far as revenues for natural gas owned by the provinces are concerned, has declared them beyond the powers of the Government of Canada. I agree with that decision. This is just another public raid by a treasury which has absolutely no business mounting a campaign to spoliage provincial natural resources owned either by the governments of those provinces or by the people of those provinces. The Government of Canada does not have any jurisdiction in that respect. It has never exercised its jurisdiction with respect to the gold, nickel, copper and other products of Ontario. It has never touched the gold of Quebec. It would not dare. What about electricity? Is the federal government going to make a descent upon the electricity coming from James Bay? What about that which is produced at Manic or will the federal government go after the electricity generated from Churchill Falls which is taken by the Quebec government from the Newfoundland government? It would not dare.

This is another attempt to try to get at people, many of them, like the Indian bands of Alberta perhaps some in Saskatchewan, who have oil and gas wells from which they derive revenue and on which they are building economies for themselves.

The first trust company established by Indian councils is in Alberta. They depend upon the revenues of the natural gas and oil produced in the Hobbema area. What does the Minister of Finance say? He says "I want 8 per cent of that". He wants 8 per cent of revenue to which he has no right. He has no right to levy income tax on income treaty Indians have earned on reserves. Provincial governments have no right to levy taxes of any kind in those reserves. No municipal government or any other government can levy a tax with regard to Indian lands. However, because there are revenues from oil and gas coming from under Indian lands belonging to those treaty Indians, the Minister of Finance through Bill C-57 says he wants his share, his pound of flesh.

● (1620)

I am not going to place myself in the role of the courts of Canada with regard to the legality of the imposition of that tax, but I will say this. There is no more right in the Government of Canada under the Constitution, the British North America Act, to levy such a tax on revenues from oil and gas produced on Indian lands than on oil and gas produced and owned by a provincial government, as declared by the appellate division of the Supreme Court of Alberta.

What this has done to Canadian interests in the oil industry is astronomical. It is worse than a pirate's raid. They are federal buccaneers. They are out to raid provincial funds, whether in Saskatchewan, Alberta or British Columbia. It provides a beautiful precedent for a raid on the forest industries of Quebec, Ontario and British Columbia or for a share of revenues emanating from the production of pulp products or lumber. What about a share in gold, silver and all our other