

Campus Stores Canada

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

It is important to examine policies and regulations that artificially increase the cost of education. One such economic impediment is the artificial inflation of book prices because of provisions in the Copyright Act. The Copyright Act allows publishers to establish import monopolies on books from authors from around the world, and in turn outlines what these import monopolies may charge for the cost of books. Books imported by those other than these exclusive importers are referred to as "parallel imports". Section 27.1 of the Copyright Act makes the parallel importation of new books an offence, provided that those exclusive distributors adhere to pricing regulations. Specifically, an importer can charge a

bookseller the price of the book in the country of origin, plus the difference in the exchange rates between the two countries, plus an additional 10 or 15%, depending on the country of origin. Campus Stores Canada considers this to be a “private tax” established by public policy. It is paid by for from the wallets of Canadian students and their families and is collected primarily by foreign private interests. It allows publishers to receive an additional 10 or 15 percent of pure profit from their products before risking losing a sale to parallel importers. Importantly, this returns no appreciable benefit to the artists or authors who created the works in question. The tariff’s design is an artifact of publishing, commercial distribution, and policy paradigms that have changed radically since these regulations were promulgated in 1999, particularly through the development of internet commerce. Individual consumers are not bound by these regulations and are able to legally purchase books from the lowest cost provider, regardless of location. And they do: through internet retailers, Canadian consumers are often able to buy books more cheaply than Canadian resellers can. It confounds market logic that a Canadian student is able to import individual books more economically than a multinational corporation importing commercial volumes of products, but this is a direct result of the tariff’s artificial inflation of domestic book prices. Moving forward, we believe a substantial reduction in textbook prices could be achieved by amending Section 5.1(a)(iii)(A) and 5.1(a)(iii)(B) of the Book Importation Regulations to remove the 10 and 15% tariffs.