

Non-Canadian Publications

regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, with amendments, to which the concurrence of this House is desired.

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[English]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Bill Jarvis (Perth-Wilmot): Madam Speaker, may I preface my remarks by supporting the sentiments expressed by my colleague, the hon. member for Cumberland-Colchester North (Mr. Coates), when he discussed the quality of the debate and those who have participated in it. I, too, wish to compliment those who have spoken. In particular, I wish to direct my compliments to the hon. member for Vancouver-Kingsway (Mrs. Holt) and the hon. member for Ontario (Mr. Cafik).

I will be completely frank with the hon. member for Vancouver-Kingsway. I was somewhat affronted when she referred in her opening remarks to a filibuster. I say to you, Madam Speaker, that when we as members are recipients of an outpouring of genuine emotion from our constituents, a concern which is not prompted by bigotry or anything else of that kind, and when in consequence we participate in debate at some length, I do not like to think that this falls within the category of a filibuster. Possibly the hon. lady did not intend it that way, and I do not accept that we were filibustering.

● (1720)

This legislation, Bill C-58, will apparently have the effect of preventing *Time*, *Reader's Digest* and other lesser known magazines from publishing Canadian editions. I know the Secretary of State (Mr. Faulkner) and other government spokesmen have said this is not the effect of the measure. In a technical and legal sense they may be right. However, I prefer to look at the practical rather than the legal or technical results which will flow from this proposal. I have concluded, as I have said, that the result will be the loss of the Canadian editions of *Time* and *Reader's Digest*. Therefore, Madam Speaker, I oppose the bill and will vote against it on second reading as will, I am sure, many other members.

I wish to say at the outset that I am among those who could have been persuaded to support sending this legislation to the standing committee for detailed examination if I had found or if I had been convinced that this new law was necessary, or even desirable, to support certain principles. Again, I would have done so, if there had been more evidence of flexibility on the part of the minister in following a course which in my view is certain prevent the publication of these Canadian editions.

[The Acting Speaker (Mrs. Morin).]

For example, I believe in and would support reasonable measures which would develop and nurture a distinct Canadian culture and identity. I believe in the principle that we should strive for a tax policy regarding periodicals which applies equally to all. Again, I support the principle that the benefits of Canadian advertising revenue should, generally speaking, go to Canadian media. In this area I would add one word of caution, however. I would not want to be a party to legislation which would discourage Canadian industry altogether from advertising in foreign or foreign-owned periodicals, since I can conceive of situations in which advertising in such periodicals might be the only way in which Canadians could reach the audience they needed—in developing new export markets, for example. In general, though, I believe most members support the principle that Canadian tax law should provide an incentive to Canadian business to spend its advertising dollars in Canadian media.

I said a few moments ago that I would not support this legislation. The basis of my disagreement with the Secretary of State concerns the tests or standards imposed to determine whether magazines such as *Time* and *Reader's Digest* qualify to receive the benefits of such incentives. I wish to discuss these tests and standards a little later, but before I do so, and while I am discussing principles, I believe it is only fair to state my opposition to other principles inherent in this legislation.

First, I reject the notion that I must be anti-American in order to be pro-Canadian. I reject the principle that we must punish Americans in order to encourage Canadians. Any bill which is penal or negative in its very nature, such as the one before us, must be subjected to the closest scrutiny. I reject the principle that we should enact this piece of legislation in the abstract without knowing in some detail the nature of the government's over-all publications policy for Canada. All we have to date are some vague hints of what is to come: the use of Canada Council grants, financial assistance for a national distribution service for Canadian periodicals, possible increased advertising spending by government, and so on. This is not good enough; it is too vague and uncertain.

I reject the principle that officials of the Department of National Revenue are best suited to judge what is Canadian content and what is not. I am not prepared to go so far as to say that our tax department would become censors under Bill C-58, but there have been suggestions to this effect from responsible individuals and groups, and considering the source of these suggestions I believe we should be wary of the legislation before us.

Finally, I reject the proposition that in order to guarantee the publication of a Canadian news magazine we must eliminate the Canadian edition of *Time* and that to guarantee the publication of a Canadian news magazine we must eliminate the Canadian edition of *Time* and that to accomplish the latter we must throw *Reader's Digest* out of the country as well. I have not reached the stage of accusing the minister of this yet. The minister seems obsessed, or at least preoccupied, with attending at the birth of a Canadian news magazine or, more properly, of at least two such magazines for it is evident to me that he expects Maclean-Hunter will publish one; and certainly whoever purchases *Time* Canada's mailing list, at what-