

Broadcasting Act

possible that it has been overvalued. If that happens, difficulties will follow. However, if the business has been well managed, if its reputation and the reputation of its officers has increased, there will be a profit when the business is sold and there will be a capital gain, if you accept that gain as a capital gain in principle. There is some question there. That gain is taxable. Yet if there should be a loss, it is only proper that allowances be made.

If \$1 million was paid for goodwill when the business was acquired, and the business turns out to be what is commonly known as a turkey, or if the people who bought it cannot operate it and they sell it at the end of five years and the goodwill must be written down to \$300,000, there is a capital loss. Surely, appropriate changes should be made to allow for this in the same way as allowances are made for tangible property that is acquired. I do not know why this provision is being perpetuated in this section.

May I call it four o'clock, Mr. Chairman?

Progress reported.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills.

Mr. Deachman: Mr. Speaker, I understand there is disposition to consider item No. 137, on page 17 of *Routine Proceedings and Orders of the Day*. That item stands in the name of the hon. member for St. John's East (Mr. McGrath).

PRIVATE MEMBERS' PUBLIC BILLS

BROADCASTING ACT

AMENDMENT TO PROHIBIT ADVERTISING ON CHILDREN'S TELEVISION PROGRAMS

Mr. James A. McGrath (St. John's East) moved that Bill C-237, to amend the Broadcasting Act (advertising on children's programs) be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

He said: Mr. Speaker, I thank the House for being disposed to give unanimous consent to bring this bill forward. This is a timely subject for discussion since we are now entering the season when television advertising will reach its greatest proportions. Perhaps to explain my principal reason for bringing this bill forward I can do no better than read the explanatory note which is as follows:

Children's programs have a captive audience. Although many of these programs are excellent and serve a useful purpose, they usually contain commercial messages directed at a highly impressionable and very susceptible audience.

• (4:00 p.m.)

The object of the bill is to prohibit advertising during the broadcasting of children's programs. More particularly, Mr. Speaker, the bill before the House is an ideal opportunity to discuss the whole topic of advertising

directed toward children. It is particularly relevant at this time of year with Christmas and the advertising associated with this season.

The bill, as stated in the text, is to ban the broadcasting of advertising on children's programs. The principal objective of the bill—here I am being very realistic—is to focus public attention on this important issue and, consequently, to encourage public debate on what steps the federal government should be taking in this area. I will be dealing with my own views on this matter in a few moments, but before doing so I would like to state what I consider the problem to be. What prompted me to move this bill was the fact that as a parent I have become increasingly aware of the effect that television advertising is having on our children.

Television advertising is a refined and sophisticated way of selling a product. At times it runs the risk of crudely manipulating the needs and tastes of its viewing audience. In the case of children, it runs the risk of sadly misleading them. In fact, it is so common a part of our daily lives that few of us stop to look at the effect it is having on our children. Surely we as concerned legislators should begin to wonder if that effect is good or bad. I do not want to imply that television advertising is inherently evil or that it is an unnecessary part of our free enterprise system. I do want to stress that I personally feel it is in the best interests of a free market system that advertising be done on a fair and responsible basis with government providing general guidelines for the presentation of advertisements.

We have all seen the barrage of faddish gimmicks, tinsel toys and fantasy lands to which our children are subjected. We know the aura of fantasy which is created. The motivation in some cases is far from helping our children's normal development. Rather, the object is to spark and influence their imagination, indeed bringing pressure to bear on the parents through the children to buy a particular product. As a parent, I object to that.

I think there is growing concern throughout the country. Many people share my objection. For example, which one of us would permit a salesman to come to our door and ask to see our five, six or seven year-old child? Who in their right mind would permit their child to go to the door and be subjected to the high-pressured sales pitch which one normally gets from a door to door salesman? We would not have to think twice about this. However, we allow it to happen every day because every day we allow our children to be subjected to such high pressured salesmanship over television, perhaps even higher pressure than one would be subjected to by a door to door salesman. From the age of three, I firmly believe that our children should not be conditioned to programming their wants and desires on the basis of whatever television ad happens to be the most seductive at a given time.

It might be well to reflect for a minute on the situation in the United States because that is probably the greatest source of television programs that we view in Canada. Certainly it greatly influences the content of our commercial television programming. In December, 1970, two powerful U.S. federal regulatory agencies were sufficiently impressed with the importance of proper advertising for children that they decided to hold an unprecedented joint hearing into the issue. Both the federal trade commission