

Non-Canadian Publications

reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have an amendment to the bill, which I should like to present. Perhaps I might read it now. I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That motion No. 7 be amended by deleting the proposed subparagraph (c) and substituting therefor:

"(c) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if the minister of the Department of National Revenue has approved a plan submitted by the said Canadian subsidiary providing for compensatory payment by such subsidiary by the allocation of funds to Canadian television program production, extension of Canadian television service, development of Canadian talent, or otherwise for the benefit of Canadian broadcasting:

The minister may require as a condition for entering into any such agreement that a percentage, to be stipulated by the minister, of the voting shares of such subsidiary be beneficially owned by Canadian citizens.

This subamendment is in response to a statement made by the hon. member for York West (Mr. Fleming) and is designed to eliminate his objections to the amendments recorded in respect of motion No. 7.

Mr. Speaker: Order, please. I take it that the seconder should be the hon. member for Huron-Middlesex (Mr. McKinley). Is it agreed, pursuant to the motion moved by the hon. member for Winnipeg South Centre (Mr. McKenzie), seconded by the hon. member for Huron-Middlesex, that motion No. 7 standing in the name of the hon. member for Surrey-White Rock (Mr. Friesen) be amended in accordance with the terms of the motion just read by the hon. member for Winnipeg South Centre?

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, this debate has been carried on for a number of hours. I should like to say at the outset that the debate in no way is meant to be critical of the Canadian broadcasting systems, the networks or any of the stations affiliated with the Canadian Broadcasting Association, or the television stations. I have noticed, from reading *Hansard*, that the Parliamentary Secretary to the Minister of Communications has made some statements regarding the statements I have made in relation to the situation involving KVOS-TV, Bellingham. I have pointed out that I am not only very pleased with the work BC-TV has done in Vancouver, but I wish it well and trust it will continue to do well.

I believe in the free enterprise system in a competitive market. I think BC-TV has prospered because it is in a competitive system and has good business management. The parliamentary secretary objected to the amendments I have submitted in order to protect the competitive system. He objects because he says this is an infringement of the legislation or, rather, an infringement and interlacing of tax legislation with the CRTC. As recorded at page 10849 of *Hansard*, the parliamentary secretary said:

Hon. members cannot argue out of both sides of their mouths. I hope hon. members will consider that when they talk about the situation in Detroit and Windsor. The hon. member for Surrey-White Rock went on to say that this is in effect a tax bill to update the Broadcasting Act. Of course nothing could be further from the fact of the matter. It is indeed for the very reason it is a tax bill that it means to give incentives to Canadians to operate in Canada, and to encourage Canadian businesses

[Mr. Speaker.]

to deal with other Canadian businesses to which they interrelate. It is precisely for that reason we are presenting this action here in the form of a tax bill.

That is also precisely the reason why none of these amendments make any sense because if we accepted them we would be doing exactly what the hon. member tried to attack us for doing. If we took his amendments we would be saying, "OK, let us through a tax bill make a special exemption which would change the whole purport of the Broadcasting Act." Surely that is the fundamental reason why these amendments cannot be given serious consideration.

● (1220)

Actually, Mr. Speaker, all I am asking is that hon. members of the House recognize that while there must be a national broadcasting policy, surely, in the interest of fairness, there must also be consideration of regional differences. I think that if we want to talk about inconsistencies, we might well point to the other matters in Bill C-58 which is under discussion at this time.

It seems somewhat ludicrous for the parliamentary secretary to say that we cannot make these kinds of distinctions, when the government has made a very great distinction between the situation facing *Reader's Digest* and that facing *Time* magazine, when actually it has launched an attack on *Time* magazine and yet has been able to find a way to spare *Reader's Digest*. I compliment them on sparing *Reader's Digest* and I am happy to see that it will remain in operation in Canada. As others have said, let me say that *Reader's Digest* is certainly not yet out of the woods on this issue, because it is still faced with the vicissitudes and whims of the Minister of National Revenue (Mr. Cullen) when interpreting the regulations. He did not operate outside the Income Tax Act when he made the special provision for *Reader's Digest*.

That is simply all that we are asking for, the same kind of treatment for KVOS-TV, Bellingham. We are not denying the need for a national broadcasting policy, the need for sovereignty of broadcasting facilities within Canada and the need to have a licensing policy which deals with all the broadcasting facilities in Canada. That must be safeguarded by statute. But the government has already violated the statute by making special deals for one publishing company, operating outside the statute and by way of regulations. In a matter of two or three months it has changed its own interpretation of those very regulations which it says it will use as guidelines for the publishing industry.

Time and time again we heard the Secretary of State (Mr. Faulkner) state in committee that 80 per cent difference was the rule which would apply to *Reader's Digest*. We believed him and we were all convinced, as the witnesses said in committee that under these regulations *Reader's Digest* could not continue to survive. Yet, what happened a few months later? Suddenly the Minister of National Revenue had a ray of light. He got an insight which he had not had before, and he admitted candidly in the House that as a result of discussions in committee and in private he realized that *Reader's Digest* could not function under the regulations as they had been interpreted.

That is exactly what we are saying about KVOS-TV, Bellingham, that under the present circumstances it would do a grave injustice to KVOS to operate within the statute as it is in its present form. If we want to talk about