

Adjournment Debate

permitted to lay their case before us as Members of Parliament, before the Government, without being accused of lobbying and therefore being threatened by the tax department to have their charitable status removed?

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Hon. Member appears to have problems with the matter of charitable registrations. He refers to the fact that the Department has counselled a charitable organization against changing its constitution so as to be in a position to undertake different activities, the different activities being related to political objects. Strangely enough, charity has not been defined in the Income Tax Act. That being the case, in our common law tradition we look to the findings of the courts. We discover that the courts have held consistently over the last hundred years or so that charity comprises the relief of poverty, the advancement of education, the advancement of religion and other purposes beneficial to the community that do not fall under the three other headings. It is true that certain school boards are currently registered as charity. Each application for a charitable status received in the Department is evaluated on its own merits and must meet the stated criteria to be approved. The Department endeavours as well to ensure that the groups which have been granted status as charities adhere to the objectives as they have been outlined to the Department.

I should further explain that the courts have held that political objects are not charitable in nature, that is, they do not come under the three specific headings or under the general heading of other purposes beneficial to the community. Since the Income Tax Act requires that all the resources of a charity must be devoted to charitable purposes, an organization seeking registration or wishing to maintain a registered status may not, therefore, engage in political activities. This is not to say that the purposes of an organization seeking to affect our laws may not be highly commendable. It is only to say that the organization may not be given the right to issue receipts for donations that may be subsequently claimed as deductions from taxable incomes.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—PAY TV—SALE OF FIRST CHOICE NETWORK. (B)
REQUEST THAT MINISTER REVIEW COMMISSION'S DECISION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, last week I directed two questions to the Minister of Communications (Mr. Fox). I asked him to look into the application which was made to the CRTC for the right to transfer ownership of the First Choice pay television network to Astral Bellevue Pathé, and not only to look into the question, but to look into the haste which the CRTC was ready to deal with the question, and to look into whether or not he should overrule the decision of the CRTC to permit that transfer of control. That proposal, which the CRTC approved, was objected to and criticized by virtually every person and organization involved in television, except the appellants.

● (1810)

I have a copy of a letter sent to the Secretary of the CRTC written by the national office of ACTRA, which represents over 8,000 members of the Canadian film and television production industry, including writers, performers, directors, producers, technicians and production management personnel. I will read one sentence from this letter, which was ignored by the CRTC. They state, "We oppose a transfer of control because it is in violation of the Commission's established policy on vertical integration and is contrary to the interests of both the public and Canadian film and television industry."

The CRTC spent ten years and commissioned a number of in depth studies about how to deal with pay TV when it would be offered to the Canadian public. It made a number of policy decisions. For instance, it decided that it would have a number of competing companies and that no company should be permitted to control all aspects of television production. Those policies, which were adopted after ten years of study, have, in the space of less than one year, been proven to be completely unworkable. We have First Choice, Super Channel and C Channel. C Channel is gone and First Choice is in such difficulty that it had to ask for an infusion of new capital. That is the reason for its proposal to be taken over by Astral Bellevue. Super Channel is in trouble as well. There simply have not been enough Canadians willing to contract to get pay TV to allow the healthy operation of a number of channels.

When this company takes over pay TV, it means that the policy which was worked on for so long by the CRTC will be stood on its head. As I have indicated, the CRTC's policies have proven to be a total failure.

The CRTC ignored its own rule that applications should be held for 50 days before they are considered. It is a rule which makes a lot of sense because a 50-day delay would give all those interested enough time to prepare their positions and detail their objections if they had any. The CRTC ignored its own policies and agreed to hear this applicant after ten days and to make a decision quickly. In effect, this excluded many of those organizations and other industry participants who wanted to prepare and make submissions. Therefore, we have the takeover of First Choice by Astral Pathé. This is a holding company which controls companies which are in every field of activity in films and television. It controls Astral Film, Astral Bellevue Classics, Astral Video, Astral Television, Pathé Video, Pathé Quebec, Pathé Sound and Postproduction Centre and Astral Film Productions. It has an agreement with Twentieth Century Fox to fund jointly production projects for pay TV and television markets.

Therefore, this is a company which will control everything from the concept of television production, writing, producing, acting up to the delivery to the customer. That is completely contrary to established CRTC policy, completely contrary to policies which the Government agreed to over the years. What it will do is to give a completely unfair advantage to this one company. It will put all aspects of the industry from the writers to the actors to the producers virtually at the mercy and give complete control to this one company. This is what