

## GOVERNMENT ORDERS

[English]

### INCOME TAX ACT

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

The House resumed, from Monday, February 9, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

**Mr. Alex Patterson (Fraser Valley East):** Madam Speaker, when participating in debate on this bill on second reading I expressed serious misgivings concerning the principle of this measure, and I am constrained to say that nothing has been said to alter my views on the government's proposal. On the contrary, I am more convinced than ever that, while some unrevealed accommodation has been reached which makes it possible for *Reader's Digest* to continue publishing its Canadian edition, some of the features of the bill remain unacceptable to many members of this House.

Many views have been recorded with respect to the blundering manner in which the government has approached this question. However, I must say the government has been consistent in that it has established a reputation for confrontation that has never been approximated by any previous government of Canada. In this instance, it has acted true to form. Perhaps the best assessment is that made by Mr. Geoffrey Stevens who wrote the following in the *Globe and Mail* of December 6, 1975:

Anyone who cares about fair play, straightforwardness in government, and freedom of discussion cannot help but be appalled by the shabbiness of the government's methods on Bill C-58.

It is evident that the government has failed to recognize basic flaws in the legislation and the basic injustice of the measure proposed. Rather than review the situation and come to an accommodation, the government has chosen to bulldoze the measure through and disregard the attitude of the general public and of members of this House, including government supporters. I wish to call attention to some of the arguments advanced by the government. One of them is that in some way our media should contribute to the development of a truly Canadian culture. I am appalled when I note the ways in which our media tries to accomplish this. When one compares Canadian periodicals and Canadian programs with periodicals and programs produced elsewhere, one cannot help concluding that the Canadian-made product does not portray that which we wish to recognize or acknowledge as truly Canadian culture.

● (1620)

Not too long ago I spoke with a young couple who had spent a number of years in the United States and had re-established their residence in Canada. They told me they were shocked at some of the programs aired by the CBC. They voiced the opinion that this would never have been tolerated across the border. I mention that to point out that just because something originates elsewhere does

### Non-Canadian Publications

not mean that it is not good, and because it is produced in Canada it is good.

I again refer to the statements that have been made and the affirmation that one of the purposes of this measure is to strengthen the Canadian publishing industry. I could quote from the speech I made on this measure on May 26, but I do not propose to do that this afternoon. Nevertheless, I believe there are ways in which we can strengthen the Canadian publishing industry. If we must resort to this type of procedure to build the Canadian industry, I say that we are not complimenting it in any way, shape or form. Some of the fault lies with the Canadian publishers. If their periodicals leaned more in the direction of the desires and reading interests of Canadians, there would not be such a tendency to choose other magazines ahead of those published in Canada.

Let us look at it from the other point of view, that is, the money saved by advertisers not being able to claim advertising expenses for income tax purposes. If that were directed into the Canadian industry, it would be in a much more viable position. May I again point out that there is no indication that any substantial amount of such advertising money will be redirected to Canadian enterprise. Indeed, figures that have been quoted show that it will be a very small amount. When requests have been made for proof that this would substantially increase the financial position of the Canadian industry, that proof has not been forthcoming. It is a matter of "it should accomplish this purpose", or "we anticipate that this is going to happen". I do not believe that the position the government is taking in this particular measure is going to strengthen the Canadian publishing industry or put more money into its coffers.

I wish to make reference to the attitude of the government on this issue, particularly with regard to the operations of the committee. I do not have to go into detail about what happened in committee; that has been placed on record on a number of occasions. Because some members of a committee choose not to go along with the measures before it, it would be reprehensible for them to be removed from the committee and others placed on it. However, that action has been taken with regard to members of this committee. It is a reprehensible position for the government to take. This afternoon we were speaking about the freedom of individuals and freedom of speech. That also applies to this measure. Every member who has been on the committee has the right to express his view, regardless of whether it corresponds with the government's proposal. Members on the government side have been taking a position on this measure that is opposed to the proposal of the government. When I spoke on May 26, I referred to the hon. member for Cochrane (Mr. Stewart). The hon. member for Vancouver-Kingsway (Mrs. Holt)—

**The Acting Speaker (Mrs. Morin):** Order, please. I regret to interrupt the hon. member, but several members have attempted to speak outside the scope of motion No. 4. Motion No. 4 is a definition of a Canadian magazine. Perhaps the hon. member would limit his remarks to that.

**Mr. Patterson:** I accept Your Honour's ruling, but respectfully suggest that this comes within the bounds of the measure. It has been dealt with by many other mem-