

*Non-Canadian Publications*

repeat that 41 per cent of the diverted revenue, as a result of passing this bill, would go to existing newspapers that already have 28 per cent of advertising held in Canada, magazine supplements, television and radio. Twelve per cent of this diverted revenue would go to other forms of promotions and advertising.

I really think that these facts are indicative of the need for us to take a good second look at this bill to make sure we are on the right track. As I have said, it is estimated that *Reader's Digest* would lose 64 per cent of its present revenue.

I have just given you the redistribution of that revenue which in no way seems to indicate a re-organization or re-allocation of the revenue in the direction the Secretary of State would like.

Another factor we should keep in mind is the area of growth in this list of media I have presented. Where are these areas growing, in the total concept of the advertising dollar that is available? I should like to put on the record some figures covering the period from 1960 to 1974.

During that period the daily newspapers have grown by 170 per cent, and television has grown by 350 per cent. If we took a close look at the situation I think we would find that television is the major villain as far as periodicals are concerned and the reading time of the Canadian public.

During the same period radio has grown by 250 per cent; business publications have grown by 48 per cent, and the general magazine industry, to my surprise, has grown 76 per cent. In 1960 it had a revenue of \$21 million whereas in 1974 its revenue was \$37 million.

Although magazine revenue has grown in terms of dollars, and I have not corrected these dollars to constant 1961 dollars, the paid consumer market share during that 14-year period from 1960 to 1974 fell from 3.8 per cent to 2.3 per cent of the market, a drop of 1.5 per cent, I believe. During that same period the total dollar growth for newspapers has been 18 times that of the general magazine category. Television has been 11 times that of the same general magazine category while radio has been eight times. As I mentioned, television seems to have affected magazines perhaps more than any other media.

In 1954 Canadian magazines enjoyed 4.2 per cent, or \$14.2 million of total revenue. In 1960 this dropped to 3.8 per cent, and in 1965 to 2.6 per cent, but in the 1965-66 period there was a turn-around and Canadian magazines increased their percentage of that market by .1 per cent, and it climbed to 2.7 per cent in 1966. In 1974, however, it had slid back to 2.3 per cent, or \$37 million. In the meantime in 1954 television revenues were \$8.6 million, and in 1974 they were \$225 million.

I know statistics and figures are boring, but in light of these figures I do not think we can afford to rush this bill through. I think the perspective for 1974 was much different than the perspective for 1960 when this royal commission report came out.

I mentioned earlier in my speech that the 14 magazines belonging to the Magazine Association of Canada have enjoyed a healthy growth. The one with the largest growth has been *Miss Chatelaine* by 838 per cent. Second to *Miss Chatelaine* was *Time* with 115 per cent. *Reader's Digest* had

[Mr. Huntington.]

a growth rate of 37.9 per cent in the period from 1965 to 1974.

• (2050)

The total growth of the Maclean-Hunter publications between 1965 and 1974 was \$6.3 million, or a growth performance of 68 per cent for that group which already controls 40.1 per cent of the advertising dollar in that category. The total growth of *Time* was \$5.8 million, or 115 per cent, as I have already mentioned, and the total growth of *Reader's Digest* was \$2 million, or 33.8 per cent in the period between 1965 and 1974.

It is probably worthy of note that *Reader's Digest* has been an exceptional corporate citizen. They are reaching for a 30 per cent Canadian editorial and subject matter content in their publication. As we all know, they print an English version and they also have a French version, *Sélection du Reader's Digest* which costs them a subsidy of \$157,000 per annum. I think they are an organization which has tried to play the game and they have been very aware of and sensitive to the wishes of the House and of the Canadian people.

I do not want to appear to be affected by their lobby, but I have read the material presented to me quite objectively and I think it is a sound argument for the minister in charge of this bill to take a good second look at before this legislation becomes law.

In this period also another factor has affected us. There has been a rapid growth of major free distribution magazines with advertising revenue in 1974 of \$10 million, with total copies per issue in 1974 reaching 2.7 million. This is a sizeable entry into the market for the advertising dollar in Canada and I wonder if it is truly part of the considerations behind this bill. One has to conclude that magazines are still in the process of establishing their medium as a viable competitor to the other media mentioned.

I have mentioned the position of newspapers and particularly of television and radio as the true competitors of the periodical industry, and the establishment of a truly Canadian owned periodical industry in Canada. The Association of Canadian Advertisers had something to say on this subject. Their members are responsible for some \$400 million worth of advertising placed in Canada. They have stated that the proposal to rescind Section 19 (2) of the Income Tax Act would:

... tend to weaken the whole magazine field as a medium in Canada compared to the strength of television, radio and daily newspapers.

I urge the minister to look at these facts seriously when he considers this bill and the amendments to it in committee.

The question now before the House would appear to be to provide such legislation guidelines by which the industry can attain a final maturity as a medium deserving the lasting respect and support of the Canadian reading public and those wishing to reach that audience through advertising. I cannot emphasize the phrase "lasting respect" enough.

One of the things that has happened in the last ten years is the destruction of the Canadian decision making base. The private sector does not know where it is at any longer. It is getting retroactive legislation; it gets itself estab-