

*Non-Canadian Publications*

for the Canadian market to avoid payment. I think that is a significant point.

I am not so happy with the next fact, but I am being honest with the House, so I will relate that in 1936 the King government decided to repeal the import duty within the content of a reciprocal U.S.-Canada trade agreement. In 1943 the first publication of the Canada editions of *Time* and *Reader's Digest* began. Then, because of the growing problem in the 1950's, the St. Laurent government decided in 1956 to impose a 20 per cent tax on advertising contained in the Canadian editions of 10 foreign periodicals as of January 1, 1957. For other reasons, as this House is well aware, the St. Laurent government was soon replaced by the Diefenbaker government, which rescinded that legislation, but then in turn appointed the Royal Commission on Publications in 1960, which reported in 1961. It was this commission, chaired by a Conservative, a member of the other House, one of the most esteemed members of the other House, Senator O'Leary, which made the recommendations which essentially we are now enacting.

However, in 1965 when the government of that day decided that the time had come to introduce legislation, it decided not to go as far as the O'Leary commission had recommended, and in the legislation passed at that time, *Time* and *Reader's Digest* were exempt. But this was a position which was not reached on the basis of principle.

I do not think anyone in Canada at that time believed that *Time* and *Reader's Digest* were granted a special exemption from the law because of principle. This was an exemption granted out of the weakness of Canada at that time vis-à-vis the United States with respect to certain very important positions we were taking with the United States. In fact it has been said that the automotive pact, which is of so much value to Canada, might not have come into being if Canada had not been prepared at that time to make this concession. The government at that time made the best decision it could in the context of that time, but this was not a decision which was made because it was the best decision. It was made because it was the best decision possible in the circumstances.

Obviously any company which relied on this was relying on it at its own risk. As so-called Canadian publications, *Time* and *Reader's Digest* were supposedly as well aware of Canadian political experience as any other Canadian companies. They could see the situation, and they knew that they were relying at risk. The compliance of *Time* with this legislation has been as minimal as possible. It could have decided to increase its Canadian coverage—and it did add a page—but still only 4 per cent to 10 per cent of the content of *Time* magazine is Canadian. It could have hired a few more Canadians, and indeed it did hire a few, but only a few. It could have sent Canadian correspondents to other parts of the world to report, but it decided not to. In short, *Time* magazine was living up to the judgment which Henry Luce himself made about it in his appearance before the O'Leary committee, that it was in no sense a Canadian publication. It was strictly and always an American publication.

The compliance of *Reader's Digest* with that legislation was much more wholehearted, and here I recognize that the hon. member for Grenville-Carleton (Mr. Baker) certainly had a point when he differentiated between the way

[Mr. MacGuigan.]

*Reader's Digest* had established itself in Canada and the course *Time* has chosen to follow. *Reader's Digest* is 32 per cent Canadian in ownership, whereas *Time* is still wholly American owned, and it has, arguably, as much as 24 per cent or 25 per cent Canadian content. In addition to that it has followed the guidelines for non-Canadian corporations which were set down by the Hon. Mr. Winters at that period.

I think it can be genuinely said that *Reader's Digest* has been a good corporate citizen of Canada, and we commend it for that. We give it the same kind of commendation we would give to any Canadian citizen or corporation acting in full accordance with the law. *Reader's Digest* has received its reward. It has received a financial reward. The very fact that it has 1.5 million subscribers and has made them faithful, as we know from letters we have received, the very fact that it has this kind of support indicates it has received a commercial reward for its policy of Canadianism. But this is not to say that when the parliament of Canada decides, as I hope it will be deciding in the course of disposing of this bill, that the time has come to establish a new and more stringent policy, that the rules have to remain as they were.

We are not saying that *Time* or *Reader's Digest* do not have the right to comply with this legislation. Of course they have the right to comply with it. What we are doing is setting more stringent requirements for all publications which would call themselves Canadian. If they can comply, so much the better. Then they will be much more genuinely Canadian than they are now.

● (2030)

Another confusion that has been drawn over this bill, Mr. Speaker, is the notion of censorship or content control. This is entirely a misreading of the bill—a misunderstanding of what the bill is about. What we are concerned with here is not content control but copy control. It is analogous to dumping, in the manufacturing area.

Magazines such as *Time* and *Reader's Digest* which are subsidiaries of magazines in other countries have their editorial content largely provided by those countries. In the case of *Reader's Digest* it is claimed that the roughly 76 per cent of non-Canadian content is re-edited and typeset in Canada. I do not doubt that but that is certainly the least expensive part of the process. If this were not so, *Reader's Digest* would not be able to state in their briefs and submissions to us how hard they have tried to develop a pool of Canadian writers. If re-editing were the difficult and expensive part of the process I do not think they would make that kind of claim.

In addition it would appear from published reports that the licensing agreement *Reader's Digest* has with its parent requires out-of-country approval of the editorial content in the Canadian edition. I do not personally believe that this right to editorial control is actually exercised. From what I have seen I believe that not only are the Canadian editors and publishers admirable people but they generally try to make their publications as Canadian as their owners allow—and perhaps more Canadian than their owners wanted, as a result of previous legislation—but they have also stood up for their editorial independence. The fact remains, however, that the editorial agreement,