

THE SENATE

Thursday, April 1, 1993

The Senate met at 2 p.m., the Speaker *pro tempore* in the Chair.

Prayers.

SENATORS' STATEMENTS

VETERANS AFFAIRS

THE VALOUR AND THE HORROR— REQUEST FOR RESPONSE TO REPORT

Hon. Jack Marshall: Honourable senators, I rise to place on the record an extract from the *Debates of the Senate* of Thursday, February 4, 1993, which states:

THAT within 60 days of the adoption of this motion, the Leader of the Government shall provide the Senate with the response of the Government to the Report of the Standing Committee on Social Affairs, Science and Technology entitled *The Valour and the Horror* tabled in the Senate January 25, 1993.

The 60 days will come due early next week, and I raise the matter knowing that the Department of Communications will provide the response to the report as adopted by the Senate.

COMMUNICATIONS

SPLIT-RUN PUBLISHING—OPPOSITION BY CANADIAN MAGAZINE PUBLISHERS ASSOCIATION

Hon. Keith Davey: Honourable senators, yesterday the Canadian Magazine Publishers Association reiterated its continued opposition to split-run so-called "Canadian" editions of foreign-owned magazines. U.S.-owned *Sports Illustrated's* inaugural "Canadian" regional edition rolled off the presses last night and is due on Canadian news stands on April 5.

Catherine Keachie, executive director of the CMPA, says:

The issue boils down to this: Do we want our own Canadian magazine industry, or do we want to start down the slippery slope to a branch-plant industry, with editorial decisions made in New York and profits funnelled south of the border?

If we do want to maintain a Canadian-owned and produced magazine industry, then foreign magazines

such as *Sports Illustrated* can't be permitted to poach Canadian auto advertising.

U.S. publishing giant Time Warner, Inc. has declared its intention to publish six or more so-called "Canadian" editions of *Sports Illustrated* over the next year, and is circumventing existing Canadian legislation aimed at stopping split-run publishing by electronically transmitting the magazine to a Canadian printing plant.

Under Canadian legislation, if a foreign magazine publishes a "Canadian" split-run or regional edition, Canada Customs has the power to stop the subsequent four issues of the magazine at the border. But the legislation was developed almost 30 years ago, before the advent of electronic publishing, and contains no enforcement provisions for publications transmitted electronically rather than shipped physically.

Says Jeff Shearer, publisher of the CMPA and publisher of *Saturday Night* magazine, "This is about fair trade in a free trade atmosphere," noting that millions of foreign magazines enter Canada each year. He continues:

This is about ensuring that Canadian magazines continue to have access to Canadian advertising, because without Canadian advertising, there won't be a Canadian industry.

Canadian magazines must recover editorial, production, printing and overhead costs in the relatively small Canadian market. But foreign magazines cover most of their own costs in their own domestic markets. This enables them to undercut Canadian advertising rates with rates that do not reflect the true cost of publishing in a smaller market like Canada. The inaugural issue of *Sports Illustrated* split-run "Canadian" edition carries 40 pages of Canadian advertising. Based on a page rate of \$6,250, Time Warner has captured \$250,000 in Canadian advertising revenue.

Catherine Keachie says:

The recently announced federal task force on Canadian magazines and foreign competition must come up with strong new measures to assist in ensuring our industry's continued viability. In the meantime, magazines like *Sports Illustrated* cannot be allowed to profit from this legislative loophole. Time Warner's actions are clearly in violation of a long-standing Canadian policy.

To all of the above, I say amen.