

more than 50 per cent of their revenue is not from magazine sales. As a matter of fact, it comes from the mail order items in which it specializes—a variety of books, records and other items. Of course, these are well publicized in the monthly issues of *Reader's Digest*.

Some people have put forward the argument that we will be creating difficulties for both *Reader's Digest* and *Time* magazine in the changes being proposed. However, it seems to me that anyone who takes that position should be consistent, and since *Reader's Digest* has already indicated that more than 50 per cent of its revenue comes from mail order sales, then perhaps we should argue the same way for the Sears-Roebuck catalogue or for other publications which essentially want to advertise goods and services. That is really the kind of service being provided by *Reader's Digest* and I do not think it was ever the intent originally, when the amendments were made, to give a tax advantage for that purpose to these two publications.

I wish to make clear at the outset that I have been a long-time reader of both *Time* and *Reader's Digest* and expect to go on being so in the future, agreeing with them when I can and perhaps more often disagreeing with them, but in the main thinking that these are two publications which are worth having around because they do provide contact with a value system and sometimes an information system which is worth looking at. It is when it becomes so pervasive as to dominate substantially the Canadian scene that I think it becomes quite disturbing.

Quite frankly, I have never been happy with the fact that in the case of *Reader's Digest* the whole business of editorial content was one which was subject to approval by the parent office in the United States. Any company, regardless of the debate we may carry on respecting the percentage of Canadian content, which has to rely for a final content position on a board of managers or group of editors outside this country will have rough sledding with me in making that kind of an argument stick.

The basic question many of our people are asking is: Will the action the government is taking effectively make these two publications unavailable? While Messrs. LaRue and Zimmerman may have made certain noises in that direction, the facts of the matter are obvious; they are not going to stop publication, nor are they going to cease to be available, and they will not likely cease to carry Canadian content because they know that all these things sell magazines as well as selling the extras which go along with the magazines, and that they are part and parcel of being in the magazine business.

Two things may well happen. It may well be that some impact may be felt in subscription costs, but there has already been a substantial move in that area over the last few years and I do not expect to see much change. There may be some change with respect to advertising costs, but I am inclined to think they may be made a more attractive proposition to those Canadian companies who still think it in their interests to use the pages of these publications for some advertising opportunity. My essential concern is to equalize the opportunity for Canadian publications and, hopefully, to make the difference for some which are marginally or close in terms of being a make or break proposition.

Non-Canadian Publications

I noticed in recent days, and earlier too, a good deal of strife and reaction in some of the editorial columns of the newspapers of this country talking particularly about the freedom of the press. It seems to me they missed one essential point. There can be no freedom of the press if there is no press in the first place. They, above all others, should realize this and with the deteriorating situation respecting magazine publishing and distribution on a proportionate basis in this country, it is just unbelievable that newspapers which have themselves sometimes been put in an invidious position should show what I think is a very narrow and chauvinistic reaction to what is being attempted here.

A question of more basic concern, perhaps, is the degree to which revenues may be diverted to assist other Canadian publications. There have been surveys done, I believe by Canadian Facts Incorporated, indicating that most of the revenue diverted from *Reader's Digest* and *Time* would go either to Maclean-Hunter—which is considered something of a big, bad wolf in this proposition—or to other non-periodical media, essentially not to other Canadian publications.

In the first place, I would regard even that as a net gain, although I would have some concern if that were the sum and substance of it. But if in fact some of this advertising revenue does go to other forms of media, that will not be bad, in my estimation, because we are fighting some other battles in other areas and I think they could receive some assistance there. If it goes to Maclean-Hunter, I would have mixed feelings about it because I am not totally happy about having one very large centre of magazine publishing, not only in the sense of Maclean-Hunter which has a large number of trade periodicals as well as the sort of flagship in *Maclean's* magazine, but for two basic reasons. First, because I think any concentration of communication in one source may not be healthy for a country; and, second, because as a person who does not come from the centre of the country but from one of the so-called disadvantaged regions, I get somewhat upset at the degree to which everything that is happening in the country gets focused and interpreted by the people who walk up and down the streets of Yonge, Bay or Bloor. I think Toronto is not the beginning or the end of this country. Therefore, I hope that more than just this particular magazine empire will be assisted.

● (1650)

I think one of the reasons we have had a bit of imbalance with respect to the Canadian magazine industry, even with respect to the degree to which Maclean-Hunter is such a major publishing giant in this country, is that only a company as large as Maclean-Hunter has been able to resist the kind of overwhelming competition created by the *Time* and *Reader's Digest* situation. Quite frankly, I think development of alternative assistance and the availability of alternate moneys for advertising revenue will be of very great importance in terms of ensuring that there is some levelling out, some dispersing, if you like, of magazine activity across the country. I have every reason to believe that the assessment made by Canadian Facts Incorporated as recently as the last couple of years is not entirely accurate. It is no thanks to this government that there has