

cations that are trying to make a contribution to Canadian life cannot and should not be expected to pay their way through the Post Office. The Post Office is a service to the Canadian people, and it should also be a service to the Canadian publishing industry.

The second step that is essential to the industry in any positive policy would be a better distribution system for Canadian publications. On any newsstand in Canada there is for all to see an overwhelming number of American publications. This is because 13 of the 14 distributors in Canada are American distributors and they are pushing their own publications, the big sellers in this country. They do so because there is a lot of money in them.

We are not going to remedy this situation by taking away tax concessions to *Time* and *Reader's Digest*. What is required is a distribution system that is backed by the government which would enable Canadian publications to have much more reasonable access to the market. We require a distribution system for Canadian publications that guarantees room for them on Canadian news stands that are now filled with American publications, along with improved postal delivery.

I have asked the minister to consider the points I have made respecting postal rates and a distribution system as practical steps that could be taken to help the Canadian publishing industry, because the minister said in introducing the bill that what we wanted was an increase in the size, number and saleability of Canadian magazines, with resulting large opportunities for Canadian writers and publishers. I am not out of sympathy with the minister's intention to improve the market for Canadian writers and publishers. There is a lot that can be said about the book industry, but I will not do so at the moment. It is also dominated by American books. I hope that the thoughtful remarks made by the minister in connection with a Canadian publishing policy for books will find implementation. However, for the moment I want to confine myself to magazine publishing, with specific reference to *Time* and *Reader's Digest*.

I cannot at this moment find in myself any recognition that this bill is going to accomplish the aims set out for Canadian publishing by the minister. I therefore want to make some specific suggestions to the minister and ask him to reply to them when he winds up this debate. I want to propose a spirit of compromise on the part of the government along the lines suggested by my hon. friend for Cochrane, namely, that there be some guidelines established which will take away this punitive aspect of the bill and at the same time make a contribution to a recognition that Canadian writers and publishers truly need some help in order to withstand the terrific inroads made by American competition.

We have to recognize that if *Time* Canada and *Reader's Digest* of Canada were to close their offices, Canadian news stands would still be filled with American publications, including the American edition of *Time* and *Reader's Digest*. I have received, as have other hon. members, a lot of mail on this subject, and I think that many Canadians are under the misapprehension that if *Reader's Digest* of Canada were to close its doors they would not be able to get its publication. Such is far from the case. *Reader's Digest* would still be available. My point is that if we want

Non-Canadian Publications

to help the Canadian publishing industry we should produce a positive policy that will have as its keystone, as I suggested a few moments ago, better postal rates and a better distribution system.

Let me put this proposition to the minister. If this bill were to go to committee and we heard representations from the Canadian publishing industry and *Time* and *Reader's Digest*, I suggest that in an enlightened atmosphere it would be possible to produce a policy that would be in harmony with the interests of *Time* Canada and *Reader's Digest* of Canada as well as the interests of the Canadian publishing industry.

I suggest the route to that policy would be through the establishment of a five year plan which would lead to a graduated Canadian ownership of *Time* and *Reader's Digest*, so that at the end of the five years both *Time* and *Reader's Digest* would be 75 per cent Canadian owned. We now know that *Reader's Digest* is 32 per cent Canadian owned. *Time* Canada has given some indication that it is not unhappy at the prospect of becoming 75 per cent Canadian owned. Certainly I think this would be a step forward. That is the first of my three conditions in which I know the minister himself has shown interest. The first, I repeat, is 75 per cent Canadian ownership.

The second is that these publications must be licensed in Canada. It is not sufficient for them to be licensed in the United States. Although they would undoubtedly continue to operate out of their parent offices in the United States, nonetheless their licences should be established in Canada so they would truly be operated under Canadian corporate ownership.

● (1550)

The third section in this plan has to do with what the minister dwelled on in his introductory speech in which he said that these publications "cannot be substantially the same" as their parent magazines. What does "not substantially the same" mean? I suggest this is perhaps the most dangerous aspect of this bill because of the confusion it will mean for publications published in Canada being not substantially the same as the parent publications published in another country, specifically the United States.

Some members are afraid this will lead to censorship. Indeed, the Minister of National Revenue (Mr. Basford) suggested, if I read him correctly, that 80 per cent would have to be different. Any provision in respect of the content of a publication is extremely dangerous and, therefore I am unhappy with the minister's reference to a formula under which a publication enjoying the tax benefits under our law would not be substantially the same.

This is a question which needs to be examined very thoroughly in committee. I would be content to see the bill go to a committee were I to receive the assurance from the minister that he would support the idea of *Time* and *Reader's Digest* being subjected to a gradual 5-year plan for Canadian ownership, being licensed in Canada, and in that spirit an attempt being made to work out what would be the proper application of "not substantially the same". That would forever remove the possibility of the charge that the government is going to be involved in censorship.