

support in this house since I was made a senator. I do not intend to go into the subject at great length, although I could, if it were necessary to do so. It has been examined to a certain extent in the other place, but I submit very definitely that up to now there has been no evidence submitted in either house which shows that Canadian periodicals or magazines which Canadians want to read are in financial jeopardy today from any cause whatsoever.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Lambert: Canada's national weekly periodicals and magazines have more than doubled in number in twenty years; they have greatly increased their circulation, and they have matured into real competitors with other magazines which are circulating in this country. Any perusal of the available figures showing the growth of publications in Canada, the circulation, and the amount of advertising that they enjoy, will prove quite conclusively what I am saying now. I consider that this provision in the Excise Tax Act is clearly a protectionist one because it shifts advertising revenue and, indirectly, circulation, to Canadian magazines which now will be able to enjoy the equivalent of special tariff protection against the competition of American publications. At the present time there is no protective tariff for Canadian publications against the competition of American publications that are coming into the Canadian market. That is why my honourable friend can buy the *New York Times* or any other Sunday papers, together with their magazine sections, at a price which takes into account only the cost of getting them here, but against which there is no tariff. But this provision in the Excise Tax Bill supplies the equivalent of tariff protection to a specialized group of publications in Canada which really do not need the protection. It is the invidiousness of this legislation that I am opposed to as much as anything else, for it is based upon the fallacy of trying to prevent the importation of ideas and of energy and of enterprise into Canada to help develop this country. It savours too much of the suggestion we have heard during this session, that we must avoid the importation of capital from the United States in order to develop our national wealth. This savours exactly of that note, and I think that it is wrongly based on the idea that advertising is the important thing in a publication instead of its reading matter. Publications enjoy big circulations because of the reading matter they contain, and not because of the advertising they carry; and publications enjoy advertising revenue because of the quality of the reading matter they contain.

My honourable friend referred to one publication that is affected by this tax. I am rather surprised he did not mention the other one, the *Reader's Digest*. This publication was founded by two young people who came out of Winnipeg, Lila Acheson and DeWitt Wallace. These two young people conceived the idea that the time was ripe for a publication of pocket size that could be carried about by the casual reader. They finally went to the United States, going to Minneapolis and then to Chicago. That was in the 1920's. By applying themselves to this idea they made a success. Their headquarters are now in New York City and for all I know they may be naturalized Americans. The circulation of the *Reader's Digest* is in the millions today. These two people, now Mr. and Mrs. DeWitt Wallace, sent back to Canada some evidence of the enterprise which made them successful in the United States, and they established a headquarters in Canada for the publication of their magazine here. This is the only magazine that is published in French and in English in this country. It employs 322 people and has a payroll of over \$1,250,000 a year. The magazine is described in the Massey Report—which I am not given to quote on every occasion, but I take great pleasure in doing so now—as the only real national magazine that is published in Canada.

I object to this exclusive definition of "non-Canadian" in the bill because, as far as the *Reader's Digest* is concerned, I regard the founders and owners of that publication in the United States as still being good Canadians. They are certainly North Americans, for they were born in this country, and they deserve all the credit that can be given to them for what they have been able to do. Their magazine circulates here to the extent of 865,000 copies a month, including both French and English, and its advertisements represent only about 4 per cent of the advertising that goes to all the magazines and periodicals that are published in this country. So when you come to boil the whole thing down, the provision in Part 2 of the bill is distinctly a protectionist provision and represents a bit of special privilege legislation in its most concentrated form. From the point of view both of basic principles as well as of common sense and practical business, this provision is reactionary and anti-liberal. It is invidious and provocative of reprisals from a neighbouring people whom Canadians everywhere should be doing their very utmost to cultivate at this time. The bill will probably pass, but if it does it will certainly be passed on division.

Hon. John T. Hackett: Honourable senators, I should like to make a few comments