

The commission at that time concluded that:

A nation's domestic advertising expenditure should be devoted to the support of its own media of communication and a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

Another quotation from the commission used by the Secretary of State in his March 26 release is the following:

It is largely left to our periodical press, to our magazines, big and little, to make a conscious appeal to the nation to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities.

I remind hon. members that these very sincere words were written in 1960 by a royal commission of that day. The Secretary of State has made use of these words as the basis for his move to remove special status from *Time* and *Reader's Digest* in Canada. The Secretary of State has pointed out in this release that *Time* and *Reader's Digest* took over half of the total of Canadian advertising revenue earned by 14 member magazines in the Magazine Association of Canada. In an address at Trent University on January 24 the Secretary of State said this:

—the real problem area is that occupied by the smaller special interest magazines which are just getting by or are having trouble staying alive.

He is not really basing his reasons for this legislation on the magazine industry per se. He is extremely concerned about those small magazines that are just getting by. He leaves out of his consideration the Magazine Association of Canada group of 14 who are actually doing very well in the Canadian periodical and magazine market. In his address at Trent University he went on to say this:

These are the magazines that attract a limited number of readers and have little hope of substantial commercial support through advertising. They are dependent almost totally on readers' response and publishers' support for their financing. The former is rarely sufficient to cover costs and most of them require financial assistance from governments, associations, groups or private individuals to keep going.

Yet here we are today, Mr. Speaker, placing emphasis on legislation that is going to risk the continuance of two major magazines on the Canadian scene. It appears to me that the real pressure has come from the Canadian Periodical Publishers Association, which in March of 1973 had only ten members but grew to some 58 members in September of 1974. I have reviewed this list of members and magazines belonging to the Canadian Periodical Publishers Association and, without doubt, many of them are extremely sincere in their efforts to try to interpret some aspects, some limited aspects, of Canadian life. However, their position in the Canadian reading scene in no way relates to the importance that we seem to be giving to them in Bill C-58.

In light of the review I have made of this list of some 58 members of CPPA, I sincerely believe that we should look seriously into some more facts in order to round out a sound and solid perspective before we work *Time* and *Reader's Digest*, and other papers and periodicals that I have mentioned, perhaps right out of the Canadian reading scene.

It seems to me that there has to be a more positive perspective and approach to resolve the dilemma that I find myself in this debate. If these small magazines can survive, we should do all we can to assist them through our taxation laws, rather than adopt the course of direct

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government involvement through subsidization. I sincerely believe that subsidization of magazines and papers and other reading material for Canadians has some very serious, inherent dangers.

According to Charles Lynch, magazines just cannot live on nationalism alone. He has also said that if *Time* and *Reader's Digest* disappear from Canada there is no guarantee that Canadian readers would either like or buy a domestic product that seeks to take their place. I personally do not find *Maclean's* magazine to be the type of reading for which I have time as it just does not fill my needs. I am sure I am not alone in that, although I respect the fact that there are others, because of its circulation, who find it completely satisfying. Are we going to cater to just one class, or are we going to cater to all the inputs which are available to Canadian society?

• (2040)

As Charles Lynch said in the *Province* of January 25:

When governments enter the picture subsidies cannot be far behind, and government subsidies in the field of publication almost invariably are bad news, never more so than when they are coupled with appeals for patriotic support of the publications in question.

An editorial in the *Ottawa Journal* recently stated:

Governments should not be in the business of magazine or newspaper publishing, by almost outright subsidization.

Why do we keep subsidizing and thinking we have to support inefficiency in this country? What is wrong with placing incentives into this line whereby we support and reward the people who are successful? What troubles me is trying to reach a perspective in this debate, and I would now like to review with you some of the redistribution of advertising revenues that would be available if Section 19(2) were revoked by Bill C-58.

The total advertising bill in Canada is approximately \$1.5 billion, and of this the daily newspapers receive slightly less than one-third, that is, 28.6 per cent, or approximately \$500 million. Television receives 14.1 per cent, or about \$250 million; radio receives 11 per cent, or around \$175 million; business papers, I am surprised, only receive 2.4 per cent of this total advertising bill or \$38 million; general magazines receive 2.3 per cent or around \$37 million, and the weekend magazine supplements that we get with our newspapers receive 1.6 per cent of the total revenue, or about \$26 million.

It is estimated that *Reader's Digest* would lose some 64 per cent of its revenue if this bill became law. The survey by Canadian Facts Co. Ltd. indicates that of the revenues diverted from *Reader's Digest* and *Time*, 19 per cent would go to other magazines, yet this entire debate seems to rest on the redirection of the advertising revenues that these two great magazines have, as the sole source of salvation for a lot of independent periodicals that probably, with all the help in the world, could not sustain themselves legitimately under legitimate sale and purchase arrangements among the Canadian public.

Of that 19 per cent the major beneficiary would be *Maclean-Hunter* which now holds 40.1 per cent of the revenues shared by the Magazine Association of Canada, which is a group of 14 major magazines in Canada. Some 41 per cent of this diverted revenue would go to newspapers, magazine supplements, television and radio. I would