

*Non-Canadian Publications*

mation on subjects as diverse as the pyramids and the Stanley Cup, can be regarded as harmful to Canadian culture. Moreover, the evidence shows that the *Digest* is making an actual contribution to the dissemination of information about Canadian affairs, accomplishments and ideas. First, it condenses and republishes articles from Canadian magazines and books, helping to give these articles and their authors a wider audience in Canada. Second, it publishes many Canadian authors of note and many lesser known writers who are making their debut in magazine journalism in this country. Both its fee scales and its reputation with the writers themselves seems to be high. I am reminded here of the remarks of the hon. member for Vancouver-Kingsway this afternoon.

Let us consider a few of the people who have written for or been published in the *Digest*: they include Pierre Berton, Senator David Croll, Morley Callaghan, W. Earle McLaughlin, John W. Holmes, Norman Ward, Trent Frayne, Farley Mowat, June Callwood, Stephen Leacock, Bruce Hutchison and Hugh McLennan.

Third, the majority of these articles are circulated to other *Digest* editions and many subsequently appear in these 26 editions in as many as 13 languages. The example given by the hon. member for Vancouver-Kingsway was excellent. The article written by former Prime Minister Lester Pearson about his United Nations colleague, Ralph Bunche, appeared in 16 foreign editions of the *Digest* and was read by almost 100 million people. No other Canadian communications medium, except perhaps the CBC or the National Film Board, could deliver such a worldwide audience for Canadian matters. If the government had to buy advertising space equivalent to that provided by the *Digest* for its articles on Expo '67, I am informed it would have cost more than \$6 million.

There is a fourth and lesser known cultural benefit from the *Digest* magazine activities, which is that the Canadian editions of the *Digest* serve not only Canada but also the English and French-speaking peoples of the Caribbean and a spill-over French-speaking audience in the United States. Any decision taken by this House, therefore, directly or indirectly affects readers in these countries and the Canadian material included in their editions.

Finally, there is a cultural benefit from the book publications of the *Digest*. In the last six years the *Digest* has published such highly praised books as "The Canadians at War", "Canada—This Land", "These People", "In Search of Canada", "You and the Law", and "Explore Canada", the latter being an illustrated travel book describing 1,200 places and communities throughout Canada, published in collaboration with the Canadian Automobile Association.

In sum, these activities add up to substantial value for Canadian cultural enrichment which, I would argue, should be encouraged rather than restricted. It is interesting to note that the standard applied by the foreign ownership review board in assessing what foreign investments are in the national interest is whether the investment is of "significant benefit" to Canada. If this were one of the qualifications for Canadian advertising status established in section 19 of the Income Tax Act, I submit to this House the *Digest* would pass with flying colours.

Finally, I should like to deal with one other aspect of the legislation which causes me more concern than any other

[Mr. Jarvis.]

single factor. It has also been touched upon by the hon. member for Fundy-Royal and others. Indeed, I thought it was touched upon in principle in a very fair manner by the hon. member for Ontario. This is the sensitive question of government regulation of content. The Secretary of State has said there was no intention of introducing a new Canadian content rule or formula for deciding how substantially different a magazine published in Canada must be from one published abroad in order to qualify for section 19. Such a criterion, he said, has been in the act since 1965.

This is true, and I do not question the Secretary of State's desire to stay away from any measure that might smack of government control. But to my knowledge this criterion or clause has not been applied to any major magazine in the ten years since the act was passed. There has, in fact, been no reason to apply it since all the major Canadian magazines concerned already qualify under the act. Now, however, a very different situation prevails. Two major magazines and a number of smaller publications, including some newspapers, may lose their status under the act. Suddenly this clause, in my opinion, takes on new importance.

It is clear that this clause disturbs not only members of this House but a great many other people. The *Toronto Globe and Mail* has repeated several times that such a clause is unacceptable to Canadians. In the May 10 editorial, for example, it was stated:

Ottawa has a right to define, for income tax purposes, Canadian ownership of a publication, down to the last share if it likes. But once a publication has qualified as Canadian-owned, there the government's power should end, apart from enforcement of laws against libel, breach of copyright and obscenity . . . If no "editorial interference" is to have any meaning it must mean that the editor is free to put whatever he likes between his magazine covers, subject to no restraints or directions of any kind from the government, that no magazine can be ruled un-Canadian because the government finds its contents unsatisfactory.

In the *Financial Times of Canada*, and I hesitate to quote from that because the minister takes great umbrage about whatever it might have to say, we find this comment in the May 12 publication:

In practice, virtually no publication could have "Canadian" tax status without carrying mostly Canadian content, unless it could afford the astronomical cost of commissioning a lot of foreign material for its exclusive use. And the rest of Mr. Faulkner's speech indicates that is just what he is after. He wants, among other things, to make it harder for "the world view of Canadian readers" to be "influenced by American periodicals." No censor could have put it better.

● (1740)

These are harsh words. But they have been echoed in a dozen or more newspapers across Canada in recent months, from the *Halifax Chronicle-Herald* to the *Montreal Le Devoir* and the *Calgary Albertan*. We cannot, we must not, ignore such comment for it concerns one of the very fundamentals on which this nation's press is based.

I have read many articles, editorials and speeches which deal with the "substantially the same" clause. Regardless of what the Secretary of State has said, surely we must acknowledge that this is a content test, and he who knows it best in the world is the Minister of National Revenue. He knows that if a publication is 80 per cent different there is no problem. He knows, as well, that if it is less than 60 per cent different from its United States counter-