

*Canada-U.S. Trade Agreement*

magazines entered into arrangements for their printing in Canada for Canadian distribution. My question is, has the department available the number of magazines so printed in Canada for distribution in Canada after the enactment of 1931?

Mr. DUNNING: We have not such a list. There is a class of magazines known technically as the pulp magazines, those printed on newsprint paper, the cheap, popular magazines, a considerable number of which did make arrangements for printing in Canada. Of the higher quality paper magazines, such as *Fortune*, I think I am correct in saying, the *Saturday Evening Post*, and *Esquire*, which my hon. friend mentioned—

Mr. LAWSON: I should not have mentioned that, for a special reason.

Mr. DUNNING: These were not printed in Canada so far as I know, but paid the duty. I believe that *Esquire* was about to start to print in Canada. Representations have been made to me that they were going to do that. We have no list of such magazines because naturally if they were printed in Canada there would be no object in the Department of National Revenue keeping a list of them.

Mr. BENNETT: The Post Office Department does.

Mr. HEAPS: I know that quite a strong effort has been made in various parts of the country to have this item changed. Personally I do not want to see a tax on learning or on good magazines entering this country. I think we need all the education we can get, no matter from what source it comes. But there are some papers and magazines which it might be a good thing to tax out of existence, and which might find their way in under this item.

There is one other thing I wish to bring to the attention of the minister. An agitation has sprung up across the country to have this item in the agreement changed, and amongst the newspapers desirous of seeing some form of protection given to Canadian publishers of magazines I find the *Winnipeg Free Press*. I have never known it before to be an advocate of protection, but in this case evidently it is, and I find this rather significant item in that paper:

We are told that while the American publisher has a much larger market for his product than the Canadian publisher, the latter—

That is the Canadian publisher.

—is also handicapped in having to pay more for his paper.

Mr. Lawson.]

This is news to me because I knew we sent vast quantities of pulp and paper to the other side of the line. If the Canadian publisher has to pay more for his paper than the American publisher, he is certainly under a handicap for some reason other than tariffs. Has the minister any information as to whether or not the Canadian publisher is compelled to pay more for his paper than the publisher in the United States?

Mr. DUNNING: It is very difficult to give an answer to such an omnibus question, because there is paper and paper. For instance, newsprint is a very different thing from the super-calendered magazine paper. I have not the relative prices of these articles in the two countries.

Mr. HEAPS: The statement here is a general one, and I had to make my question general. This statement says that the Canadian publisher is handicapped because he has to pay more for his paper.

Mr. DUNNING: Is a definite statement made?

Mr. HEAPS: Oh, yes.

Mr. DUNNING: Or is it, "it is stated"?

Mr. HEAPS: It says, "We are told that while the American publisher has a much larger market for his product," and so on. I am sure the Minister of Finance would not think that the *Winnipeg Free Press* would publish anything but the facts.

Mr. DUNNING: They say, "We are told."

Mr. HEAPS: I suppose their information was fairly reliable. If it is true that our publishers are handicapped by having to pay more for their paper than similar publishers in the United States, because of a trust or a combine, say, then they are suffering an unfair handicap which this government should inquire into.

Mr. DEACHMAN: Mr. Chairman, I was surprised at the suggestion of the hon. member for *Winnipeg North* (Mr. Heaps) that the *Winnipeg Free Press* supported the idea of a tariff on magazines. I read that article and certainly I could see no such implication. What they did say, and what is quite obvious to every hon. member, is that the publishers are placed under a handicap by virtue of the fact that their raw materials are dutiable while the finished product is free. The magazine story in the *Dominion of Canada* is rather interesting. I think it was back in