

conducive to growth or new ventures", Mr. Faulkner said as he outlined the government's proposed amendments.

Further in the news release it is stated:

Speaking on behalf of the Minister of Communications, Mr. Faulkner also outlined the clauses of the bill dealing with broadcasting, which will amend the Income Tax Act so as to encourage the flow of Canadian advertising revenues to Canadian broadcasting media by disallowing deductions against income of the costs of advertising broadcast on non-Canadian stations.

Tying these together, it seems that the minister is confident of the fact that by these amendments to the Income Tax Act he is going to redirect a substantial portion of revenue into the Canadian operation. I do not think that is necessarily so. First of all, let me say that the relevant success of the two periodicals mentioned, particularly *Reader's Digest*, is that it is, in format and content, what Canadian readers want and because it has wide public appeal it has developed an exceptionally wide market.

● (1610)

If Canadian publications had taken the initiative and provided what appealed to readers in the way of clean, informative and entertaining material, they would have succeeded in gaining a large section of the market and, consequently, a much larger share of the advertising revenue. It is logical that the wisdom of the adage "you cannot build yourself up by tearing the other fellow down" might apply not only to the individual but to corporate policy as well. The passage of this amendment does not and will not ensure the diversion of advertising revenue into other periodicals. I believe this objective can and will be achieved much more effectively when Canadian publishers take the initiative and come up with something even better than *Reader's Digest* rather than waiting, as I have indicated before, for this parliament to pass compulsory legislation of the kind that is presently before us.

Perhaps it would be of value to state again some of the economic facts regarding this particular publication. While some have questioned the validity of some of these arguments, I believe they are basically sound and dependable. It has been pointed out that *Reader's Digest* is more than 30 per cent owned by Canadians. With the exception of one, its directors are Canadian. Its full-time Canadian staff numbers some 450 persons, and of course it indirectly gives work to thousands of others as well. *Reader's Digest* has owned its own press in Montreal since 1948. It publishes in both English and French, and it is now investing \$3 million in new printing equipment. Articles about Canada—this refers more to the content—originated by Canadian editors are circulated in 26 international editions, in 13 languages, for a readership of approximately 105 million people. Those are just some of the facts that we should take into consideration as we assess the measure before us and the impact it will have, not just on the industry itself but on the total Canadian economy and community.

It seems to me that as we look at this situation and consider it from every point of view, we find that *Reader's Digest* has measured up in a substantial way to the qualifications required of a good corporate citizen. I do not propose to talk at great length except to point out some of the statements made by members of the government party. These have been placed on record but I would again like to

Non-Canadian Publications

call attention to one or two of them. The hon. member for Cochrane, in participating in the debate said the following:

Mr. Speaker, I rise in this debate to express some very serious reservations about the bill which is before us.

He later made the following statement:

I have reservations about this bill simply because I feel there has not been sufficient effort made to establish guidelines to be followed for a publishing company to maintain its Canadian status. There seems to be an intransigence on the part of the minister to make any compromise on this, and on this point I do not understand the minister.

Reference was made by the Minister of Communications (Mr. Pelletier) to the effect that this subject has been kicked around for quite a long time and we should be grateful for the fact that it has been brought before us in this form. We realize fully that there has been a great deal of discussion, there may have been a great deal of thought given to it, and it may have been kicked around for a long time. But it would seem to me that there has been a lack of really in-depth study and inquiry into the effects that this proposal would or would not have, because I believe there are many things still open to question and it is difficult to gauge the impact of measures such as this. I believe that a greater measure of in-depth study should be given, to try to ascertain to the optimum degree just what the impact will be in various areas.

Not only did the hon. member for Cochrane make the statements which I read, but the hon. member for Vancouver-Kingsway (Mrs. Holt) circulated a letter which I should like to quote in part. I believe it is a very thoughtful presentation. Everything that the hon. lady advances in that letter is, in my opinion, well thought-out and we should give it ample consideration. She wrote:

I have been openly opposed to this step. It is discriminatory and unjust—a threat to the life of a first-class landed (corporate) immigrant for more than 30 years. Not only has *Reader's Digest* provided jobs and writing opportunities to many Canadians within a small industry—magazine publishing—but more than any other magazine published in Canada, has provided features and news (mature and well-researched) each month from all parts of Canada, linking this country.

I will continue my fight against the proposed action when it comes before the House of Commons, and if it comes before the Broadcasting, Films and Assistance to the Arts Committee.

In the next to last paragraph she wrote:

I have, and will continue, to oppose any attempt to end the life and public responsibility of *Reader's Digest* in Canada.

The opposition being expressed is not opposition only from the official opposition or even from all opposition parties. I believe there is significant opposition within the ranks of the government itself, and I believe all these factors should be taken into consideration in the assessment of this matter. My colleague, the hon. member for Hillsborough (Mr. Macquarrie), suggested that this bill should be withdrawn. I also believe that it should be withdrawn until far more consideration is given to all the factors involved—whether this action is justified in light of the sincere and effective steps taken by *Reader's Digest* to act as a good corporate citizen and their evident success in contributing to the Canadian economy, and whether any appreciable benefits will accrue to the Canadian publishing industry from the passage of the legislation.