

*Non-Canadian Publications*

paying now, which would not do anything at all for other publications.

Some advertising experts have predicted that if *Time* and *Reader's Digest* do leave Canada it would hurt rather than help the smaller publications, because the disappearance of these two magazines with their large circulations would make it unprofitable to prepare magazine advertisements. So it seems obvious, and it is a very real possibility, that we might lose two magazines and gain very little in return. There is no certainty that dollars which go to *Time* and *Reader's Digest* would go to other magazines.

It is interesting to note that the main contributors to magazine advertising—I did not realize this until I had checked it through—are liquor, automobiles and travel. It is significant these are fields in which international companies are usually involved and, as I understand it, even if they advertise in *Time* and *Reader's Digest* after they have left the country they could, in effect, recover the cost by charging a management fee to the Canadian subsidiary.

To attract advertising dollars, a magazine must first attract readers. Could, for instance, a news weekly magazine such as *Maclean's*, attract dollars if *Time* and *Reader's Digest* leave the country? I do not think anyone seriously believes any magazine could approach the *Reader's Digest* with its vast international appeal. *Reader's Digest* is in a class by itself. Its stories are universal in appeal; they can be set anywhere in the world; you only have to change the name of the place and the story is quite suitable. If a Canadian magazine can attract readers, why don't they do it now? There does not seem to be any reason at the moment why any Canadian magazine along the lines of *Time* could not be as successful now as if *Time* were no longer here.

People obviously read *Time* not so much for its Canadian content but because as a North American publication it gives us a window on the world. As for the Canadian content, I have never found it particularly good, and I can find the material in our own newspapers and elsewhere. We have to recognize that we live on the North American continent and we think of the world from a North American point of view. There is no assurance that if *Time* and *Reader's Digest* depart, an equivalent Canadian news magazine could give us this viewpoint.

Perhaps in this discussion certain things are not quite appreciated. Look at our population. Although we have a population of 22 million it is divided among two languages. In effect, the 6 million Francophones are not part of the English reading culture, so the market for English magazines is reduced to between 12 and 14 million people.

Again, we are very regional in our population and our reading habits; the English language magazines must necessarily be based in Toronto. I might say that if there is any group of literary Canadians more disliked in Canada by other Canadians it is those who live just outside of Toronto. The regional prairies and the West Coast are not interested in the day-to-day happenings of the Toronto literary world. If they must look outside they tend to look outside to Minneapolis and St. Paul, to Los Angeles and San Francisco. It is all part of living on the North American continent.

[Mr. Ritchie.]

Canadian publications which cannot hold their readers are not alone in their fate. In the United States, *Life*, *Look*, *Saturday Evening Post* and a host of publications in that country, with its vast market of 200 million people, have also gone under. It seems to me that with the publication of a Canadian weekly news magazine the problems are particularly complex. If such a magazine is to be called Canadian, then surely the six pages of Canadian content in *Time* will not keep it from attracting readers and advertising. On the other hand, if it is to be international in its scope, like *Time*, its competition for readers will be equally intense, whether *Time* has a Canadian edition or not.

It does not seem possible to me that a Canadian publication can expect the worldwide coverage *Time* or even *Newsweek* can provide for its market. The Canadian market simply isn't large enough to sustain an effort of that scale. It seems obvious that the outlook of a Canadian news magazine on the international scene will closely parallel an American viewpoint on the international scene. In other words, since we live on the same continent our viewpoints will be quite similar to those in the United States.

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If *Time* is driven out of this country it seems likely that the United States edition will be available in Canada, and Canadian news magazines will have to compete with others in expressing their viewpoints on international affairs. The Canadian news magazine will be essentially similar. It seems to me that the argument really comes down to whether it is better to have a single Canadian news magazine owned by a concentrated group engaged in competition with *Time*, *Newsweek* and other trans-border magazines lacking Canadian content. While *Time* may not be what Canadians would like to have, it is so powerful that the present situation is better than what the new situation would be.

What about the rule that publications do not qualify if the contents are substantially the same as those published abroad? I understand that this regulation has been on the books since 1964 but has been largely overlooked because it did not apply to any major publication. No real guidelines as to the percentage of figures that a Canadian publication must have have ever been laid down. However, the Federal Court case in 1972 of Jay-Kay Publications had this to say:

The evidence discloses that the Canadian publication has been mainly a repeat in a proportion of 60 per cent of the material published in the American publication, and for this reason alone it would not qualify.

That is to say, it would not qualify as Canadian under our tax laws. This type of percentage could be used to qualify a Canadian publication in the following situation. A Canadian publication might have ten pages of American content of high literary value and 20 pages of Canadian garbage and it would qualify, presumably by being under the umbrella.

I should also like to point out that there are one or two magazines that will be caught in the net that I think should be allowed to stay. I refer to the medical magazine *Modern Medicine of Canada*. I believe there are other artistic and scientific magazines in the same category. Since