

ever astronomical cost, would publish a second. I need only refer to some of the speeches made recently by the Secretary of State. On January 24, speaking at Trent University, he said:

Discussions I have had with several people in the magazine industry have led me to believe that if the intent and purpose of section 19 were restored, a Canadian news magazine would follow. I now expect that to happen.

On the previous day, in a statement on motions the minister said:

It is my hope and expectation that this decision of the government will result in the creation of a Canadian news magazine.

At an address given at White Sulphur Springs, West Virginia, the hon. gentleman declared:

No Canadian news weekly could even be born, let alone live, in the face of that kind of overwhelming occupation by a magazine which is produced almost free as far as the Canadian market is concerned.

I would not argue that a Canadian news magazine is not a good thing; it would likely make a significant addition to Canadian literature. I am not yet prepared to say that two Canadian news magazines are twice as good as one. What I do question is the use of tax legislation to accomplish this purpose. I also question the integrity of suppressing two existing periodicals, *Time* and *Reader's Digest*, to accomplish this purpose.

I spoke earlier of examining the tests or standards by which it can be judged whether *Time* and *Reader's Digest* are entitled to continue to enjoy the benefits or incentives afforded Canadian publications. The minister himself has given us some assistance as to which factors to consider in judging whether a periodical is Canadian or not. In an article submitted to Canadian Weekly Newspapers on March 26, 1975, the minister had this to say:

Criteria were established whose purpose was to ensure that only Canadian magazines and newspapers could benefit from special tax advantages allowed to advertizers who use them to publicize their products. The criteria relate to ownership, management, editorial control, printing, typesetting and possible conditions of licensing.

Some of these criteria are, in my opinion, quite acceptable but others do not go far enough in their emphasis on Canadianization. With respect to ownership, the government talks about a figure of 75 per cent. This is simply an arbitrary figure, I suppose—there is no magic in it. I suggest to the Secretary of State that there are other tests of ownership even within the Income Tax Act, and I would be pleased to take part in a discussion of this aspect should the bill reach committee state.

With respect to management, I support substantial control by Canadians at board of director level, though here again I should have thought the measure would have gone further and talked about executive management, not just the members of the board, and required that all of them be resident in Canada. That is the kind of thing I support. General statements about management being Canadian are not sufficient.

● (1730)

Again, I support editorial control but I think it is a great deal more important to support editorial freedom. I am amazed that the Secretary of State has not taken it upon himself to emphasize the independence of editing rather than just the fact that it is Canadian controlled.

Non-Canadian Publications

The minister talked about printing and typesetting as tests 4 and 5, and this is one area in which I suggest the minister has not gone nearly far enough. Printing and typesetting are two of a number of production functions. What about other production functions in the publishing industry and, what is more important, what about other business functions of the typical commercial enterprise? I think immediately of a circulation department, a payroll department, a bookkeeping department and an advertising department. I am sure there are many others. Surely it is as important to Canadianize these as it is the two small operations of the production department.

In respect of conditions of licencing, which was the final criterion, I have no comment and claim no expertise whatsoever in this area. There is no indication of some other factors which I regard as equally important. I refer to those aspects of editing and publishing which should be independently Canadian as well, devoted to encouragement, not censorship of Canadian content, particularly the export of Canadian content to foreign countries as *Reader's Digest* is so ideally able to do. Let me now say a word about *Reader's Digest*. The Secretary of State and, indeed, the hon. member for Fundy-Royal (Mr. Fairweather) and others have noted the need for a tax policy regarding periodicals which applies equally to all. This is a desirable aim, as I have said before, but in establishing such a uniform policy we must first set standards by which it can be decided who will qualify.

These standards should, I submit, not be so rigid as to exclude categorically publications which have been published here in good faith, which have acted as good corporate citizens and which have hitherto met all standards and guidelines laid down by previous governments. One standard that should be applied is the extent of the corporation's economic and cultural contributions to our country; in short, its worthiness to be considered or to become a full-fledged Canadian citizen.

Of those publications affected, may I join others who have said that it is clear that *Reader's Digest* has advanced furthest along the road to Canadian citizenship, whether the criterion is employment, whether it is public ownership, whether it is Canadian control and direction, whether it is the dollar contribution to the Canadian economy or whether it is the content of the magazine itself.

Other speakers have discussed the economic benefits that accrue to Canada through the *Reader's Digest* Canadian business. I do not minimize this in any way, but I should like to spend a few minutes dealing with the cultural and content aspects. This magazine is essentially a selection of articles from a variety of published and other sources on subjects of wide interest to many people. The articles are acknowledged to be accurate, professionally edited and condensed to a point where they are highly readable, designed so that they will appeal to exceptionally large and diverse audiences and so they will stand the test of time.

These articles, many of them of a consumer or factual nature, others reflecting a variety of viewpoints, do not and cannot represent a unified editorial policy. Nor do they represent news. It is hard to see how such articles, many of them designed to help people with the problems they encounter in their everyday lives or to provide infor-