

*Non-Canadian Publications*

open mind. Once the circumstances are created, then it is up to the press itself, which is in no way crippled, as far as I know, to assume its responsibilities as the government has done already, and as Parliament will have done when this bill has been passed.

● (1600)

[English]

**Mr. Alex Patterson (Fraser Valley East):** Mr. Speaker, as I take part in this debate I am somewhat confused by two references. The first is that on the order paper we have Bill C-58 listed in the following way:

Resuming debate on the motion of the Minister of Finance for the second reading and reference to the Standing Committee on Broadcasting, Films and Assistance to the Arts of Bill C-58, and act to amend the Income Tax Act.

Then I have in my hand a news release from the office of the Secretary of State (Mr. Faulkner) of May 8, 1975, headed "Secretary of State Faulkner gives second reading to bill to amend the Income Tax Act". It goes on to state:

The bill to amend section 19 of the Income Tax Act respecting foreign-owned periodicals received second reading in the House of Commons today by Secretary of State J. Hugh Faulkner.

It seems to me there is some confusion, and it is a little difficult to reconcile these two circumstances. First of all, I do not think the bill was given second reading; in fact, it is very evident that it was not. The other paradox is that it is stated that the Secretary of State gave second reading to it. I was always under the impression that it was parliament which decided that particular issue. I thought I would just call attention to these anomalies as we enter this debate this afternoon.

In view of the great amount of correspondence which has come to the desks of members of parliament I would be remiss in my duty if I did not participate, however briefly, in the debate on Bill C-58 which is before us. I share many of the views expressed so lucidly by members of the official opposition and some other members of the House, particularly the hon. member for Cochrane (Mr. Stewart). His participation in the debate indicated quite clearly that the opposition to the bill is not opposition for the sake of opposition, but because of a mounting feeling that not only will this measure fail to achieve the goal desired by the minister in its presentation but it will seriously erode some basic principles, adversely affect many individuals whose employment will be threatened, and will have detrimental effects on the Canadian economy as a whole.

The main thesis upon which this legislation seemingly rests in open to legitimate and serious doubt, namely, that the effect of the measure will result in a significant redirection of substantial advertising revenues into the wholly-Canadian publishing industry. This assumption is not substantiated by various inquiries carried out. It is suggested that any redirection of advertising would amount to a very small percentage, possibly in the area of 7 per cent to 10 per cent. It would appear that past performance by certain agencies has failed to generate confidence in their ability to respond to the reading pleasure of the Canadian public, and their promises of conversion for the future are not taken too seriously at the present time. I want to come back to that particular thought a little later.

[Mr. Pelletier (Hochelaga).]

One of the questions raised is whether or not it is desirable or proper to use the tax weapon as a means of manipulating the reading habits of Canadians. The reason Canadians have become avid readers of, particularly, *Reader's Digest* and perhaps to a more limited degree *Time* magazine, is that it more fully measures up to what is desirable in reading material and provides material that has not been available in the Canadian magazine market. I tend to the belief that had the Canadian publishing industry been more responsive and more prepared to provide readers with a truly informative and less politically biased periodical, it would have won much wider support and greater financial return without waiting for assists such as are envisaged in this legislation.

It is not my intention to deal with the factors that have already been dealt with by my colleagues, but I would make reference to the unusual constituent opposition to the provisions of Bill C-58. As has been pointed out, it is true that an appeal was launched by the publishers of *Reader's Digest*. What is significant, however, is the fact that so many Canadians took the time and made the effort, not to sign a pre-planned ballot but to write personal letters requesting maintenance of the present status for *Reader's Digest* because of the nature of the periodical, its contribution to reading pleasure, the policies of the company as a good corporate citizen, and its significant contribution to the economy of this nation. One hundred and thirty-five persons have written me personally urging my opposition to the measure, and unless significant and fundamental changes are made in the bill now before the House it may be that this option will have to be followed.

In taking part in the debate, the hon. member for Cochrane pointed out the opposition of members in the government party to some aspects of the bill; the contrary views of members of the cabinet, the intransigence of the minister, and the probable absence of many ministers when this bill received cabinet support. Surely the influence of all these factors, coupled with the submissions of members of the opposition, should cause even the most determined minister to concede the possibility that more thought should be given to this proposal, and fundamental changes made before asking that second reading be given this measure. I say again that, in spite of the news release, the bill has not yet received second reading.

The background information paper about the proposed amendment to section 19 of the Income Tax Act reads as follows:

Debate specifically over *Time* and *Reader's Digest* has continued since their advent upon the Canadian market and their large gains in advertising revenue relative to the gains made by all Canadian magazines.

There appears to be an inference that the "large gains in advertising revenue" enjoyed by *Time* and *Reader's Digest* are responsible for the unsatisfactory economic position of the Canadian industry. This conjecture forms the basis of the decision to amend the present act on the assumption that this will correct the situation. I do not believe that this is so. Let me quote one or two further statements contained in this news release. The second paragraph reads:

"Canadian magazine publishers have been forced to exist for too long in an economic and psychological climate that has not been