freedom of the provinces. It is attempting to take over private industry and destroy private enterprise. Wherever possible it establishes disincentives for anyone who wants to help himself and structure his own destiny. The government is determined to look after all its people from the cradle to the grave, destroying any incentive that anyone may muster.

This measure will come back to haunt us. Our friends to the south will retaliate. They have to retaliate. We already stepped on their toes with the measures I touched on earlier, the electronic media and the curtain we have put up. They will have to respond. I am afraid the response will not be welcome.

Surely the interests of this country would be better served if the government would respond to the contemporary mood and needs of the majority of our citizens, and provide incentives and encouragement to Canadian talents to compete against foreign publications, instead of erecting artificial barriers against them. The time and need for better understanding of a global problem have never been greater. It is essential to the very survival of the human race that nations and societies respect each other's integrity. In a country such as ours where the greatest asset is the multicultural heritage of our citizens, one wonders what the government intends to achieve by a move that is at least parochial, if not overly nationalistic.

I do not intend to support the government on this measure unless someone can demonstrate to me that, in the process of saving a Canadian publishing industry, it will not destroy something that is considered by many Canadians to be a Canadian institution itself.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, in the beginning I might say that I am quite opposed to the government's position with regard to which magazines are eligible for the tax changes imposed in this bill. I am in reasonable agreement with the proposition that most magazines should be 75 per cent Canadian owned. However, with regard to governing of content, the government has given the civil servants far too much power. It smacks too much of censorship.

My main objection to this bill is adequately expressed by a letter which the "Mennonite Brethren Herald" has written, I presume, to every member of parliament. I quote:

> If some of you have read *Time's* recent account of the U.S. government's debacle in Viet Nam, in terms of sober and ultimately health-giving reportage, I think you will understand what it is about a publication such as this which has made so many of us reach for it rather than for *Maclean's*. Or the Watergate coverage, to give another example.
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> The government's position—as I understand it—would be that to qualify as a Canadian publication, the magazine would need to be 60-80 per cent different from the parent U.S. publication and 75 per cent Canadian owned. For *Time* this would obviously mean ceasing to be. The government would be totally re-making the magazine so that it could impossibly continue to be the very thing for which we have chosen to receive it. This is a form of muzzling of the press which I believe we should view very seriously. We are already exposed to many extremist voices in this country, and what the government is doing by its legislation is making us more susceptible to them. Rather than giving the privilege of easy access to publications with a large world view, it is opening the door for the narrowest kind of Canadianism or the strongly ideological kind of journalism which is becoming increasingly common in this country.
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> It is this sort of manipulation of the press which we should view with the utmost seriousness. The free movement of the press ought to be one of our most cherished possessions and jealously defended. Canadians in a very real sense are being deprived of their freedom of choice in a manner which is much more reminiscent of totalitarian regimes than a truly open democracy. Such an action by a Canadian government brings to me a great sense of foreboding.

We have in this country far too many regulatory bodies in matters of culture that are directly related to what the government thinks. We have the CBC who are carrying on a virulent campaign of anti-Americanism and who are carrying on a virulent anti-Western campaign. Perhaps in the fate of *Time* and *Reader's Digest* and the noisy debate that has ensued, most people see in this an attempt by the government to restrict the freedom of the press, to establish some sort of cultural sovereignty with economic nationalism, anti-Americanism and corporate power, and to restrict the right of citizens to read what they please.

● (2140)

But let us take a look at what the government is actually proposing. This measure is technically a tax measure but the objective of the legislation is not to raise federal revenues. Almost certainly it will reduce them. There is not even an attempt to Canadianize *Time* and *Reader's Digest*, which might be a reasonable course, by use of the ownership principle. Obviously the idea is to knock out these U.S.-based publications so that they will no longer be major competitive forces in the Canadian magazine industry. It is obviously the hope that this will clear a path for new domestic publications, more specifically a weekly news magazine.

By the withdrawal of the income tax amendment it is intended to diminish the sale of these periodicals in the hope that the revenue from their former advertising will go to Canadian publications. But it is unlikely that this will happen to nearly the extent the government would like. Indeed it seems likely that with the phasing out of the tax measure both *Time* and *Reader's Digest* will find it profitable to leave the country.

But will this stop *Time* and *Reader's Digest* being read within Canada? I doubt that it will. In 1944, when *Reader's Digest* first came to Canada, sales in the English division were something like one million. It seems interesting that at the present time, taking into account the increase in population, sales in the English edition are not any larger. They have obviously added the French edition, which of course would be lost. Will the removal of these two publications from the Canadian scene meet the government's desire to increase the revenue available to Canadian magazines? It seems to be far from certain, the more you look at it.

The 1970 Davey Report on the mass media said it had to concede—it is impossible to predict the effects of removing the exemptions with much precision—and merely urged the government—to remove the exemptions and see what happens.—Presumably, as far as advertising is concerned, the magazines might decide to remain in Canada and continue as they are, in which event advertisers might decide to spend less on their Canadian publications in order to continue advertising in *Time* and *Reader's Digest* at a higher cost. Or they could decide to settle for less space in the two magazines at the same price they are