

do not discriminate retroactively against corporate immigrants that have discharged their responsibilities and served the Canadian purpose.

These guidelines, it seems to me, should include requirements that permit advertisers to deduct their expenses for the purchase of space in Canadian magazines that are not only printed and published in Canada, but which must have all their publishing functions in Canada. These would include the typesetting, printing, circulation management, customer and billing services, promotion and advertising functions. Moreover, they should have editorial autonomy in Canada for the selection and editing of material. Furthermore, the publishing company should be an association, proprietorship, or company registered or incorporated in Canada with a degree of Canadian ownership as already defined in the Income Tax Act, and whose use of material is confined only as is consistent with the international laws of copyright.

It would appear consistent with our national goals that the committee should consider a requirement that publications could be given minor ownership concessions if they publish in both our national languages.

These guidelines extend those already in the act which have to do solely with ownership, directorship, printing, editing and publishing. They ensure that all the economic benefits of the entire corporate operation accrue to Canada, to Canadian employees and Canadian talent, save only that minor portion of revenue that would go to a non-resident investor whose equity Canada was making use of. They would, at the same time, avoid this government getting involved in the highly dangerous area of editorial content and editorial policy. They would give the same rules to all and provide, once and for all, guidelines that would permit the Canadian magazine and periodical industry to work to the cultural, economic and social benefit of the citizens of this country. The minister so far has not proposed such guidelines. I intend to put before the committee a set of such guidelines, in the hope this House will pass judgment on them, so that we will not be unjust to anyone who has helped to build up Canada.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, it is a great thrill to speak in this jammed House this afternoon, with so many members hanging on our very words. This is the first time that I have seen more members of the press in the press gallery than members of the House in the House.

Mr. Reid: Mr. Speaker, on a point of order, may I draw to Your Honour's attention the fact that the press gallery is full. This is the first time in the history of our parliament that there are more members of the press in the press gallery than members of the House in the House of Commons, on a Friday afternoon.

Some hon. Members: Hear, hear!

Mr. Roche: Mr. Speaker, I wish the parliamentary secretary would pay attention to our speeches. I just made that point. I wish he would not repeat it.

I am glad the minister is present. This afternoon I want to put a serious proposal to him, and hope he will respond when he closes debate on second reading. Meanwhile I

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compliment the hon. member for Cochrane (Mr. Stewart) who has just made what I judge to be a thoughtful and constructive speech. It is all the more important because he was previously the chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts. I hope the minister will give the hon. member's points serious consideration.

The key vote of this bill will not be the vote on second reading; it will be the vote on third reading. I suggest, for that reason, that this bill presents many of us with some difficulties. For example, as the minister said in introducing this bill, the clause devoted to broadcasting near the end of the bill would prohibit tax deductions for Canadian advertisers advertising on American television stations, especially those stations which are close to the Canada-U.S. border. Actually some such stations have been established for the precise purpose of obtaining Canadian advertising revenue and directing advertising at Canadian audiences. That, surely, is not what the CRTC or, indeed, the Canadian people want. So, if we were to oppose this bill completely we should be opposing an enlightened provision which is aimed, obviously, at curtailing the violation of proper Canadian broadcasting policy.

I shall begin my remarks by suggesting that the broadcasting clause is a step forward.

It is interesting to note how quickly, relatively speaking, the government is moving to remove those sections of the act which allow Canadian advertisers to claim tax deductions with respect to broadcast advertising. One should note how quickly this is happening, and note the long period during which *Time Canada* and *Reader's Digest* have been unable to offer tax deductions to Canadian advertisers. What I am saying is this: it seems to me we are too far down the road with respect to *Time* and *Reader's Digest* to think about taking legislative action which will end the tax exemptions those two publications enjoy, and expect that such move will help the Canadian publishing industry. That is the point which worries me most.

As the hon. member for Cochrane suggested in the concluding part of his speech, by passing Bill C-58 we shall be, in effect, discriminating retroactively against corporate immigrants. I feel that this will affect the large readership which *Time Canada* and *Reader's Digest* have obtained. There are too many jobs at stake. The implications for our economy are too severe for us to take what I judge to be a simplistic action in an effort, ostensibly, to help the Canadian publishing industry.

I am not satisfied that a vote on second reading in support of the bill, even though the bill contains the broadcasting provision of which I approve, will lead to the enhancement of Canadian publications. I believe a positive policy is needed rather than restrictive legislation. If I could be convinced that the removal of the tax concession from *Time* and *Reader's Digest* would truly help the Canadian publishing industry I might be inclined to favour this bill. But it is my judgment that the measure will not help that vast array of educational, political, scientific and agricultural publications which are at the core of the Canadian publishing industry.