

*Canada-U.S. Trade Agreement*

Mr. BENNETT: I was responsible for introducing into the house the resolutions under which this charge was made against advertising. It was purposely a charge against advertising, for a very special reason. At that time there were circulated in this country 1,200,224 copies of American magazines. The advertising in them cost as much as \$1,000 to \$2,000 a page. It was most attractively made up and it advertised goods that were manufactured both in Canada and in the United States, but it paid no revenue to this country, none whatever. The profits inured entirely to the United States treasury; not a single sou was paid into our treasury, except through the Post Office Department in connection with the distribution of the magazines by post, and in that department we have never operated at any substantial profit. Confronted with that situation the question was whether or not we should permit this to continue, so that the advertising would be done in the manner I have indicated—I shall have something to say about that presently—or should take steps to endeavour to secure some revenue from it, the effect being that there would be a diminution of the circulation of those magazines. As a result of the efforts we made, while Canadian magazines in June, 1930, had a circulation of only 613,237 copies, on June 30 of last year the figure had risen to 1,006,419 copies, and the American magazines that had been carrying the advertising and had circulated so widely in this country found their circulation reduced in June, 1935, to 472,989 copies.

In the meantime what did we receive? There is a certain type of magazine that we said should not pay any substantial toll for its advertising in this country. I will not name the United States magazines because that might be thought unfair, but where they contained not more than thirty per cent of advertising matter the charge was two cents a copy. That meant that the high type American magazine to which reference has been made, containing advertising of a very select type, with respect to books and literature, schools and colleges and matters of that kind, magazines that are published monthly for the most part, were taxed only two cents a copy if the advertising did not exceed thirty per cent of the contents of the magazine. That permitted the payment of two cents a copy to the revenue of this country by every magazine of that high type that came into Canada. It is that type of magazine to which the hon. member for Fort William (Mr. McIvor) has just referred as the magazines in which he revels. I

[Mr. McIvor.]

recall that a question was asked in this house when the measure was under consideration as to whether or not the Atlantic Monthly would come within the provisions of this section, and some hon. member produced that magazine and showed that its advertising did not exceed the thirty per cent. There were other magazines of that type; it is not necessary to go further with respect to them. Then there comes the next type of magazine, that which sells its advertising space at one or two thousand dollars a page. It is the most attractive type of advertising that comes into the country and makes dissatisfied Canadians. It magnifies the type of manufactured articles in the United States and by inference minimizes those of any other country. On those magazines we imposed a toll of five cents a copy, where the advertising exceeded thirty per cent. The Minister of Finance now states that that revenue has gone, and that some other means must be found of raising the money.

I put to the committee this question: Is it not a fact that the advertising appearing in the magazines to which I have referred is having and has had a very marked effect upon the character of the Canadian people? Not for a single moment was it proposed to tax ideas or thought. These were left out; they paid two cents per copy. The prime minister of that day said that civilization itself was dependent upon the circulation of thought and ideas. That is why magazines which put forward thought and ideas and articles for education and the development of character paid only two cents towards revenue, if their advertising material was not more than thirty per cent.

I shall not mention names, but some hon. members must have seen advertisements in magazines advertising goods at prices very much less than those obtaining in Canada, and magnifying the type and qualities of goods produced and thus advertised to be sold. In 1930 Canadians read this advertising to the extent of a million copies per issue. This type of advertising was thrust upon them, and from it they had to make a choice with respect to purchases, and matters of that kind. Is there any hon. member who does not recall the bent and trend of articles which appeared in United States magazines to which Canadians found it necessary to answer in some of our own magazines?—for instance, articles dealing with the part taken by this country in the war. The whole bent and power of influence in these advertisements was one way, namely to stamp a certain idea of civilization upon