

his theory of history which impressed me above all else was his theory of challenge. He explained the rise and fall of civilizations in terms of meeting a challenge or being overcome by it. Some civilizations are created in response to a challenge, but others succumb when overcome by too strong a challenge, a challenge they are not strong enough to withstand.

Recently we said that multinational corporations are challenging us too strongly, and their challenge is more than our young country can stand. We reacted by passing legislative measures which will prevent our being challenged too strongly and smothered by superior or stronger forces. But Toynbee also said that civilizations decay because they face no challenges, because they grow soft, complacent, and are over-protected. In some ways our civilization is in greater danger from the second kind of challenge than from the first. I therefore hope that after this measure is passed we shall see evidence of a more vibrant and vital approach on the part of our cultural and artistic people than they have shown in the past.

[Translation]

Mr. Claude-André Lachancé (Lafontaine-Rosemont): Mr. Speaker, all through the debate, strategically interrupted for a few months, the mood in the House has been changing, to say the least, and the enthusiasm expressed by the spokesmen for each party represented here, when the Secretary of State (Mr. Faulkner) announced the long awaited amendments to sections 2 and 4 of the Income Tax Act, turned by some transmutation mysterious to me into an almost general outcry, mostly from members opposite.

Hon. members will remember what the hon. Secretary of State said on January 23, 1975:

[English]

The proposed amendment to the Income Tax Act will, as of January 1st, 1976, restore to section 19 the force and intent which its authors had in mind. I am confident that the enterprise and skill of the Canadian magazine industry will seize this opportunity. It is my hope and expectation that this decision of the government will result in the creation of a Canadian news magazine.

[Translation]

The spokesmen for the three other parties replied in perfect unison that they agreed in principle with this government undertaking. Thus the hon. member for York-Simcoe (Mr. Stevens) stated:

[English]

... in responding to the statement just made I would like first to say, on behalf of the official opposition, that we are pleased that the government has clarified this matter at long last. We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

[Translation]

As for the hon. member for Sault Ste. Marie (M. Symes) he expressed the feeling of the New Democrats as follows:

[English]

The NDP welcomes, at long last, the announcement by the government to end the special tax concessions for advertisers in *Time* and *Reader's Digest*.

[Translation]

Finally, on behalf of the Social Credit Party, the hon. member for Lotbinière (Mr. Fortin) made the following statement:

Non-Canadian Publications

On behalf of the Social Credit Party of Canada, I should like to thank the Secretary of State for his statement which has finally given birth to his long awaited policy. It would seem that a breath of cultural nationalism to protect Canada's integrity animates the minister and finally incites him, after many hesitations, to now abolish the fiscal advantages granted the magazines *Reader's Digest* and *Time*.

I wonder what may have happened over the past few months which causes the government, through its Secretary of State, to be seen as a big bad wolf which is trying to eat the three nice little pigs, namely freedom of the press, freedom of exchange of ideas and freedom of enterprise?

The answer, Mr. Speaker, can be summarized in one word: lobbying, and very strong and tenacious at that on the part of the firms directly affected, but more specifically the pressure imposed by one of them which has used every means at its disposal to postpone as long as possible, if not indefinitely, the adoption of Bill C-58.

Mr. Speaker, I have nothing against lobbying. This is an institution which, under some regimes, is even officially established and which sometimes provides priceless services in making the legislator aware of certain aspects of a governmental measure which could have been forgotten or underestimated. But when lobbying is unduly pressing, one has to stop and react strongly.

I have myself been submitted to *Reader's Digest's* lobbying, but I have tried to react and understand the real meaning of the problem, the one *Reader's Digest* is deliberately trying to hide to delight itself in mostly accurate though overly emotive considerations without any direct relations with the object of our discussions. Unfortunately, it would seem that some members have not made the same intellectual process, and this is very regrettable since it is at the root of the imbroglio we are floundering in today.

But what is the real dimension we are all seeking, and how do we settle, in all fairness, a debate whose origins stem from some obscure fiscal concession which should never have been made and on which we must now base ourselves.

The question is not new. The debate did not spring from the sudden need to improve the Income Tax Act; nor was it suggested by some illustrious unknown in the office, on the right, on the sixth floor of the head office of the Secretariat of State who wished to play the amateur archivist and dug up a nice little scandal to seek the limelight. No. Foreign publications have been in our midst for a long time. The degree of influence they have exercised on Canadian culture is not an academic question. In fact, the debate was born when *Reader's Digest* appeared on the scene, in 1942; it became concrete when a royal commission of inquiry was created, on September 14, 1960, under the chairmanship of Mr. Grattan O'Leary, and given the mandate of looking into the situation of periodicals in Canada. The main conclusion of the O'Leary Commission follows, and I quote:

[English]

A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and that a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

[Translation]

And the recommendation was to prohibit the deduction of the advertising cost in a so-called "foreign" magazine. In