

in this government should not fly in the face of public opinion. There has been a tremendous feeling generated about this piece of legislation in Canada, and I venture to suggest that not all of that feeling has been generated by an advertising campaign. As the hon. member for Okanagan-Kootenay has said, the subscribers of both *Time* and *Reader's Digest* were invited to write to their members of parliament. If I can judge by the weight of mail in respect of one, weighted as it was very heavily in favour of *Reader's Digest*, *Reader's Digest* does occupy a special position. I think we would have to recognize in this House that we just cannot fly in the face of the Canadian public.

The first question to be asked, I suppose, is whether this legislation will be of any assistance to the Canadian publishing industry as such. Other speakers have mentioned, and I reiterate this for the benefit of the minister, statements which have been produced as a result of some work done by an organization called Canadian Facts. The survey showed that in January of 1975, Canadian advertising executives indicated they felt that the Canadian publishing industry would not benefit substantially from the removal of the tax advantage for advertising in *Time* magazine and *Reader's Digest*. It is suggested that only 19 per cent of the revenue freed by this measure will go to the publishing industry in Canada. Of this 19 per cent, 58 per cent would go to Maclean-Hunter Publications, and as such Maclean-Hunter Publications would effectively control at least one half of the advertising revenue obtained by the magazine industry. It presently controls about 42 per cent of the total.

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As I mentioned, I think the effect is that most magazines will derive a really insignificant benefit from the move proposed by the minister. This statement is made in the face of the assertion by the minister that smaller, special interest magazines constitute the real problem in the publishing industry. I am not suggesting there is anything sinister in this, but the survey by Canadian Facts indicated who the beneficiary would be. A moment ago an hon. member asked who backed that organization. I hope he will be able to produce other statistics in respect of this matter. I would be willing to listen to them. However, I think these are factors which we cannot ignore.

I wish to call attention to a letter signed by T. Peters which appeared in the *Montreal Gazette* some time ago. I believe he put the case very well in respect of Maclean-Hunter, one of the largest publishing houses in Canada, being possibly the only real beneficiary in this case. This is what he said:

For instance what will happen to the magazine industry in Canada? First of all the present total circulation of Magazine Association of Canada magazines is approximately 5.6 million while the U.S. magazines (over 40,000 circulation) circulation in Canada number approximately 9,000 less. That's not much, but at least it's less. Eliminate *Time* and *Reader's Digest*, who belong to the MAC, and we'll end up with 3.6 million MAC magazines and 7.6 million U.S. publications on the market. These two publications of approximately two million circulation have through the years built up a faithful readership, and will keep supplying their subscribers with copies mailed from the States. So as you can see, the Canadian magazine industry will not expand but rather decrease in size. There will be two million more Canadians reading U.S. editorials and seeing U.S. advertising. And what effect will this imbalance have on advertising reach for Canadian companies?

#### *Non-Canadian Publications*

In his next statement, I think he put the case as well as anyone could for those concerned about the Canadian magazine industry. He said:

Canada needs a strong magazine industry to effectively compete with the other media. Without these two publications spending money to support the MAC, and nearly bankrolling all new research for the magazine industry itself, the outlook is gloomy.

I think this is a very sober comment on the long-term effect on the Canadian industry of this particular matter. I ask the minister whether the intention of the government is to make an award to the Canadian giant. Is that the real intention, or is it his intention, as he expressed it in his speech, to stimulate some of our new publications? I wish he would demonstrate to us how this will happen. I wish the minister could produce a study that would indicate how this would happen. Canadian Facts at least has produced something. Some people may have some doubt concerning the propriety of those figures. I am prepared to say I do not necessarily totally subscribe to them, but at least there is an attempt by someone in Canada to consider the effect of this legislation. I think the minister has a duty to consider these things.

The next matter with which I should like to deal is the restrictive aspect of the bill and the failure of the minister to deal with this matter in practical terms as it affects the two publications. I do not think any member of the House who has taken part in this debate so far would be prepared to argue that *Time* and *Reader's Digest* are on the same footing in terms of their impact on the Canadian public or, indeed, on the public of the world. The economic commitment and the economic contribution to Canada of *Reader's Digest* of Canada in relation to the contribution by *Time* is so much greater as to hardly need further explanation. There is the whole question of the business contribution to Canada, in the amount of \$30 million. At least 90 per cent of every revenue dollar remains in Canada. The capital assets in Canada amount to \$8 million.

*Reader's Digest* of Canada provides employment for 1,000 others aside from about 500 direct employees in Canada. It brings business to Canadian suppliers. It has made a substantial contribution to publishing technology in Canada. It has been printed in Canada since 1943 and published in both official languages. In terms of its stock, at least 32 per cent is made available to Canadians. As the hon. member for Cochrane carefully pointed out in detail, the very distinguished Canadians who are directors of the company, I am satisfied, would not let their names stand in respect of any fraud or any other kind of offence against the Canadian public. I think their presence is an indication of the real attempt this magazine has made to become a Canadian citizen in terms of the cultural contribution it has made to this country. I think it is a culture contribution which transcends *Time* by light years. They are different magazines. They have different purposes. The beat of *Time* is perhaps much wider than that of *Reader's Digest* and much more immediate. It is more of a reporting news magazine than anything else.

I mentioned the fact that *Reader's Digest* is edited independently in Canada in both English and French. I mentioned that there are some 80 Canadian editors and support staff and 80 additional Canadian freelance writers. There have been 140 writers published in the magazines since 1960. The worldwide publication of *Reader's*