

*Non-Canadian Publications*

There has been a great deal of response to this action on the part of the government, some of which has come from *Reader's Digest*. Its publishers have launched a campaign to persuade its subscribers to, shall I say, pressure Ottawa on their behalf and lobby members of parliament to block the tax act amendments announced by the Secretary of State (Mr. Faulkner).

In a plea to its subscribers, *Reader's Digest* has said "our fate is now in parliament's hands". That was stated on an enclosure to the *Reader's Digest* edition of March, 1975. *Reader's Digest* then outlines its contribution in the 32 years in which it has been distributed in Canada: it goes on to list these major contributions. *Reader's Digest* probably does have a good history of useful function in Canada, but I submit that is entirely aside from the point. The point is—which I must refer to once again—that this is a matter of special tax privilege and what we have done in the past with *Reader's Digest* and *Time* is not a mandatory blueprint for the future.

● (1520)

Our Income Tax Act states clearly that a magazine or newspaper must be 75 per cent Canadian controlled before advertisements placed in it can be considered deductible as a business expense. *Reader's Digest* and *Time* are not 75 per cent Canadian owned, yet for the past ten years they have been exempt from this provision. That is a special privilege. It seems to be manifestly unfair that two of the richest and most powerful magazines in the world should enjoy special tax privileges not granted any other major foreign magazine or newspaper.

Phasing out a privilege wherever it may exist should be one of the toughest challenges facing this or any other government. I am pleased that this government has taken decisive action in this case. *Reader's Digest* states that the effect will be calamitous. I believe, instead of threatening suicide as they are, *Reader's Digest* and *Time* magazine should set about the business of planning constructively for their survival without tax privileges; or are we to infer that these magazines are claiming the right to a perpetual privilege? Perhaps that is what happens when a privilege by any group, large enterprise, corporation or large magazine has been held for too long.

I submit that a period of ten years is too long and that the action of this government is overdue. Removal of this privilege from the Income Tax Act obviously is overdue. Some hon. members mentioned mail they have received on behalf of *Reader's Digest* and *Time* magazine, but to my knowledge no one has referred to the other side of the picture. A letter I have received from the Canadian Periodical Publisher's Association, whose members have a combined circulation of 1.3 million, states it would like to confirm that it supports Bill C-58. The letter also states:

We firmly believe that with *Time Canada* and *Reader's Digest* competing with Canadian magazines on an equal basis, there will be exciting new work for more writers, designers, photographers, printers, typographers and others in the graphic arts across Canada.

They say that Canadian magazines will become bigger and better, sounder financially and more significant culturally. They also say there will be more magazines. I do not know whether there will or will not. I am sure that if *Time* ceases its Canadian edition we will still read its

[Mr. Raines.]

international edition. I am sure, if *Reader's Digest* ceases its Canadian publication, it will still be everywhere in Canada. I am not sure what will happen to our Canadian magazines. I suppose there will be more work for writers, but I do not think it matters. I hope they will thrive, but that is their problem. I hope that *Reader's Digest* and *Time* will continue to thrive, but that is their problem.

My problem, and I submit the problem of the government, the taxpayers, and our problem in representing the taxpayers, is to ensure that a special privilege is given to no one. That is my problem at this time, and I submit it should be the problem of all hon. members in this chamber. *Maclean's* magazine announces that it will begin publishing every second Monday commencing with the October 6, 1975, issue. Good for *Maclean's*; I hope it survives. But *Maclean's* is not my problem.

Much has been said in this debate: the hon. member for Calgary North (Mr. Woolliams) has gone so far as to quote from the Bill of Rights. I have carefully read *Hansard* and fail to see how reading from the Bill of Rights to substantiate the hon. member's argument is in any way linked to withdrawal of special privileges for some large corporations. I, too, should like to quote from the Bill of Rights as recorded in *Hansard* at page 5888. There is a reference to freedom of speech, freedom of assembly and association, and freedom of the press. By all means let us have freedom of the press. Let the publications flourish or go bankrupt. I submit that is not the basic problem. We will give the press freedom to make \$1 million, as some syndicates have, and freedom to cease publication, as some have done.

But I stress, again, that there is a misconception across the land that *Time* and *Reader's Digest* are somehow being barred or censored from coming into Canada. They have not been, they are not now, nor will they be. It is a simple matter: we are stopping their welfare cheques; we are stopping the special privileges. Neither this government nor any other government, for that matter, has ever told Canadians what to read. This government is not telling anyone what to write. It is simply telling all magazines that in order to take advantage of the tax concession designed for Canadian magazines, they must be Canadian; and if *Time* or *Reader's Digest* or any other publications wish to conform to these suggestions, then that is their decision.

We are not telling them how to conform. We are not telling them what to publish or when to publish. What we are saying is that we are giving them special tax concessions which have been going on for ten years, and that ten years is long enough. I submit there is no cogent argument for continuing these tax concessions. I believe they should never have been granted in the first place. We will listen to more arguments when this matter goes before the broadcasting committee, of which I am a member, but I have yet to hear an argument for continuing special tax privileges to anyone.

**Mr. Howard Johnston (Okanagan-Kootenay):** Madam Speaker, it is a privilege to rise this afternoon in a debate that is of considerable moment in the history of publishing in this country. It is momentous because it concerns something very dear to the hearts of our people—their nationalism and their national interest.