

Woolliams) made this a partisan issue because I don't believe it is a partisan issue. Indeed, there are a number of people on this side of the House who would like certain things changed in this bill. That is precisely why a bill is brought before the House, so that we can suggest changes and bring it into committee where we can put forward our amendments and perhaps make it more acceptable to the majority. That is what I intend to do, and I am sure there are a number of other members who have the same idea.

I have reservations about this bill simply because I feel there has not been sufficient effort made to establish guidelines to be followed for a publishing company to maintain its Canadian status. There seems to be an intransigence on the part of the minister to make any compromise on this, and on this point I do not understand the minister. Perhaps he is waiting for committee in order to do that, but I have the feeling that there is an intransigence there to any compromise, and I would like to suggest that we must make some compromise. If the object of the bill is indeed to deliver a death blow to organizations because of their American parenthood, as suggested by the previous speaker, that kind of motivation is nothing but anti-Americanism which is disguised behind a virtuous sentiment of Canadian nationalism, and I would deplore that.

In my view the central issue before us in this debate is to establish, once and for all, a set of guidelines for the magazine and periodical publishing industry in this country which meets the approval not only of the industry itself but of the advertisers, editors, graphic artists, and perhaps most important of all, the general public of Canada.

This is certainly no easy matter. The Secretary of State (Mr. Faulkner) said himself on May 8 that the government did not arrive at this decision to present this bill easily, and indeed it was a decision which was hard to make. In fact I rather suspect that probably a good number of ministers were not present when the decision was made. Moreover, this very subject has occupied the attention of more than one royal commission, particularly the Royal Commission on Periodicals under the leadership of Senator Gratton O'Leary. It provided one of the major areas of investigation for the Special Senate Committee on Mass Media under the chairmanship of Senator Keith Davey. At no time has anyone yet been able to provide the magazine advertising and publishing industries with conclusive guidance which legitimately protects all those who have a direct and indirect interest in the publication of magazines in Canada.

It is all very well to criticize and tear down, but what about establishing definite guidelines which people can follow? In the special report of the Special Senate Committee on Mass Media it was admitted that it was juggling unknowns. In discussing the options open to the Government of Canada, it rejected the idea that *Reader's Digest*—or *Time*, for that matter—should be “kicked out”, as the report bluntly put it, because, and I quote from volume I, page 165:

Singling out for expulsion two corporations that have done business in Canada for nearly three decades, and done it with flair and fairness and excellence, struck us as somehow inconsistent with the Canadian character. We were mindful, too, of the economic dislocation this could

Non-Canadian Publications

cause. Unemployment in the cause of socio-cultural development is a lot more palatable for its proponents than for the participants.

Nonetheless, the special committee proposed to go ahead, juggle the unknowns and recommend what is, in effect, the government's proposal in this bill as it stands, and that is to rescind section 19(2) of the Income Tax and prevent advertisers from deducting their advertising expenses in these two publications in computing their income for tax purposes.

The effect of this, as we all know, would be a severe restriction. As far as *Reader's Digest* can project, it would plunge its company into a calamitous loss position from which its magazine operations could not recover. *Time* is in a somewhat different position because it has no public equity in Canada, much less Canadian employment to consider, and is a magazine of news written by its international staff. It has options open to it which are not available to *Reader's Digest*. I feel that most of our colleagues are not too sympathetic to the position of *Time*, but many feel a great concern for *Reader's Digest*, which has bent over backwards, in my view, to be a good corporate citizen of Canada.

● (1510)

Furthermore, for *Reader's Digest* the upshot would be that the French Canadian edition would have to cease publication. As the company has pointed out, the French Canadian edition has been running at an average annual loss of \$157,000 for the last ten years. So we have about 1.3 million Francophone readers who would be deprived of that edition.

Moreover, the Canadian edition of the *Reader's Digest* in English would be in severe jeopardy. It has been suggested that this edition should be replaced by one edited, published and printed in the United States. Surely it is the intention of this legislation to encourage publication of Canadian material for Canadian readers. What would be the point of making this company, which has been publishing in Canada in French and English since 1948, close its Canadian edition? What would be the loss to Canada?

Reader's Digest of Canada, as we have already heard from the hon. member for Vaudreuil (Mr. Herbert), has a full editorial and production team of 80 people at work on its books and magazines—all Canadian citizens. The company in total employs some 460 Canadians directly and a further 1,000 Canadians indirectly among its suppliers. It gives work to Canadian freelance writers and gives them an opportunity to appear before a worldwide audience of some 105 million readers in 13 languages around the world. Its operations provide the Canadian Post Office with a revenue in excess of \$3 million a year.

We should, at least, examine this company's record in Canada—attained before and since the 1965 legislation deemed the Canadian editions of *Reader's Digest* not to be non-Canadian—before we attempt to wipe it out. The magazine has been circulating in Canada since 1922. The English language Canadian edition was printed here in 1943. In 1948 it began investing in plant and equipment in Canada. It has steadily increased its Canadian contribution since that time.

With the encouragement of the government's 1966 guidelines for good corporate behaviour, the *Reader's Digest*