

excerpts from the overwhelming response received from my constituents in favour of *Reader's Digest*. Perhaps I should remind the government that on this bill there have been 38 speakers, including the Secretary of State (Mr. Faulkner) who introduced the motion. Of these, only ten speakers have been in favour of the provisions of this measure where magazines are concerned. Moreover, of the eleven speakers from the government side of the House, only seven could be found to support it. Of these seven, one, the former minister of communications, Mr. Pelletier, has resigned from the government and his nominated successor, Mr. Juneau, was roundly defeated in a by-election.

These facts, coupled with the overwhelming protests which hon. members have received from their constituents about the provisions as they concern *Reader's Digest* and its French language counterpart in Canada, are a clear and straightforward indication of the immense unpopularity of what the government is trying to do with the magazine portion of this bill. What is the government trying to do? Its stated purpose is to help the Canadian magazine industry. It has used as its guiding principle the special Senate report on the mass media. This inquiry drew attention to two major problems. The first was the overflow circulation of U.S. magazines which have never been published in this country but which sends copies across the border to be sold on Canadian newsstands. *Reader's Digest* does not fall into this category. The second major problem as identified by the special Senate committee is the intense competition for advertising revenues among radio, television, newspaper and magazines.

Let me give this House some figures on this subject. Magazines coming from abroad circulated approximately 182,000,000 copies in Canada in 1974, according to the audit bureau of circulation reports. This compares with approximately 418,000,000 copies of Canadian magazines, not counting the circulation of *Reader's Digest* and *Time*. The 418,000,000 figure includes the circulation of mass circulation magazines like *Maclean's* and *Chatelaine*, the *Weekend Magazine* supplements and the controlled circulation consumer magazines. It does not include the wide variety of business and trade magazines put out by Canadian publishers. From these figures it can be seen that Canadian magazines outnumber magazine imports by better than two to one. Thus, the Senate special committee was able to report that most magazine publishers in Canada do not think of overflow circulation as a primary problem; it is simply part of the environment.

Where advertising revenues are concerned, the picture is a little different. In this competition, newspapers are the big winners. Of the approximately \$1.5 billion spent on advertising in Canada, newspapers took \$458 million in 1974—the last year for which there are figures—television took \$225 million, radio took \$176 million and those magazines with which Bill C-58 is concerned took a mere \$37 million. The share of magazines amounts to a mere 2.3 per cent of the total spent in Canada on advertising. On this point, the Senate special committee said the following:

● (1520)

Magazine publishers are painfully aware of the competition for advertising revenues from other media. It is a scramble between radio, television, newspapers and magazines for available advertising dollars

#### *Non-Canadian Publications*

and for the attention of audiences. Between 1954 and 1968, magazines' share of total advertising revenues dropped from 4.2 per cent to 2.4 per cent.

Bill C-58 does nothing to tackle either of these major problems, as pointed out by the Senate special committee. On the contrary, it proposes to weaken the industry by denying advertisers an important magazine medium. It will force them further into television, radio and newspapers to get the audiences they need. This will weaken the magazine reading habit among Canadians, create a monopoly for the Maclean-Hunter group of consumer magazines, and force a magazine that has honourably published in Canada for the better part of 30 years into a critical loss position.

The Association of Canadian Advertisers has stated that Bill C-58 would—

—tend to weaken the whole magazine field as a medium in Canada compared to the strength of television, radio and daily newspapers. Past experience has shown that taxes or other financial restriction... did not help Canadian magazines but, on the contrary, caused a total loss of advertising lineage in the 12 magazines that were members of the then magazine advertising bureau.

The federal government's own advertising program has not been redesigned to lend strong support to consumer magazines. Data from Elliott Research Ltd. shows that in 1974, of federal government expenditures of \$8,873,000 on advertising in six media, daily newspapers received 49.1 per cent, television received 24 per cent, radio received 12.6 per cent, and magazines received 6.1 per cent or a little better than \$540,000. So much for the government's desire to help magazines.

What is the target of the government's magazine policy? As we know from our mail and the comments of the Secretary of State, *Reader's Digest* is one of the targets. This House hardly needs reminding that *Reader's Digest* has established itself in Canada as a good corporate citizen. It has conformed to every guideline for good corporate citizenship ever produced by a Canadian government. I draw the attention of the House to the new principles of international business conduct issued by the Minister of Industry, Trade and Commerce as recently as July 18 of this year. *Reader's Digest* meets or exceeds all of those guidelines and has done so for many years. More than 30 per cent of its share capital is traded on the Montreal and Toronto stock exchanges. Five out of six of its directors are Canadian citizens of distinction who made public contributions to this country of extraordinary merit.

I think of Dr. Davidson Dunton, the director of the Institute of Canadian Studies at Carleton University, one-time chairman of the Canadian Broadcasting Corporation and the Royal Commission on Bilingualism and Biculturalism, and Mr. Jean Martineau, formerly chairman of the Canada Council. Such men are not going to lend their names to a corporation which does not serve the interests of this country.

*Reader's Digest* conducts all its publishing operation in Canada. It directly employs, as I said earlier, 500 people in its Canadian publishing operation. Another 1,000 people are indirectly employed in papermaking, inkmaking, printing and distribution. Its magazines are entirely edited in Canada by Canadian editors for Canadian readers. More than 90 per cent of its annual revenues stay in Canada. The Canadian content of its magazines, the equivalent in major