

Non-Canadian Publications

editorship, and I am firmly convinced that we must first remind ourselves that in order to be a Canadian citizen one has to apply, one has to live here and fulfil certain requirements and contain himself within confinements respecting patriotism and loyalty to the country and the government.

This regimentation has been followed completely by *Reader's Digest*. Let me say quite emphatically that I am, and always have been, a supporter of *Reader's Digest*. The Flynn family has subscribed to this magazine for many years. I have always been particularly proud of the fact that I have been personally acquainted with, to my knowledge, the only graduate of *Reader's Digest*. I am speaking about a Brother "Robbie" who has done such a tremendous job as the "hoodlum" brother in the Thunder Bay area. He has made a great contribution to the community in which he has worked, especially our native peoples. He is one of many Canadians who have been almost completely educated by *Reader's Digest*, and I suppose there are many more who use the magazine as a further supplement to their education. They are probably asking themselves, as many are, if they are going to get the same *Reader's Digest*, or is *Reader's Digest* being forced out of business or so completely changed in its format that they will no longer recognize it.

● (1710)

It is particularly distressing that we must look at this question from such a complicated viewpoint, because Bill C-58 comes under the guise of an income tax problem which completely compounds the confusion that exists around the total situation and the real question. There is a crisis and dilemma involved here that has caused perplexing feelings among the people in the whole community. I am sure all of us who have received enormous amounts of mail from our constituents over the past year concerning *Reader's Digest*, and have taken the time to answer in some detail the original question in good faith, did so in complete acceptance of the fact that in 1974, 24 per cent of the material used in the Canadian edition of *Reader's Digest* originated in Canada. We also accept the fact that by 1976 the amount of Canadian material will be 30 per cent, which will mean that the number of major Canadian articles carried by *Reader's Digest* will approach the number carried by all other leading Canadian magazines.

I agree completely that there may be a pressure group at work which has a vested interest in the publishing industry. Perhaps it is using this opportunity to eliminate competition. Unfortunately, it may have convinced some of the people who are probably very closely allied with the writing and drafting of this bill to create an impossible situation for *Reader's Digest*. I agree that without competition certain magazine publishers would continue to sustain their mediocrity if not deteriorate further.

One thing that further confuses me is that *Reader's Digest* is supposed to be taking all the cream off the top so far as advertising money is concerned. Yet as I understand it, *Reader's Digest* in 1973 took only 21 per cent of the gross advertising revenue going to other members of the Magazine Association of Canada. Those who took an equal amount and distributed it among themselves were *Chate-laine*, *Miss Chatelaine*, *Maclean's*, *Le Magazine Macleans*, *TV Hebdo*, *Time Canada*, *Sélection du Reader's Digest*, the French counterpart, *Observer Country Guide*, *Legion*, and

[Mr. Flynn.]

Saturday Night, which recently suspended publication. Of course, these magazines in no way represent all magazines published in Canada.

I have no actual figures, but a guesstimate would put the *Reader's Digest* share of advertising placed in Canadian magazines somewhere about 6 per cent. That leaves out of the picture the advertising revenue placed in Canadian business publications, the whopping sum of \$24,700,000. Take that figure and compare it to the figure for the newspaper industry, \$427 million, in Canada. In West Germany it is \$707 million, which really just tells us that in West Germany consumer magazines get about as much advertising as the newspapers and three times as much as television.

In Canada, consumer magazines earn a miserable one-fourteenth of the advertising loot. Someone has asked, "Why is this government presently spending, or having to spend thousands of taxpayers' dollars in persuading them to get off their fat backsides, out of their armchairs and into the playing fields of the nation?" Really, are all of us asleep while seemingly watching the government ruthlessly determining the efforts that we are now trying to make? I think that sometimes we are asleep. In this particular case I think we are asleep watching Bill C-58 go through to the detriment of many Canadians.

My friend, the hon. member for Cochrane (Mr. Stewart), to whom I have spoken about this bill has recommended some changes. He will present them later and I shall concur in them. I think they are worth noting. They would form the substance of an amendment which would read as follows:

Subsection 19(2) of the Income Tax Act be repealed (as proposed) and the following substituted therefor:

19. (2) An issue or edition of an issue of any newspaper or periodical shall be deemed, for the purposes of subsection (1), not to be an issue of a non-Canadian newspaper or periodical if it

- (a) is edited and published in Canada and its publication functions—typesetting, platemaking, printing, circulation, advertising, customer service, treasury and administration—are conducted in Canada;
- (b) is published by a Canadian corporation, proprietor, partnership or association incorporated or registered under the laws of Canada or one of its provinces;
- (c) is either
 - (i) 75% Canadian-owned, or,
 - (ii) having a degree of Canadian ownership as defined in Section 257 of the Income Tax Act, publishes in Canada's two official languages;
- (d) is policy-controlled by a board of directors, at least three-quarters of whom are Canadian citizens;
- (e) is directed and wholly edited in Canada by a management and staff normally resident in Canada;
- (f) grants complete freedom of editing to its editors in Canada subject only to copyright law;
- (g) contains a proportion, excluding advertising matter, of editorial content to the extent of 30% or more which has not been previously published in a periodical outside Canada;
- (h) encourages the development of editorial material about Canada which could have an international appeal outside Canadian borders.

Mr. Speaker, while I have not made the profound contribution to this debate that has been made by many other members, I hope that in some way I have at least provided some thought-provoking material for members on the gov-