

Non-Canadian Publications

Just a brief memo to express my opposition to rescinding of section 19(2) of the Income Tax Act.

I am writing in support of both the Canadian *Reader's Digest* and Canadian *Time* magazine. I fully believe that both should be allowed to remain as exactly "as is" as both are a credit to their industry and this country.

Some of the messages are very short and to the point. One of them reads:

We find *Reader's Digest* to be quite acceptable in its present form.

Another one reads:

We do not agree with the government's intention to introduce amendments to the Income Tax Act so disallowing as a business expense advertising placed by Canadian companies in the *Reader's Digest*.

That is signed by five or six different people, so obviously they have been talking about it. It is evident that there is a great deal of dissatisfaction, particularly in my riding, with the proposed action of the government, and if the press reports tomorrow that the government will impose closure on second reading of this bill they will have an indication of the warped view of the government regarding the attitude of Canadians. Here is another letter from a senior citizen who writes:

I wish to inform you that I want to be put on record as definitely against any legislative or tax change move that will cause the *Reader's Digest* or *Time* magazine to eventually have to close up here in Canada. They are two of the top publications here in this country, and their loss to the Canadian people would be a hard blow.

There are dozens and dozens of these letters. If I read them all, I would be here until midnight. But you can see the concern that people have in the country on the action of the government in this legislation. I try to take a very broad view of things. I am a Canadian businessman and I am as pro-Canadian as anyone. I have travelled rather extensively in the world and read everything I can get my hands on.

I am afraid that if you couple this requirement for Canadian content, and for content which is 80 per cent different from that in foreign issues, with what we are hearing from CRTC, particularly in the border areas where they are saying to Canadian cable companies that they are to take in the American signal, delete American advertising and dub Canadian advertising in its place, this is outright thievery. Here we have the government telling the cable companies that if they are to continue to enjoy a licence from CRTC, this is what they have to do. Again, this is a form of censorship which they are imposing. I have spoken to some of our Canadian television producers and they are appalled at what the government is doing. I notice that some of the television stations in the United States which are close to the Buffalo area are doing the same as *Time* and possibly *Reader's Digest* will do, that is, offering a reduced rate to advertisers.

We talk about censorship. I look at what we have in the country now. We have Information Canada, with about 2,200 employees, and there are about 1,800 information officers in the various government departments. If you go over to the Press Club across the road, you will find that there are about three members of government departments to every one member of the press. Every reporter in the parliamentary gallery gets a handful of «bumph» every day from the information officers of these various departments, and we wonder why some of the things we see in the House are not reported. They get all sorts of informa-

[Mr. Kempling.]

tion fed to them, all of it with a bias, unless it is independent information.

When you take this together, you see that *Time* and *Reader's Digest* will obviously be phased out and you see the control in television, of which we see more and more, the growing size of Information Canada, and the 1,800 information officers in the various government departments. It is a pretty horrible thing and a pretty tragic thing to see happening in this country, and it certainly will not give us our present, independent view.

● (1750)

The letters I have received are short and to the point, but some of them are very interesting in their content. I must say that some of them follow the tenor of the letter many of my constituents received from *Reader's Digest*, but many express the concern of those who are upset about this. Some of the people who have come to this country from Europe are concerned about this legislation also. They saw it happen over there. But I do not like to draw that sort of parallel. I do not think we are that far down the road yet, but this is a dangerous step we are taking. It could be accomplished in another way, and I hope that when we get to committee we can amend this bill. I think we can come to some compromise on the ownership issue. I do not think we need 75 per cent Canadian shareholders controlling most companies. I think 51 per cent or 52 per cent is quite adequate. If most of the directors are Canadian, that is adequate, but when we see that there must be 80 per cent Canadian content I just wonder where they are going to get that from.

Other hon. members have mentioned some of our newspapers. If they had to comply with this regulation in the actual news section, if they deleted news from UPI, Reuters and some of the other news agencies they subscribe to, and gave up some of the rights they have with, for example, the *Washington Post* or the *New York Times* and printed only Canadian news, they would be hard pressed to put out a newspaper. I hope that when we get to committee we can really get to the heart of this bill and move some amendments which will make it more palatable and take away some of the concerns which have been expressed to me by my constituents.

As I have said, I have received 352 letters opposing this legislation, and seven letters supporting it. It would be only fair to read one of the letters supporting the position of the government, but I am unable to find it here because it is lost in the papers I have with me. I wish to close my remarks very shortly. I will quote from an article written by Charles Lynch. I will not read the whole thing because it is quite lengthy, but it has some very good content. He says the following:

—what are we to make of revenue minister Ron Basford's decree that, to survive here, the Canadian editions of *Time* and the *Digest* would have to be 80 per cent different from their U.S. parent publications? The . . . regulations make sense only in the context that they are designed to be terminally punitive in their effect, and that what the government is saying is that it wants to drive the Canadian editions of these magazines out of business, period.

Coupled with the insistence on 75 per cent Canadian ownership of the publications, the proprietors of these magazines would be made to attempt compliance, and thus put themselves, their heirs and successors in an editorial straitjacket that any self-respecting journalist would find intolerable.