

*Non-Canadian Publications*

small elite group? And to me that is the test, whether it be economic, cultural or even military nationalism. I think the duty of the state is to protect its citizens and to promote a greater exercise of their liberty.

How anyone can reconcile that statement with this bill, I will never know. In conformity with the Prime Minister's statement, I shall vote against this bill. To my mind, it does not meet the test: it does not protect our citizens or promote a greater exercise of their liberty.

● (1640)

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, the hon. member for Fundy-Royal (Mr. Fairweather), lucidly and logically, put forward the position of my party. I have great admiration for the position taken by the hon. member for Fundy-Royal. I know that this bill troubles him. Essentially, he is in favour of some kind of positive action to help the Canadian magazine publishing industry. That has been the stance of the hon. member ever since I have known him, and his point of view is known throughout Canada. My colleague is a reasonable man and looks on this bill—as we all do, regardless of our position—as overkill. Clearly, it is overkill. It is counterproductive and will not assist the Canadian publishing industry.

What will it do? It will eliminate the Canadian section of *Time* magazine and the 45 jobs of Canadians who prepare that Canadian section. But we shall still continue to receive *Time* if we want to: *Time* will still be published and sold to the Canadian public on newsstands and will still be sent to subscribers who want to receive the magazine. Advertisers will still advertise in the magazine, but the cost to the advertiser will have to be reduced to offset the detrimental aspects of the bill; and, of course, costs to the subscriber will rise to compensate for that loss. I listened, also, to the constructive speech of the hon. member for Timmins (Mr. Roy). I know that many on the government side share his views, and before the bill is given third reading I hope we shall hear from those hon. members.

I am concerned about what the bill in its present form has done to our legislative process and to the committee system. I might be well to reflect on the progress of this bill. Closure was imposed on second reading. I do not deny the government's right to impose closure after reasonable debate. Then the bill was given clause by clause examination in committee. The discussion was really on one clause, this being mainly a one-clause bill to do with an amendment to the Income Tax Act. Again, in committee, we found ourselves operating under the constraint of closure. We were given barely one month in which to hear witnesses from the publishing industry, the specialized magazine industry and the broadcasting industry. I submit that was not enough time.

During the committee hearings we asked for the principal witnesses appearing for *Time* and *Reader's Digest* to be recalled. Insufficient time had been allowed for the examination of these important witnesses and the important briefs they wished to present. But the government imposed its rigid discipline. I have never previously experienced such discipline. The result was that we were denied the right to recall those witnesses.

We examined the Minister of National Revenue (Mr. Cullen), during the course of those hearings, on the ruling he had made in October on what constitutes a publication

[Mr. Roy (Timmins).]

under the Income Tax Act that is essentially the same, or substantially different. We examined him on the so-called Cullen rule, the "80 per cent different" rule. Mr. Speaker, had the government stuck with its initial proposition perhaps I could understand the exercise through which we are going today. But it changed the rules.

**Mr. Fairweather:** They got greedy.

**Mr. McGrath:** The Minister of National Revenue, and the Secretary of State (Mr. Faulkner), on behalf of the government, intimated to *Reader's Digest* and *Time* that in no way would the government change this rule. The bill was reported back to the House; then we discovered that an accord had been worked out with *Reader's Digest*. What do such actions do to our process of committee examination? Yet, Mr. Speaker, I see an hon. member opposite smiling.

Clearly, Liberal members from Quebec, and especially other Liberal members who are troubled about this bill, made their views known in caucus. They persuaded the Prime Minister (Mr. Trudeau), the Minister of National Revenue, and the Secretary of State, to reach an accord with *Reader's Digest*—and rightly so. *Reader's Digest* has been a good corporate citizen of Canada, employing directly 500 of our citizens and indirectly another 1,000, and spending a great deal of money in this country to support Canadian publishing. An accord was reached.

The present bill is aimed essentially at *Time* magazine. In view of the announcement of the Minister of National Revenue that an accord had been reached with *Reader's Digest*, is it not logical and reasonable for those who examined the bill in committee to expect it to be sent back to committee in order that committee members may again examine the Minister of National Revenue and discover what brought on his conversion, examine again the Secretary of State and re-examine witnesses from *Reader's Digest* and *Time*?

*Time* made a reasonable request which was reflected in an amendment moved in committee but rejected by the minister. The request was for a one-year extension during which the magazine could return to the planning tables and see if it could achieve a format which would adjust to the Cullen rule. That request was denied. They asked for only one year. They had demonstrated to us that they were willing to live with the Canadian ownership requirement; but, being an international news magazine, it would be impossible for them to work under the constraints of the so-called Cullen rule. Indeed, no news magazine in the world can be expected to function, let alone publish, in that fashion.

As I say, the magazine was denied that right, it was denied that request, even though at a meeting in April last year with the minister's predecessor who is now the Minister of Justice (Mr. Basford), an understanding was arrived at as to the definition of "substantially the same." *Time* was prepared to live with that definition on the basis of their understanding. It understood that "Canadian content" involved between 50 per cent and 60 per cent. It was prepared to live with that definition and was planning to produce a magazine with considerably more Canadian content, a magazine which would reflect the Canadian perspective on the international coverage of the magazine. I