

Canadian law. Federal, as well as Ontario law, defines ownership as being in the hands of anyone holding 51 per cent of the stock in a corporation, or 51 per cent or more of the established value. I do not see any reason for a new rule of thumb for magazines or anything else. If ownership is established in present law, why should we discriminate against magazines or any other types of corporate endeavours in Canada?

Present federal and Ontario laws concerning foreign ownership of corporations doing business in Canada specify that 51 per cent of stock in such corporations must be owned by Canadian residents. I would therefore move the following amendment, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That amendment No. 4 to Bill C-58, an act to amend the Income Tax Act, be amended in clause 1 by deleting the figure '75' in line 3, and substituting therefor '51 per cent or more'.

The Acting Speaker (Mr. Turner (London East)): Order, please. We will take this proposed amendment under advisement and consider it.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my remarks with respect to the proposed motion to amend Bill C-58 will be quite brief. The government has made it clear that it intends, whatever the opposition might be within the country, within this House or within its own caucus, to force this bill through parliament as rapidly as possible. I think it is bad legislation. I think the government should take a second look at it before requiring it to be passed. I support the motions which would result in one year's delay in the implementation of the legislation because this would give the government a chance to reconsider its policy and reverse its direction.

There was an interesting development with the announcement by *Reader's Digest* that it feels the deal cooked up with the Minister of National Revenue (Mr. Cullen) will enable that publication to continue in business. This is an important development. We were told time after time, as government members spoke on this legislation, that it was vitally important to the survival of the Canadian periodical industry that *Reader's Digest* of Canada be put out of business and that its advertising revenue be made available to the other Canadian publications.

It is interesting that the government should have changed its mind on this issue. It does not feel this is important any more. It does not feel it is crucial that *Reader's Digest* be put out of business. The government felt the pressure within its own caucus, within the country at large, and it has finally retreated. It has recognized that it would be extremely unpopular in the country at the present time to force this legislation upon the Canadian people. So it has left one target. The government is not terribly concerned about peripheral publications such as *MD of Canada* which would be affected by this legislation, but it is concerned about *Time*.

I am sure hon. members opposite do not realize the difficulties they are apt to encounter from trying to proceed with this legislation at this point in time. There is no reason for this House to be asked to deal with legislation of this kind, especially in view of the information that came to the attention of members of parliament as a result of the

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circular all members received from *Reader's Digest*. What is to happen to other publications? Other magazines and periodicals will be affected by this legislation. What will happen to *TV Guide*, to our medical journals and other journals which the Canadian people like to read? I suggest that the House would be well advised to delay this legislation for 12 months, which is what the motion suggests, and to reconsider the entire gamut of the matter.

The statement of the Minister of National Revenue regarding the 80 per cent content, 80 per cent the same as, or 80 per cent different rule—whichever way you want to interpret it—was most unfortunate and dangerous. I do not care what the minister says, and I care less for the government. I say emphatically that the minute any government begins to decide what the Canadian people shall read, it becomes very, very dangerous. I am surprised that the hon. member for Sault Ste. Marie (Mr. Symes) goes along with the government in this regard. You do not build up the weak by tearing down the strong. It seems to me that there are other ways to help Canadian periodicals develop, other ways to help them become strong.

The magazine *Country Guide* is not nearly as large a publication as it once was, mainly because of the cost of postage. I suggest we can support Canadian periodicals in many ways. Why are we not looking at those ways and means of supporting the industry within Canada? I am sure we in the opposition are just as great Canadian supporters as anyone else in Canada. Nevertheless, why do we have to try to tear down the strong in order to build up the weak?

The Secretary of State (Mr. Faulkner) mentioned that this bill has generated a lot of mail, pro and con. I agree with him to some extent. However, the great majority of mail that came into my office was in favour of continuing *Reader's Digest*. I would say it was about 50 to one in favour. I know at one time I had received about 500 letters or more. I point out to the Secretary of State that the letters are again starting to come into our offices. Therefore people must be concerned about this matter.

Many people have questioned the 80 per cent rule set by the Minister of National Revenue. They feel that *Reader's Digest* will not be as good a magazine. Many people stated in their letters that, of all the magazines that came into their houses, *Reader's Digest* was the only one they really liked and respected. They do not want anything done to change that. I hope the minister gives that matter serious consideration. The directive issued by *Reader's Digest* officials came as a shock and surprise to many members including, I am sure, some on the government side.

The government would be well advised to really consider this amendment. The bill should be taken out of the House for 12 months and sent back to committee. It is unfortunate that the minister has become dogmatic and is going to force this issue, even though there have been so many inconsistencies. Since the presentation of this bill, changes have been made. We had content rules requiring 50 per cent, 60 per cent, 70 per cent, and 80 per cent Canadian content. This is frustrating for anyone. We had to wait 12 months for this legislation, then at the last moment the statement concerning *Reader's Digest* was made. We have no guarantee that the statement will be lived up to, that there is provision for *Reader's Digest* to survive.