

lished on one course and pattern; it makes capital investment of a sizeable nature today, and then all of a sudden, through nationalism or a sense of other urgency, we in this chamber start changing the rules. There is a general lack of confidence throughout Canada that is a very serious factor facing the way of life and the standard of living we will have tomorrow.

There are certain criteria that are perhaps necessary and that we should consider. I do not think these are too difficult for a magazine to live up to. It should be edited and published in Canada—that we know. All its publication functions, such as typesetting, platemaking, printing, the circulation, advertising, customer service and billing operations, treasury and administration, should be conducted in Canada. The magazine should be published by a Canadian corporation, proprietor, partnership or association incorporated or registered under the laws of Canada or one of its provinces. We are asking for 75 per cent Canadian ownership. Personally, I think that is excessive. I think we should be asking for 51 per cent over a period of three years.

It should have a degree of Canadian ownership as defined in section 257 of the Income Tax Act, and the magazine should publish in Canada in two official languages. I do not know that that would always be possible for the small periodicals which seem to be the source of demand and agitation for the bill that we are discussing now. I agree that the policy should be controlled by a Canadian board of directors and that at least 75 per cent of those directors should be Canadians. It should be wholly directed and edited in Canada by a management and staff resident in Canada. It should be able to grant complete freedom of editing to its editors, the editors being in Canada and subject only to copyright law.

A Canadian magazine should contain a proportion, excluding advertising matter, of editorial content to the extent of 30 per cent. I think that this is a reasonable demand of any foreign owned magazine working in Canada if the Canadian people are to have a perspective of the globe and of other countries, and of what is happening in other spheres of influence. What are we going to do in our rush for nationalism, just become knowledgeable of this land alone when the globe is getting smaller and smaller as our ability in communications speeds up faster and faster? It does not make sense to demand any more than 30 per cent Canadian content in that type of magazine.

We should encourage the development of editorial material about Canada which could have international appeal outside of Canadian borders. I think that *Reader's Digest* has been a magazine that is underrated in the exposure it gives of Canadians and this great land to other peoples of the world.

I think these are a clear set of standards that would enhance the free flow of information essential to citizens in a free state such as Canada. Let me return to the words of the royal commission. This set of standards would ensure the attainment of objectives outlined by the Royal Commission on Periodicals which stated:

Only a truly Canadian printing press, one with the feel of Canada and directly responsible to Canada, can give us the critical analysis, the

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informed discourse and dialogue which are indispensable in a free society.

I think those are criteria for which we can ask without threatening the survival of the *Time* and *Reader's Digest* and the other newspapers and periodicals I have mentioned at the beginning of my address.

In order to help some 58 small independents, this bill risks Canadian payrolls, Canadian plants, Canadian suppliers, and a chance for the world to see Canada and for Canada to see the world through the eyes of other writers. I think that is too much to risk with this bill. We also risk the French edition, *Selection du Reader's Digest*, in Canada which is already costing that organization a subsidy of \$157,000 a year.

• (2100)

I would like to see a much more positive approach on this subject. I think we should correct the distribution system. I think it is fundamentally wrong, and I do not know how we got into the position where 13 of the 14 distributors of periodicals in Canada are American owned. If we are to give Canadian magazines and periodicals a chance, I believe that we should provide a tax incentive, and not a disincentive, as we are doing under this bill. If we are to help these 58 small magazines, and if we are to help cultivate talent in students from our universities interested in writing and dedication to a particular point of view, then we should do it with incentives, and not disincentives. I do not think we should threaten that which is serving us well. If we want improvements, we should provide incentives.

In reading one of the reports from the twenty-ninth parliament I was fascinated by the fact that these small, independent magazines with a Canadian perspective could be helped by giving the advertisers in those small magazines 125 per cent deductibility on their advertising dollar. In that way there would be an incentive to encourage advertising in those small magazines. The hardheaded world of advertising and business just will not spend money in small magazines which are struggling for a breath of life because large circulation does not exist. I cannot get it out of my head that if we want to help this Canadian need, and if we want to help these budding Canadian artists, an incentive system like 125 per cent deductibility on the Canadian advertising dollar is the way to do it.

I think we should also return to having postal rates whereby the larger the circulation the higher the bulk rate because, after all, the Post Office is working at a loss, and these bulk rates cannot cover their cost. If the Canadian people are subsidizing the postal service, perhaps the higher the circulation of the periodical or magazine, the higher the bulk rate should be. That would give the small Canadian entrepreneur and the Canadian artist a chance to enjoy a lower cost and a competitive distribution, because economy of scale does apply, and it applies more importantly in this area than in most other aspects of industry.

We have discussed 75 per cent Canadian ownership. I think that is extremely severe and impractical. I think we should be satisfied with 51 per cent Canadian ownership of magazines which want deductibility privileges in