

ticular case by American interests. Madam Speaker, there are some signs which worry me very much and which demonstrate very well the spirit that I greatly deplore.

I cannot understand, for instance, how the mayor of the third largest centre in Canada can declare, apparently for electoral and political reasons, that his fellow citizens and himself would rather watch American television than allow into his city not only French television, but Canadian television, French or English. If our country had a soul, if our people really wished to live as a community in this country there would be pressing demands from all parts of Canada to release this government from its moral undertaking regarding the Olympic Games deficit in Montreal.

We think that the others deserve our praise. For instance, the hon. member for Edmonton West (Mr. Lambert) appealed to the public the other day on television and the hon. member for Kingston and The Islands (Miss MacDonald) and maybe some others consider that it is a Canadian event. In any case, I wish to speak particularly about the essence of the bill now before this House.

A moment ago, I heard opposition members say that we should withhold this legislation, send it back to committee and wait for one or two years. Parliament has been concerned with this matter since 1922. In 1922, the Magazine Publishers' Association asked for protection measures to ensure the development of a Canadian periodical industry.

The problem became increasingly serious so that in 1955, *Time* and *Reader's Digest* syphoned off one third of advertising revenues from the Canadian periodical industry. That is why the Saint-Laurent administration, a Liberal one, imposed in 1956 a 20 per cent tax on advertising published in Canadian issues of foreign-based publications.

What is surprising, Madam Speaker, is that in 1958 the Conservative government which had been elected on the philosophy that Canada was too much oriented towards the United States, that we should look more to our mother country, Britain, and diversify our relationship, it is surprising that this very government has removed a tax that was brought forward two years before by a Liberal government.

All this reflects the kind of opportunistic attitude of the official opposition which explains for a large part why Canadians are never prepared to trust that party when they are called upon to vote during a general election.

In May 1961, the O'Leary Commission submitted its report. I hear the exclamation of a member of the official opposition. It was a commission composed of qualified, distinguished, non-partisan Canadians who really were on top of the job, who did not spend just a few hours, a few days, to the consideration of this matter but who studied it for over a year, working in task forces. What were the findings of the O'Leary Commission?

Domestic advertising expenses must support a nation's own broadcasting facilities. He recommended that no taxpayer be allowed to deduct for income tax purposes the cost of advertisements directed to the Canadian public inserted in foreign periodicals, wherever they may be printed.

Unfortunately in 1965, that recommendation received partial implementation only with *Time* magazine and *Reader's Digest* being exempted.

Non-Canadian Publications

I do not wish to insist unduly on the lobby that did a good job and finally prevailed upon the government to back down. Still that backdown was unfortunate, because if they had gone all the way we would now have a prosperous publishing industry in Canada. In this respect, I would like to quote from the Davey Committee report:

● (1750)

[English]

We deeply regret that *Time* and *Reader's Digest* were exempted from the O'Leary legislation. It was a bad decision... Frankly we marvel that any Canadian mass consumer magazines have survived in such a forbidding climate. It is a tribute to their skill—and to the fact that Canadians obviously want Canadian magazines. We are certain that, if section 12A (now 19) had been fully applied ten years ago, there would be more Canadian magazines today.

[Translation]

The Senate Davey Committee simply recommended abolishment of privileges granted to *Time* and *Reader's Digest*, which in the views of the committee were a menace to the very existence of Canadian publications.

I would quote once more from the O'Leary report:

It is clear that Canadian periodicals are denied competition on an equitable basis with foreign publications publishing so-called "Canadian" editions.

Basically, what we are faced with is a problem of an economic nature. By that I mean that Canadian publications are confronted with unfair competition. This is very easily explained. *Time* Canada, for example, gets 85 per cent of its material from the American parent company, and *Reader's Digest* two thirds. They get them at much lower cost than that paid by Canadian magazines for material of the same quality and nature.

Basically, costs have already been written off in the United States; it is therefore easy to offer good terms to Canadian magazines, that is the Canadian edition of Canadian periodicals.

In 1974, the advertising income of the Canadian magazine industry amounted to \$39 million. Of that \$19 million, that is 48 per cent, were paid *Time* and *Reader's Digest* while in 1955, 19 years earlier, their share had amounted to only 33 per cent, which goes to prove the increasing importance of those two publications.

Between 1958 and 1974, *Time's* income from publicity increased by 819 per cent, that being an average yearly increase of 55 per cent, while that of *Reader's Digest* went up by 413 per cent representing an annual increase of 27 per cent; on the other hand, that of Canadian periodicals increased by 185 per cent only, giving an annual average increase of 12 per cent.

Madam Speaker, there was obviously a lobby because, things having worked out in 1965, it was hoped they would again. In this regard, I want to congratulate the Secretary of State (Mr. Faulkner) who did not hesitate to take a stand, yet showed some willingness to be flexible, feeling that, to the extent where a magazine like *Reader's Digest* was truly willing to become a good corporate citizen, as we say, concessions should be made.

I want to close with a few words on censorship. The government has been accused of exercising censorship. What is censorship, according to Oxford.