

*Non-Canadian Publications*

been a good deal of improvement in the prospects for magazine publishing in this country.

I realize that we have passed the day and age when we will have a number of national, slick, glossy magazines similar to *Life*, *Look*, *Saturday Evening Post*—magazines that have all suffered a demise in the past few years. If they could not find support in the United States, which has such a large population base, obviously they would not survive in a much smaller market area like Canada. I think the magazine industry has turned the corner from its days of depression of as recently as a year or two ago, and that there is now reason to hope that regional publications, publications directed toward a particular interest group, will receive a new burst of life through a new method of encouragement. In saying that, I want to speak specifically about the distribution system. I mentioned earlier that it is really criminal that 97 per cent of magazine sales at newsstands are of foreign magazines, essentially American, with only 3 per cent being Canadian magazines.

This situation did not happen accidentally. It did not just happen that only 3 per cent of the publications produced in this country are sufficiently worth while to be purchased by Canadian readers. It happened quite deliberately because of the very real control that exists in the wholesaling and distribution of Canadian magazine publications. It is a known fact that 13 out of the 14 national magazine distribution firms are U.S. owned. When you realize, Mr. Speaker, that not only are we on the border, so to speak, of this tremendous outpouring of magazine material, but that we are a ready source of revenue for surplus editions of each and every one of those publications, you will realize that we are particularly vulnerable to the sort of thing that has been going on for many years.

What makes this vulnerability close to total takeover is the fact that the very agencies of distribution that ensure which magazines appear on which newsstands, and with what kind of prominence and return to the individual retailer, in 13 out of 14 cases are controlled by U.S. owners. Thus, it is easy to realize that we have been almost totally had in regard to the distribution of Canadian magazine publications in this country.

The minister has had a number of representations from different sources to take some action in this field. He has been urged by the Book and Periodical Development Council to adopt some kind of strategy to deal with this problem. More recently he has been attacked by them for failing to take any definite action. I hope that when the minister appears before the parliamentary committee to deal with the substance of this measure before us and to add further information, he will also give us his own plans for dealing with the whole question of the distribution of Canadian publications. It is not good enough for the minister to say it is basically a provincial jurisdiction, that it is the provinces, one by one, that will have to sort out the situation. It is a situation which the minister knows only too well can be used in a number of cases to divest ourselves of our own responsibility respecting the general impact of federal government policy in the cultural area.

I do not feel happy in saying this to the minister, but unfortunately there has been a tremendous failure to develop a feature film industry in this country. We have spent many millions of dollars assisting, encouraging and

[Mr. MacDonald (Egmont).]

ensuring that Canadian feature films are made; this has been done since 1967 under the aegis of the Canadian Film Development Corporation. But we have not yet found an effective means of ensuring that Canadians have access to these pieces of cultural material which are being produced.

Many years after the original establishment of the corporation the minister has managed to get some kind of agreement on a quota system for three major film chains, but unfortunately they did not fulfil the verbal part of the agreement. More recently, the minister entered into a second agreement, one that he assures us will be effective. But in my opinion this kind of registering of good faith and good will is a pretty weak gesture in terms of solving what is a fundamental issue.

**Mr. Faulkner:** What is the alternative?

**Mr. MacDonald (Egmont):** The minister asks me what the alternative is and I am glad he has asked that. It is really quite simple. I see he is amused at what I perceive to be a naive response to a difficult question. It seems to me it would not be beyond the creative ability or competence of the federal government to ensure that there is some stake on the part of each and every province in the country in effecting a workable distribution system that does not rely on the good will of any particular corporation, be it multinational, national or whatever.

**Mr. Faulkner:** Would the hon. member permit a question?

**Mr. MacDonald (Egmont):** Surely.

**Mr. Deputy Speaker:** Is the Secretary of State (Mr. Faulkner) rising for the purpose of asking a question?

**Mr. Faulkner:** Yes, Mr. Speaker. I very much appreciate the total support of the hon. member's remarks on the magazine side. I do not want to interrupt him, but he raised the question of the voluntary quota arrangement. I think he appreciates that last fall and on into this summer we visited every provincial capital and discussed a legislative quota. Our very best guess, based on those visits, was that no province other than the province of Quebec was prepared to accept a legislative quota. In view of that, what further steps would the hon. member propose that I take, as Secretary of State, given the fact that the provinces have jurisdiction over theatres? It seems to me that what I did after that, namely, get a voluntary arrangement with a commitment from the chains to produce and offer their co-operation, was about as good as I could get under the circumstances.

**Mr. MacDonald (Egmont):** I thank the minister for his question. I think part of the basic problem is that the minister was canvassing the provinces with the wrong proposition. Perhaps we might get together on this at some point, but it seems to me from the experience of other countries, though not in every case federal countries where there is this divided jurisdiction, there is built in a definite economic incentive with respect to the exhibition of domestic production, and this makes sense to me. I mentioned the Eady fund in Great Britain which, to my mind, has functioned very effectively in maintaining a certain level of exhibition and distribution in that country. I hope