WITHDRAW THE SPECIAL PRIVILEGES OF TIME AND READER'S DIGEST
OR CANADIANIZE THESE TROJAN NAGS

BY BARRIE ZWICKER

There is reason to believe the Time-Reader's Digest lobby in Canada is hard at work right now, using all the considerable resources and influence at its command to protect the special privileges enjoyed by the twin lobby leaders.

The resurgence of concern over the stifling presence of the U.S. giants in Canada's media life led the federal government this Spring to an active reconsideration of their special status.

They are defined as Canadian in the Income Tax Act in such a way that advertisers in both can deduct 100 per cent of their ad costs from taxable income. This effectively makes Time and Digest ad rates lower than those of the hundreds of other foreign publications that flood into Canada.

That reconsideration has been taking place was confirmed in a letter I received in April from the Prime Minister's Office. The Prime Minister's correspondence secretary wrote: "After you wrote to Mr. Trudeau, I asked the Department of Finance for advice regarding the Time and Reader's Digest tax treatment issue. I was informed last week by the Honourable J. Turner's office that the Department of the Secretary of State is presently looking into the consequences of withdrawing the exemption accorded Time and Reader's Digest; when that Department has drawn conclusions, officials of the Department of Finance will meet with them with a view to drawing up recommendations for further action."

Credit for the development, such as it is, should probably go to Senator Keith Davey and lawyer Richard Rohmer.

Senator Davey, who chaired the Special Senate Committee on the Mass Media in 1970 recommended straight removal of the special privileges of Time and Digest. None of his report's recommendations to the government has been acted upon.

Mr. Rohmer was incensed when he came to realize (because his Canadian best-selling novel Ultimatum was not on the list) that Time's list of best-sellers was a U.S. list but not labelled as such. He won a struggle to have an honest label put on that particular package within Time Canada. In the course of the struggle, he bared again much of the background of the privileged pair's charmed existence, and their fat profit pictures.

Old wounds suffered by Grattan O'Leary (who chaired a Royal Commission that in 1961 unsuccessfully urged removal of the special privileges) have been touched again by the recent publication of W.A. Swanberg's fascinating 1973 Pulitzer Prize-winning book, Luce and His Empire, a gripping account of "fearfully irresponsible journalism," as Bernard De Voto described Time.

The latest log on the bonfire building under Time and Digest is Cultural Sovereignty: The Time and Reader's Digest Case in Canada, by Isaish Litvak and Christopher Maule, who teach economics and international affairs at Carleton University.

In clear if mostly academic prose Litvak and Maule address the key issue: "The question to raise is not whether Canadians should be denied the opportunity of reading foreign publications, but whether a foreign publication, the editorial policy of which is formulated in another country in the context of its value system, should be allowed to print under a Canadian guise and be assisted in this pretense by Canadian legislation."

Litvak and Maule, after concluding that the Time and Digest privileges were won by "political influence" and that neither contributed significantly to Canada's cultural growth in any positive sense, suggest three options for the federal government.

The first, "no change," they reject.

They themselves favor their second option, "straight removal" of the "privileges...lavished on Time and Digest." But they fear this course is "...for various political reasons, unlikely to be implemented."

They advise, therefore, "Canadianization," meaning a minimum of 75 per cent Canadian ownership of Time and Digest, a majority of Canadian officers and directors, and a minimum 55 per cent Canadian content.

Cultural Sovereignty nicely complements the Swanberg book. Both are "must" reading, in my opinion, for anyone working in or interested in Canada's magazine field—or hoping to.

Litvak and Maule offer the best history yet of the arguments, pro and con, regarding foreign magazines in Canada. Some pro-U.S. arguments are ludicrous in retrospect. Mackenzie King warned (Hansard, July 13, 1931): if U.S. magazines are taxed there might be a "cutback in tourist trade, since Americans might experience difficulty in obtaining home magazines."

The Tories went ahead and imposed a moderate tax anyway. The results were interesting: "...by 1935 the circulation of American magazines in Canada decreased by 62 per cent while Canadian magazine circulation increased by 64 per cent." But firm continentalist King returned to power that year and promptly revoked the tax. Everything returned to "normal" and the flood of foreign magazines returned.

Even the two books together, however, come nowhere close to being a definitive history of Time and Digest in Canada, let alone the whole history of foreign magazines here.

Some simple facts even many journalists appear not to know: Time Canada is by far the largest of Time Inc.'s operations in 185 countries. With a circulation of 550,000 it easily outstrips runner-up Time Pacific's 335,000. Time by its own accounting took $1.2-million profit out of Canada last year. This is a sharp-pencil figure, since the 50 cents-per-subscription that Time Canada pays its U.S. daddy for the bulk of its editorial matter is really disguised profit. The cost to Time Canada of producing that editorial matter is "zero." So you can add at least another $225,000 profit to Time's figure.

Swanberg's book resoundingly documents that Time Inc. has always been consciously used as a propaganda arm to promote the "American way of life" in conjunction where necessary with U.S. military power. Henry and Clare Luce used the term AmProp (for American Propaganda) unashamedly.

Luce wrote in a Life Magazine editorial in 1939:
because America alone among the nations of the earth was founded on ideas and ideals which transcend class and cast and racial and occupational differences, America alone can provide the pattern for the future."

The unfettered prosperity of Big Business he always saw as an absolutely integral part of that future. And anti-communism was a totally consuming and never-wavering part of his unshakeable ideology although -- remarkable world traveler that he was -- he spent only a total of 12 days in the Soviet Union. That was in 1932 and he spent most of it in a railway car. His mind closed with a "sharp final click," writes Swanberg.

Some of the reverberations of the click are noted by Litvak and Maule:

Throughout the 1950s, Reader's Digest encouraged the publication and dissemination of politically-oriented articles in support of the Taiwan regime, while maintaining a highly critical view of 'Mainland' China...; a similar posture has been evident toward Cuba. Yet throughout this period the Canadian government and certain Canadians in responsible positions were attempting to promote Canadian relations with both of these countries, and with the exception of a very few inconsequential Canadian magazines, Canadian periodicals were largely in support of the Canadian government position regardless of their political leanings."

It seems to me that one of our important needs today, culturally, politically, and in the interests of sheer survival, is to free ourselves from some stale myths of our recent past. The re-examination of the origins of the Cold War, at Harvard and elsewhere, for instance, is instructive.

Time and Digest were leading architects of the Cold War, a natural role for the twin pillars of Fascist support in America throughout the Thirties. Time abandoned its soft line on Hitler on Jan. 2, 1939, some months before the stormtroopers overran Europe. At that, the nick-of-time condemnation of Nazism was accomplished by Time staffers behind the back of Luce, who was "visibly emotional...very angry," as Ralph Ingersoll, then general manager of Time, recalled (see page 231 of the Swanberg book).

Time continues to promote an outdated Cold War mentality. On page 25 of its April 8 edition the anonymous writers, quoting no one, stated "many Americans" are "disturbed" over U.S.-Soviet detente. There are "persistent fears" the Soviets may use detente as "an easy route...to military advantage." Another fear is that "for the sake of preserving detente, the U.S. has become almost a partner in immorality." In the light of Watergate, I would think that criticism would be more appropriately directed at the Soviets. In a Time photo, Brezhnev is sternly waving a finger in Henry Kissinger's face.

A Time-admiring colleague of mine, when reminded of the fact of continual Timetwisting, said: "So what? Nobody can be objective." The president of Time Canada, Stephen LaRue, doesn't claim Time is objective but he does insist it's international. "It provides a window on the world," he repeatedly told me during a two-hour conversation we had on March 22 in Time's plush 27th-floor offices in downtown Toronto.

Time is truly international, says Mr. LaRue, because identical copy goes into 185 countries. Using that criterion, I
suppose Nazism would have been international had Hitler's plan for world conquest been achieved. But surely this basis for the definition is narrow and self-serving. The "window" is decorated heavily with stars and stripes. In the communications field, exchange of information between countries would be a more appropriate criterion for internationalism. Using this yardstick, Time is not international. Swanberg puts it best: "(The Luces) were firm internationalists as long as the world was reorganized on properly Lucean and American terms."

In an attempt to point up some of these and other incongruities in the presence of Time and Reader's Digest in Canada, the Ryerson Chapter of the Committee for an Independent Canada demonstrated in front of the building occupied by Time Canada's Toronto offices on March 22. It was a demonstration with clearly-defined aims and it was carefully planned and carried out.

More than 40 persons took part on each of two occasions: morning and lunchtime. Signs read "TIME is not of the essence; Canada is," "TIME to shape up or ship out," and so on. Several hundred leaflets were handed out, telling some of the history, quoting the Davey Committee Report and urging:

*Minimum 50 per cent Canadian ownership of Time and Digest, in Canada.

*Minimum 50 per cent Canadian copy in Time Canada.

*A qualified Canadian as president of Time Canada.

Most of the participants in the demonstration were highly knowledgeable on the issue, having read the Davey Committee Report, and having followed the Rohmer controversy, and having discussed the issue for hours.

Reaction was interesting. A surprisingly large number of those taking leaflets appeared in some way to be aware of an issue: they seem to think of Time Canada as foreign. No one argued with us.

Although all three newspapers and the major radio and TV outlets were informed 48 hours in advance, there was a total news blackout on the demonstration in the press.

CBC and Global TV, however, each carried fair coverage on both their suppertime and late evening newscasts. CITY-TV ran a whopping 13 minutes, with City Show host Scott Young delving into the reasons behind the demonstration, excoriating Time ("I've seen more intelligent and detailed commentary on Canada in the Lindsay, Ont. Post than I've ever seen in Time"), and interviewing Richard Rohmer.

The Globe and Mail and Sun didn't bother to staff it, or even make a telephone check. My two-hour meeting with LaRue, according to LaRue, was the first time a critic of Time had come forward to discuss the matter with "the horses's mouth." Certainly it was the first-ever demonstration against Time Canada so far as we know. The Toronto Star got a story by telephone interviews but the story, according to reporter Ron Lowman, was squeezed out by a rooming house fire (The Star has just discovered roomers) and the James Bay riot.

I checked the rooming house story in The Star that afternoon. It ran unbylined, seven column inches on an inside page. The James Bay story was not large that day, either.

For my part, I think now is the time to write the Secretary of State urging him to recommend removal of the special privileges of Time and Reader's Digest.