

O'Leary commission in 1959 or 1960. The second principle is that the tax laws of Canada should be the same for everybody. That is what Bill C-58 is all about. I find it remarkable that it should take two months of the time of the House to deal with these fairly obvious and reasonable principles of government.

Some hon. Members: Hear, hear!

Mr. Stollery: The hon. member for Fundy-Royal (Mr. Fairweather) a few minutes ago referred to «a grubby business». I do not think a man as well known as he is for his fairness should call fairer tax laws and legislation dealing with equitable tax laws a grubby business. I think it is important business which should be done with dispatch, and I am sure there are others here who agree with me. The public, I am sure, if they had listened to the speeches I have listened to—and I am a member of the broadcasting committee which dealt with this bill, I believe it was before Christmas—some of the comments about censorship, and some of the rather circuitous arguments which have been made in opposition to Bill C-58, would be in a state of confusion. I think they have been misled and deceived. I think it is positively shameful that members should take the time of the House to act as lobbyists for a couple of foreign publications and to make statements which simply are not true.

I think it is appropriate to put on record the facts with regard to *Reader's Digest*. *Reader's Digest* is a magazine which, theoretically at least, does not employ writers directly. I say «theoretically» because we all know from reading *Reader's Digest* that occasionally it does hire writers directly. But the principle is that they take articles from other magazines, dilute them, edit them and publish them in a variety of languages in a variety of countries around the world. *Reader's Digest* maintains a pool of articles which it purchases from many hundreds of magazines in many different countries. When you sell an article to a magazine, as I am sure many members know, on the cheque it says «For first world copyright rights». *Reader's Digest* buys the other rights, the second rights, the rights to republish that article.

● (1710)

As I say, they do this on a monthly basis. They edit the articles and maintain a large pool of them. The articles are then purchased by the various affiliates of *Reader's Digest* around the world and there is some form of intramural payment that is an accountancy arrangement between the parent magazine and its subsidiaries. Any author is, of course, very happy to have second publication rights purchased. In fact, an author will consider himself fortunate to be able to get extra money for an article that he was, I am sure, happy to have bought in the first place by the original publication.

When dealing with the very complex question of a digest, a magazine that does not initiate articles of its own, the Minister of National Revenue (Mr. Cullen) said that *Reader's Digest* in Canada may obtain 20 per cent of its articles from the pool of articles that is maintained by *Reader's Digest* international. Some of the remaining 80 per cent of the articles used in *Reader's Digest* may be obtained from the pool of articles maintained by *Reader's Digest*

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international because *Reader's Digest* international controls the rights to articles supplied to most magazines around the world. But if the Canadian *Reader's Digest* under the 80 per cent rule obtains articles from the pool, it must pay the going commercial rate. This can be as much as \$1 per word, and the editing of the article must be done in Canada.

That, Madam Speaker, seems to me to be a reasonable definition of a digest. It deals in what are called third party publications. It is a very complicated concept to understand, and I must confess that when the arrangement was first arrived at and the decision was announced by the minister I had to think about it a little bit. At first you do not realize that you are not dealing with a magazine but with a publication which provides nothing but covers for edited articles from other magazines. It is a sort of classic comic of the magazine industry. You do not read the original article in *Reader's Digest*; you read an article that has been purchased from somebody else and has been cut down to make it short and snappy, and it is then sold to us by *Reader's Digest*. As I say, I think the minister made a very reasonable decision, faced with this very complicated problem of dealing with a digest.

Some hon. members have created the impression that a similar arrangement could be made with *Time* magazine. *Time* does not buy articles from other magazines or other publications.

Mr. Friesen: I rise on point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Surrey-White Rock (Mr. Friesen) is rising on a point of order.

Mr. Friesen: Would the hon. member for Spadina (Mr. Stollery) entertain a question?

The Acting Speaker (Mrs. Morin): Would the hon. member for Spadina allow a question?

Mr. Stollery: No, Madam Speaker.

The Acting Speaker (Mrs. Morin): It is not allowed.

Mr. Stollery: If the hon. member would like to ask me a question, he can do so when I have finished. In the meantime, I should like to have the time to try to explain to him something that he obviously has not been able to understand, namely, how the minister's decision will work in practice. As I was saying, *Time* is an original publication which originates in the United States, with the exception that Canadian *Time* currently carries some four pages that are written in Canada. I think it is fair to say that when *Time* magazine officials appeared before the committee, I asked them why in the 11 years they have been operating under the threat of some change in our tax legislation they had made no attempt to enlarge the Canadian section. The president of *Time* Canada replied that there had not been any legislation to force them to do so, so they had not seen any reason for making some effort to try to Canadianize their magazine. Surely if any piece of evidence was damaging to their claim that they needed time to make changes, it is the fact that in 11 years they had made no changes whatsoever; that they had made no attempt to Canadianize the magazine.