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SECRETARY OF STATE FOR EXTERNAL AFFAIRS' COMMENTS
ON PRESIDENT CARTER'S DECISION ON BORDER BROADCASTING

The Secretary of State for External Affairs, Mark MacGuigan, commented today on the announcement made by the United States Trade Representative of President Carter's decision in the case of the complaint against Section 19.1 of the Canadian Income Tax Act filed with the United States Trade Representative by fourteen United States border television stations. The Secretary of State for External Affairs expressed disappointment that the United States Administration had reached an "affirmative finding" on the United States border broadcaster's complaint and regretted that it felt constrained to retaliate. He noted that the President had decided to propose legislation which would "mirror" Section 19.1 by disallowing for U.S.A. income tax purposes the cost of advertising placed with foreign stations and directed at United States audiences.

The Secretary of State for External Affairs reaffirmed the Government's view that Section 19.1 was an important element of Canadian cultural policy and would not be changed. He emphasized that Section 19.1 was aimed at maintaining the economic viability of the Canadian broadcasting system so as to ensure Canadians the opportunity for cultural self-expression.