tion. There are more benefits and more dangers resulting from cable. There are more benefits in that Canadian audiences have a much wider spectrum of programming available to them, but there are more dangers because the same multiplicity of stations available brings about a fragmentation of audience, and once audiences of Canadian television stations become increasingly fragmented, more and more of these stations will have difficulty surviving, with much less opportunity for improving programming and spending more money on Canadian programming.

Canada has now, through cable, these multiple station markets, especially in the Toronto area, which are seriously affected by sales of commercial time in the United States to Canadian business. I want to point out that United States stations have not, as I said earlier, licence obligations in Canada, but through cable do have the tremendous advantage of this build-up in diversity of programming. Perhaps the most significant argument we hear from areas such as Buffalo about the great injustice of what is currently happening or potentially will happen is the jamming of commercials on Canadian cable.

Let me point out the situation at KVOS in Bellingham, Washington state. That station purchases programming from the American network of which it is a member. It pays only according to the United States audience it has, but pays nothing for the Canadian audience to which it also beams and from which it also picks up so much money, to the jeopardy of our industry. It pays not a penny for its programming to Canadians. That becomes especially incredible when you think of a station such as this which the Federal Communications Commission has allowed to move its transmitter closer to the Canadian border in order to further penetrate into Canada, yet its United States sales are only 15 per cent of total time sales—85 per cent are in Canada. You can imagine the impact this has on Canadian stations. The United States audience is only a minute part of the over-all audience, yet these stations buy their programming only in consideration for the United States audience.

If you multiply by 20 or 25 years the figures I gave earlier in respect of the current drain to the United States, about $20 million annually, directly for the purchase for particular U.S. TV markets of television time by Canadian businesses, you come up with a figure that is very conservatively estimated to be in the range of one-quarter of a billion dollars that has flowed to the United States since the early fifties. That money could have sustained our own industry, and surely it is enough to have built the buildings, purchased the equipment and paid for at least a few years for all the staff costs of these American stations. At the same time, they have yet to pay one penny more for their programming because Canadians are receiving it. They have not had to produce Canadian public affairs programs or Canadian news. They have not had to represent one area of Canada to other areas of Canada. They have had none of these obligations, yet they have received this massive windfall.

● (1550)

I think I pointed out a few moments ago that KVOS in Bellingham was selling 85 per cent of its time in the Vancouver market. The fact is that the FCC, which at the moment is considering a jamming recommendation for the Buffalo stations, failed to say anything for 20 or 25 years and even assisted Bellingham by allowing it to move its transmitter closer to the Canadian border. The Buffalo stations, whose own marketplace is one half the size of the Toronto market place, have managed until recently to have almost twice as many television stations as there are in Toronto.

If one looks at the profit and loss sheets of the United States television stations in Buffalo, with one half the licensing area in the United States that there is across the lake in Toronto—and the situation in Bellingham is a minute fraction of the Vancouver marketplace—one will find that these are among the most profitable television operations in the United States. So is it unjust, even before Canadian licensing restrictions are considered, and when they have such advantages in programming and programming costs, that we should take this beginning step for the rescue of our own industry?

Over the 24 or 25 years that all these Canadian dollars have poured south of the border, these stations, to my knowledge, have never been questioned about their huge windfall gains by their own regulatory body, the FCC. Now, when we try to protect our own, we hear angry cries about the morality of windfall gains such as taking United States programming which enters our airwaves while rejecting commercials out of the United States. Surely, on moral and ethical grounds such indignation from the U.S. rings very hollow indeed.

For years their windfall gains have made them among the richest of the United States stations, despite the fact that they are among the smallest U.S. licensed stations serving urban areas. That windfall threatens our entire industry. If we in turn have United States programming and pay nothing for it, then under United States licensing not only are we not contravening any of their rules but also we are not costing them anything. In that case, what are we doing that is so wrong, and why do they cry so loudly and angrily at this point in time?

There are several unique situations, such as the border areas of New Brunswick, the area represented by the hon. member for Carleton-Charlotte (Mr. McCain), where there are problems. As I understand it—and the hon. member addressed himself to this matter a few days ago—small businesses in that area have a problem in respect of the availability of space on radio stations in Canada. I would like to say that the Canadian Radio-Television Commission is aware of this situation and, as I understand it, already has had an expression of licensing interests from at least one source to operate in Canada and to alleviate that problem. But it is precisely this kind of area which will only be able to have truly successful Canadian broadcasting available, especially in television, if the larger centres are properly protected and encouraged and can thereby help offset costs, especially in programming in less populated regions.

In discussing Bill C-58, I have tried to outline broadly the very critical problem the Canadian industry faces. In doing so I have not only discussed the very real urgency of Bill C-58 but also some of the reasons further action such as commercial deletion is now being tested and considered. It is very important, however, for all hon. members to understand that on the issue of Bill C-58 as it relates to