

out that American program producers give special protection against Canadian television signals beaming into some of their markets. For example, the Detroit-Windsor area is regarded as one market, with the result that neither the CBC, CTV, Global or any Canadian television station can broadcast into the Windsor area any program which is broadcast by a Detroit station. If Canadian broadcasters buy these programs, it is on the express condition that they may not be shown in Windsor if Detroit has them already. This means that Windsor residents, Canadian citizens, cannot see the full Global or CBC schedule or, previously, the CTV schedule when Windsor had an affiliate.

This is the kind of situation that exists. We have an American group of television stations in the Buffalo area making provision to help their stations against Canadian signals. In the case of KVOS, we have the FCC supporting that station when we know full well it is not licensed, nor can it be the success it is by just beaming into the Washington area. What is at issue is a strong and viable Canadian television broadcasting industry, an industry that is expensive to operate, one that needs funds to improve and expand its operations. For us as a parliament to continue to allow millions of dollars to be siphoned off by encouraging it through a provision in the Income Tax Act is a backward and regrettable step.

It is time we, as Canadians, stood up in support of a legitimate Canadian industry and the concerns facing it in these troubled times.

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Turner):** It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Cuba—Possible review of aid program in view of involvement in Angolan war; the hon. member for Mackenzie (Mr. Korchinski)—Veterans Affairs—Delay in processing pension applications—Government action; the hon. member for Yukon (Mr. Nielsen)—Air Transport—Possibility of restrictions on unilingual pilots—Government position.

## Non-Canadian Publications GOVERNMENT ORDERS

[English]

### INCOME TAX ACT

#### REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

**Hon. Jeanne Sauvé (Minister of Communications):** Mr. Speaker, I think at this point it is important for me to intervene, although I have already spoken in this debate, to put straight some of the things that have been said. I refer specifically to the arguments brought forward by the hon. member for Vancouver-Kingsway (Mrs. Holt). I respect the opinions she has expressed on this problem, but I think it is important to let her and the House know that on the government side we view things a little differently. The hon. member argues that if a special case has been made for *Reader's Digest*, we can make a special case for KVOS. I think that right from the beginning the hon. member has to be stopped in that kind of argumentation. There is no special case for anyone; the same rules will apply to everyone. That is, there will be no exemption for taxation purposes for any American enterprise in this country of the nature we are talking about. There will be no exemption for anyone.

If we recognize there is a special difficulty with *Reader's Digest* because of the very nature of that publication in that it reproduces articles from the entire world and that it is very difficult to define Canadian content in that particular case, we have tried as conscientiously as possible to deal with that problem. It cannot be argued that we have made a special case for *Reader's Digest*. It is especially difficult, therefore, to see how *Reader's Digest* can fit into our criteria.

In regard to this particular station on the border of Canada and the United States, some members speak as though all hell had broken loose. The world will not end because we are to prohibit taxation exemptions in their case. Strangely enough, in English one says "Hell has broken loose," whereas in French one says, "Le ciel nous tombe sur la tête." In French we refer to heaven instead of hell. The sort of arguments one has heard in this House suggests that indeed hell has broken loose.

● (1700)

**Mr. Macdonald (Rosedale):** In English we say, "The sky is falling."

**Mrs. Sauvé:** Well, "Le ciel nous tombe sur la tête" means that there has been a catastrophe. Why argue that advertisers in the Vancouver area will not be able to advertise? There will be new outlets. Two new stations in the area are to come on stream and advertisers will have the opportunity to advertise their products. Also, if there is any surplus advertising—and hon. members should think of this—it should go to the magazines, journals and newspapers in the Vancouver area. Why send it down to the United States