

to Canadian stations which provide Canadians with good broadcasting service.

In broadcasting, as in the magazine industry, there should be exceptions. *Reader's Digest* is an exception. Similarly, as the hon. member for Ontario argued forcibly, an exception could be made for television station KVOS. I come from the eastern seaboard, and have never seen the KVOS signal. I have never experienced that station's television fare. The station has its transmitter based in the United States. It is licensed by the United States Federal Communications Commission. I have been much impressed by the comments of the hon. member for Ontario and of hon. members from British Columbia on my side of the House, and I have been favourably impressed by the sensible recommendations made to the committee by representatives of station KVOS.

To all intents and purposes, KVOS is essentially a Canadian television operation. The difficulty is that it operates under a licence from the United States government. I read the material provided by the company and heard evidence adduced before the committee. I am satisfied that although the company operates under a United States government licence, it subscribes to all Canadian broadcasting laws. That, obviously, is in its interest. It subscribes to the code of ethics of the Canadian Association of Broadcasters, although it is not a member, and to the code of conduct relating to advertising directed at children which is endorsed by the CAB and broadcasting stations in Canada. Station KVOS does this although it is not a Canadian-based operation. More importantly, the station operates in Canada, employs Canadians and has spent millions of dollars in this country. Those are compelling reasons for making KVOS a special case.

The same cannot be said of the Buffalo stations. Neither can it be said of the Plattsburgh, New York, stations or for the Watertown, New York, stations. These stations essentially aim their signals at the larger Canadian market to their north. On the other hand, I submit that a special case could be made for that unique operation, station KVOS, which came into being not to serve the small town of Bellingham, Washington state, but essentially to serve the larger Vancouver market and the market of the lower British Columbia mainland. It has been providing the Canadian audience in Vancouver and on the lower British Columbia mainland with good television service and good public service. It has been a good corporate citizen and has been employing, directly, 150 Canadians in highly-paid jobs. It has pumped hundreds of thousands of dollars into the Canadian entertainment and film industries.

I find this debate somewhat strange, something of a paradox. Here we are, debating legislation which would deny Canadian advertisers the right to advertise on U.S. border stations, legislation which would put a good corporate citizen like KVOS, to all intents and purposes a Canadian station, out of business, when we operate under a broadcasting policy which licenses and encourages Canadian cable operators to bring into this country U.S. television signals. I find that a paradox.

We are debating a bill aimed at the U.S. content of *Time* magazine and at preventing Canadians from advertising on KVOS, a U.S. border station, when at this very time we license Canadian cable companies to bring into this coun-

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try U.S. television signals generated by the three major networks. Those signals are directed to major Canadian markets.

An hon. Member: Only provided they delete the advertising.

Mr. McGrath: Mr. Speaker, the city of Regina is a long way from the nearest U.S. city.

An hon. Member: Cable companies have to delete U.S. commercials.

Mr. McGrath: Mr. Speaker, St. John's, Newfoundland, is many hundreds of miles from the nearest U.S. station in Bangor, Maine. It is far from the major markets of this country. Yet it is obvious to me that the government's cable policy has troubled Canadian broadcasters deeply. We talk much about Canadian content. While we plead with the CRTC to enforce regulations to do with Canadian content, that commission, operating under authority delegated by parliament, is undermining the very existence of television stations in this country. It is doing this by adhering to a cable policy which not only licenses but encourages cable companies to bring the signals of U.S. networks into this country. Pick up your *TV Guide* here for the city of Ottawa. What is the major station serving Ottawa? It is not the CTV station; it is not the CBC station: it is the station in Watertown, New York, the signal of which is brought to the city by a cable company licensed by the Canadian Radio-Television Commission. I find that a paradox. We can talk all we want, but the fact remains that the CRTC now realizes its ludicrous position.

One hears of directives being given to black-out U.S. advertising on the cable system. What kind of cheap, buccaneer policy is that? On one hand, the CRTC licenses Canadian companies to bring in U.S. signals. On the other hand we say, "You must black out the commercial signals." In other words, we are to get the benefit of the programs those stations broadcast, without having to pay any part of the price. That is unfair and unjust, and this situation is becoming one of the major sores affecting Canadian and U.S. relations at present.

People who have had experience with the U.S. government and U.S. congress know of the impact and the strength of the U.S. broadcasting lobby—and don't think our action has been lost on them. Congressmen and influential senators from the state of New York and the New England states have made their views heard in Ottawa through the U.S. state department. I say that our present cable policy makes no sense to anybody. I suspect that the cable policy, the brainchild of Mr. Juneau, now carried into effect by his protégé, the present chairman of the CRTC, is not a good policy for Canada. In fact, it is a bad policy for Canada. It operates counterproductive to the policy of encouraging Canadian content. For me, it represents a paradox.

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Far from trying to make it difficult for a station that can reach this Canadian market without cable, we should have in front of us today a bill that would really do something for the broadcasting industry of this country. It should be possible to operate on an equal footing, without having to