

Non-Canadian Publications

us compare that with employment in Canadian stations under CBC, BC television or a very small and struggling VHF station, CITY-TV in Toronto, which has none of these advantages. The latter does not employ just 18 or 30 people; it employs 105 full-time employees out of revenues which are less than half those of KVOS in Washington and British Columbia. Let us keep things in perspective when we talk about the number of jobs and the great production facilities KVOS provides for Canadians, and compare that with what Canadian stations have been doing out of revenues considerably smaller than those of KVOS. Let us remember that KVOS in Washington gets 90 per cent of its revenue from Vancouver, from Canadian advertisers. It gets 10 per cent of its revenue from the area it was licensed to serve.

KVOS is not licensed by the CRTC to serve the Canadian market. That is important to remember when we consider how our broadcasting system is organized. Because KVOS is not licensed by the CRTC to serve a Canadian market, it does not have to conform to any of the regulations of the Canadian Broadcasting Act which regulates every other television station in this country. KVOS does not have to conform to the 60 per cent Canadian content regulation, which is a perfectly acceptable thing, in my opinion, but is certainly a liability for a number of Canadian stations which have to find revenue to produce unique Canadian programs. KVOS is not bound by that stricture because it is licensed by the FCC in the United States. Any move it makes to conform to the Canadian Broadcasting Act and its provisions, such as the 60 per cent Canadian content provision and the provision to promote Canadian culture and identity for binding Canadian citizens together, is only on a voluntary basis. If we accept any of these amendments, that contribution could be changed at the whim of KVOS.

There is no legal way in which the CRTC can get KVOS in the United States to conform to the requirements of the Broadcasting Act, and to accept the amendments proposed by the Conservatives, the hon. member for Vancouver-Kingsway and the hon. member for Ontario (Mr. Cafik), would be a contradiction and a violation of the very Broadcasting Act this parliament passed and which hon. members on both sides of the House supported.

Let us keep things in perspective when we try to find loopholes by way of amendments. These amendments are completely in contravention of the Broadcasting Act. We learned in committee that United States border stations siphon off annually some \$20 million in advertising revenue which normally would go to Canadian television. Why do our advertisers advertise on American television? It is partly to reach an audience, but I think it is important to realize that up to now, by doing so they have been able to get an income tax deductibility privilege whereby they can write off the cost of that advertising.

This bill will not prohibit advertisers from advertising where they want, but it will reserve that tax deductibility for advertising on Canadian television stations only. I think that is perfectly consistent with wanting to strengthen the Canadian television and broadcasting industry. How can we expect Canadian television to expand its broadcasting facilities and develop new and better programs if we continue to encourage an annual outflow of

\$20 million? Let us remember that Canadian television must cover the same geographical area as does United States television. Canadian television stations and companies are expected to have the same quality of service and programming as the United States, without the vast financial resources available to American broadcasters.

● (1650)

I wonder if members of this House have ever stopped to calculate the outflow of funds since this kind of advertising policy began. In my estimation, which I have checked with other sources, to date Canadian television has lost about \$250 million in advertising revenue. This year KVOS alone, siphoned off \$7 million in advertising revenue from the Vancouver market.

Mr. Friesen: Where did it spend it?

Mr. Symes: What does that mean? Money that should have been available for new television stations coming on stream in the Vancouver and Toronto areas is going out of the country. It seems to me the amendment before us leans over backwards to help foreign stations as opposed to Canadian stations. What does that \$250 million mean to Canadians, in real terms? It means that about 8,000 man-years of work for Canadian citizens have been lost. I am calculating that at one job for every \$30,000 gross revenue. It means that millions of dollars have been lost in tax revenues to the federal government. That outflow of money has meant the loss of hundreds of hours of production that could have provided new and improved Canadian shows. That outflow in the hundreds of millions of dollars of advertising revenue has been undermining the attempts to build a unique Canadian culture—a view of the world and ourselves through new and innovative programming and expanded television service.

Mr. Speaker, I listened again to the hon. member for Vancouver-Kingsway telling us how KVOS has bent over backwards to bring about programming that is of interest to Canadians. I was very interested to read the transcripts of the hearings of the United States committee on foreign affairs, of the House of Representatives, which met on April 25, 1974, at which the president of KVOS was a witness. He spoke of how his station tries to consider the unique Canadian aspect of its audience. He submitted as evidence a list of local public affairs programs of the station for the previous year. It included 421 subjects, of which only 41, or less than 10 per cent, had any relevance for a Canadian audience. I think we should keep this in mind when we hear about how KVOS is a good corporate citizen of Canada. We have heard of the Canawest film subsidiary of KVOS and how it employs 18 Canadians and is producing films and helping the film industry in Canada. Indeed, it is the largest film industry west of Toronto. But it was set up primarily to design video commercials for KVOS. That is the bulk of its business—and we should not forget that, Mr. Speaker. We should keep in perspective the fact that American television stations receive all kinds of protection which we are only seeking to a small degree for Canadian stations.

I should like to refer to a submission of the Canadian Association of Broadcasters, the professionals in the field in Canada, who fully support the legislation. They point

[Mr. Symes.]