

Hon. members cannot argue out of both sides of their mouths. I hope hon. members will consider that when they talk about the situation in Detroit and Windsor. The hon. member for Surrey-White Rock went on to say that this is in effect a tax bill to update the Broadcasting Act. Of course nothing could be further from the fact of the matter. It is indeed for the very reason it is a tax bill that it means to give incentives to Canadians to operate in Canada, and to encourage Canadian businesses to deal with other Canadian businesses to which they interrelate. It is precisely for that reason we are presenting this action here in the form of a tax bill.

That is also precisely the reason why none of these amendments make any sense because if we accepted them we would be doing exactly what the hon. member tried to attack us for doing. If we took his amendments we would be saying, "OK, let us through a tax bill make a special exemption which would change the whole purport of the Broadcasting Act." Surely that is the fundamental reason why these amendments cannot be given serious consideration.

It was also suggested by that member in presenting his motions that we were using a tax for the development of cultural policy. Well, no more so than we have tariffs in some cases for the encouragement of agriculture or industry, and no more so than we have tax forgivenesses and deferment in order to aid and assist our own businesses in competition around the world and here at home. There is nothing unusual in an attempt to encourage our own industry within its own market place, and especially to encourage broadcasting where in the private sector it is heavily harnessed by responsibility to the Canadian public in programming and content.

I was somewhat disappointed to hear the hon. member for Surrey-White Rock attack both the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Burnaby-Seymour (Mr. Raines) for not having addressed themselves to these amendments when they were discussed in the committee. Quite frequently on this side we had had discussions in committee. I certainly had discussion with those two members of parliament, since I am the parliamentary secretary dealing with this area.

● (1540)

It was agreed that since these motions were so outlandish, were contravening the Broadcasting Act, and were inappropriate to be brought into a tax bill, that only one person would address himself to them, and that was me. That is why they did not address themselves to that point. It is unfortunate that they cannot defend themselves because they are in their constituencies working with and for their constituents for the next couple of days, and we all have those responsibilities. But the fact of the matter is—

**Some hon. Members:** Oh, oh!

**Mr. Fleming:** I seem to have touched a responsive chord. The fact is that both these members were active in committee and thoughtful about this legislation. They reached their conclusions after considering them fully.

During the committee stage the Standing Committee on Broadcasting, Films and Assistance to the Arts heard a

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spokesman from British Columbia, specifically a spokesman for the major private sector, an entrepreneur in broadcasting, a senior executive of CHAN-CHEK television. Not once during the time he was before the committee, nor in any formal or informal conversation, did I hear him suggest as a private businessman from western Canada—members opposite say they have a real interest in private enterprise and competition—that he thought it was fair competition to continue with the current situation with KVOS in Bellingham. He did not think it was best to support the kind of motion that is put forward here. There is a specific reason why it is difficult for CHAN-CHEK, because to compete with KVOS the CRTC awarded him with a licence after he made application, following which he was faced with certain heavy responsibilities over a period of years, the kind of responsibilities to which members opposite object from time to time.

I should like to refer to a statement I made specifically on CHAN-CHEK, what they have tried to do, and what the CRTC has pressured them to do because they are responsible to a Canadian institution of government. First I should like to read part of the committee proceedings on December 4 of last year as recorded at page 31:97. I said at that time:

First I want to point out that BC-TV which is CHAN-CHEK did not declare a dividend for its shareholders in the first ten years of its operation. I think of your criticism that perhaps they have not been—with all fairness, I listened and I want to reply. I do not think you can too often expect private enterprise to quickly leap forward and hand off the profits they have been making. However, in those first ten years they did not declare a dividend. When they became profitable they were required by the CRTC to undertake an expansion program and in five years they have extended service to the Okanagan. They have undertaken as well to off-set what that competitive situation might do in the Okanagan by giving the established TV stations in the area a payment of \$500,000 per year currently, and they have extended service up to Prince George, with a financial protection, although a smaller amount. In the next two years they will go into the Kootenays with a total cost of \$2 million to \$3 million. They have future plans, and of course the CRTC has played a role in muscling for those—I do not deny that—in terms of kilowatt. Then in the Vancouver Island-Mainland area they have gone from three to 30 broadcast transmitters.

When you are in Canada under Canadian control as a private enterprise trying to survive in broadcasting, that is what you have to do. They have done all that in improvements. Tell me what KVOS has done in the 15 or 20 years to expand programming and to get T.V. to more Canadian viewers in the interior. Not a thing. They have had no news and public affairs demands on them, although 90 per cent of the advertising revenues from broadcasting came to KVOS from Canada, in news and public affairs programs the budget for CHAN-CHEK television last year was \$1 million and, as I understand it, KVOS admits to an expenditure of about \$100,000. Who is living up to the obligations, and who must face the licensing and competition? Obviously Canadians. We have an unfair situation when KVOS is allowed to continue to carry on business in Canada as it does.

The hon. member for Surrey-White Rock said that if you put together Bill C-58 and cable deletion you will destroy KVOS. If that day should come, and I honestly hope that a happy and an acceptable resolution of the cable deletion issue is reached between the United States and Canada in the talks that are taking place now, I would not feel overwhelmingly unhappy about that particular company