

10 the hon. member for Kootenay West interrupted the speech of the Minister of Communications (Mrs. Sauvé) when he said he would like to ask the minister how she related the statement to the effect that KVOS was paying \$76 million to the Department of National Revenue.

KVOS, a broadcasting station, paying \$76 million to the Department of National Revenue? The \$76 million is the total alleged contribution of Wometco to the Canadian economy. To be correct, the total income tax paid by Wometco was \$5.4 million over the last ten years. That is quite a bit different from \$76 million. KVOS itself has never claimed—and I must congratulate them on that—that it contributed \$76 million. The contribution is the total alleged contribution of Wometco, the parent company of KVOS. That includes KVOS, BC-TV Ltd., Canawest Master Films, Canawest Film Productions Ltd., and Wometco, B.C., Limited. How do these all tie in with broadcasting? Let us find out.

Canawest Film Productions is not affected by this bill in any way because we are talking about a tax on advertisers. Wometco, B.C., Limited is the principal owner of a Coca-Cola bottling company. If that ties in with broadcasting in any way, I fail to see it. This leaves \$19.7 million as the alleged contribution of KVOS. The board of the parent U.S. company has a subsidiary sales office in Vancouver and claims that it is the means by which Canadian advertising revenues flow to the United States, and nothing else. So I think we had better get a few points straight before we go any further, Mr. Speaker.

If hon. members opposite had bothered to check, they would have found out what is actually happening. I have checked with stations in Toronto and others across the country. Some advertising firms anticipate passage of this bill and have already started to place options for time on some of the smaller stations as a direct result of our discussions. Some \$20 million has been taken by three American stations, two in Buffalo, and KVOS, Bellingham. That is a lot of money, Mr. Speaker.

The amendment is suggesting that KVOS should become a Canadian broadcasting station through this \$2 million a year. I do not think anybody in this House or anywhere else would say one is a bad businessman if he can pay out two and take in seven. Ninety per cent of the income of KVOS comes from the Vancouver area. They pay 50 per cent of their tax to the United States and 50 per cent to the Canadian government. It seems to me that if a business was taking 90 per cent of the revenue out of the country, it would be expected to pay tax on 90 per cent and not 50 per cent of 90 per cent.

An hon. Member: How is that different from other companies?

Mr. Douglas (Bruce-Grey): It is different because this company comes under the regulations of the Broadcasting Act. I have talked with people from KVOS, and they are fine gentlemen. When asked if they would become a Canadian broadcasting company, however, they would not. No matter what we do and no matter how we discuss it in this House, that is the fact. The fact is that they want to become a Canadian broadcasting company without being Canadian.

An hon. Member: That's right.

Non-Canadian Publications

An hon. Member: How can they?

Mr. Douglas (Bruce-Grey): They can apply for a licence and move to Canada.

An hon. Member: Tell us how.

Mr. Douglas (Bruce-Grey): In the same way that any other Canadian businessman can apply for a licence in any other part of this country and build and develop a business. It is the building and development of a business that this bill tries to protect. As hon. members may or may not know, the early years of development are the most important in any station, and in some instances the most disastrous.

We can look at City TV in Toronto and Global and see what has happened to them. It is the flow of capital that can be generated and brought back into Canada though the passage of Bill C-58 that will allow Canadian companies, whether in British Columbia, Nova Scotia, Newfoundland, or the smaller prairie settlements to give local broadcasting. Let us consider some of the money that is going to be spent in this country. They say they are going to give us \$2 million a year, and that is great. But what is \$2 million a year going to buy in new broadcasting facilities for British Columbia? There is the accelerated program which in five years will spend \$50 million, or in seven years more than \$50 million—about \$10 million a year.

As a matter of interest, what does KVOS do now about providing news coverage for people in Vancouver? What does it spend on local programming to which the people of Vancouver have a right? They say they put \$2 million some place in the broadcasting economy. It appears that one of the B.C. television stations, however—CHAN or CHEX—is spending \$6 million to meet the Canadian content rules, the very rules that KVOS want to buy their way around. After six years of service they are going to give up \$6 million a year and give us \$2 million. It costs \$11 million a year to operate.

An hon. Member: How much do they get back?

Mr. Douglas (Bruce-Grey): From whom? We have talked about that wonderful suggestion of \$2 million. I wonder how many members opposite have discussed this problem with the broadcasters in their areas. I did; personally I contacted all the broadcasters in western Ontario.

● (1250)

Mr. Whittaker: Have you ever been to western Canada?

Mr. Douglas (Bruce-Grey): I talked to the B.C. people. Every one of these people, without exception—they are Canadian broadcasters—agreed totally with the broadcasting provisions of Bill C-58. They see the money they so desperately need for their programming going south of the border where it should not go.

Mr. Whittaker: There is not a B.C. member on the other side of the House right now.

Mr. Douglas (Bruce-Grey): There is not an Ontario member in the House, either, on the hon. member's side, I might note.

Mr. Whittaker: Where are you from?