

*Non-Canadian Publications*

I would also caution the members of this House to read the U.S. Trade Reform Act of 1974, an act of the U.S. Congress. It has made news in Canadian newspapers over the past weeks in various pieces of correspondence referring to the broadcasting portion of Bill C-58, with correspondence between the U.S. Senate Commerce Committee and the U.S. Secretary of State bringing up the very points I am making here.

I wish to read an excerpt from a letter addressed to the Hon. Henry A. Kissinger, Secretary of State, Washington, D.C. It is signed by Warren G. Magnusen of the United States Senate and Henry M. Jackson of the United States Senate. I do not intend to read it all. There is one paragraph, however, that is pertinent to the amendment before us. I quote:

● (1730)

Dear Mr. Secretary:

Thank you for your recent acknowledgment of our correspondence regarding the harm experienced by United States television stations situated near the Canadian border caused by governmental actions taken or contemplated in that country. Unfortunately, we do not believe the Department of State's response to this problem has been adequate to date.

Your letter of September 29, 1975, failed to give an opinion on the four points we suggested in our letter to you of September 9: (1) Actions which injure United States broadcast stations carried on Canadian cable systems injure Canadian viewers; (2) United States broadcasting interests are indirectly subsidizing current Canadian domestic television production; (3) Canada is injuring its own business community by discriminating against United States advertising media; (4) the Canadian policies are trade discriminations against United States exports of advertising services.

When the bill has doubtful benefits, when it clearly contravenes existing commitments, and when retaliatory laws will naturally flow between two of the world's largest and closest trading partners, I think we need at the very least to leave an opening for mature negotiation, which is all these amendments do. It is what we would expect of our friends and what they have a right to expect of us.

How much money are we talking about anyway? It is \$22 million, of which 20 per cent stays in Canada through agency and sales commissions to Canadian firms. That leaves \$17.6 million. Do hon. members realize that we buy and sustain our Canadian broadcasting system on \$35 million worth of U.S. film shows every year? If the U.S. put a 100 per cent excise or export tax on those films we would still have to buy the shows anyway—they are cheaper and get more audience than most Canadian productions—but we would negate the effects of this bill, costing our broadcasting stations an extra \$17.5 million rather than getting that amount back. Believe me, most of the money now going to U.S. stations will not go to Canadian broadcasters just because of C-58.

This is the time for sober last thoughts. Our integrity and good sense are at stake. Let us accept the amendment to clause 3, non grandfathering anyone into any situation, but merely permitting negotiation where, if the negotiated settlement is better for Canada than the punitive effects of Bill C-58, Canada is not precluded from accepting the negotiated settlement.

I wish to speak for a few minutes on the use of United States material. One of the bizarre effects of Bill C-58 is to be able to double-think. One can pick up this ability from

[Mr. McKinnon.]

the book "1984" by George Orwell. If you study that bill you might better understand what I have to say about U.S. material.

We condemn *Time Canada* because they bring in editorial matter from the United States and we say that is bad because this makes for low cost competition to Canadian periodicals that must research and write all their own material, yet at the same time, in broadcasting, the Canadian broadcasting industry exists on U.S. product. The Canadian cable industry exists at a \$120 million plus gross purely on the importation of U.S. signals. Without these signals there would be no reason for the Canadian cable industry to be in existence.

The independent Canadian stations and the CTV network exist on the exploitation of American programs already paid for by the networks and the stations against whom this bill is aimed. *Canadian Trade and Commerce Magazine 1975* has some interesting facts on this. I quote:

The business of private television is to make money. This is less a concern of the CBC which has been supplied with a key to the public treasury.

And the fiscal facts of life are these: all the popular U.S. imports make money for the two Canadian networks: all major Canadian produced shows are heavy money losers.

"All in the Family" cost the CBC network \$2,000 a week last season and brought in revenues of \$24,000. "Rhoda," "Mary Tyler Moore," "Maude," "Chico and the Man," and "Mash," all pull in the revenue.

The CTV network paid \$4,000 a week for "Ironside", and "Harry-O" and each produced revenues of \$46,000. The highly popular, "Kojak", cost the network \$4,000 a week and yielded revenues of \$46,000. "Marcus Welby", "Streets of San Francisco," "Medical Centre" and "Nakia", brought similar returns.

The CBC's most popular Canadian produced show ran up a weekly loss of \$72,000 a week. "The Beachcombers", dropped \$41,000 a week. That's the price the taxpayers pay for Canadian content. The CTV's Montreal-based situation comedy, "Excuse My French", cost \$30,000 a week and returned revenue of \$16,000 a week.

Canadian content . . . has little value in the market place. Advertisers shun it like the plague and viewers switch channels. Mediocrity is just not a saleable product.

It is a question of how much we are willing to pay our local artists. I am willing to pay a certain amount, but I do not think it should be at the exclusion of what we wish to see, laudable though the aim may be of supporting Canadian talent. The avenue of supporting Canadian talent should not be by depriving listeners and viewers of what they want to see.

I wish to point out a few programs regularly carried over KVOS which will likely be severely hampered if not put off the air by this legislation. First, there are the children's programs during the day. Most kids in British Columbia have grown up on these. From four o'clock until 5:30 every afternoon, there is "Funorama". Other shows include "Merv Griffin," "Mike Douglas," "Dinah Shore", "Candid Camera", plus all the top CBS programs including NFL football and NBA basketball. Why should we object to those programs? NFL football is one of the mainstays of the CBC.

The popular hour shows on KVOS are "All in the Family", "Rhoda", "Phyllis", "Maude", "Doc", "Bob Newhart", "Carol Burnett" and documentaries such as in CBS Reports", "Channel 12 Special", "Page 12," "Anchor" and "Outlook", all the CBS specials, which average two or