

vertisers and the broadcasters to investigate alternate methods for commercial support. Further, the CRTC is encouraged to pursue its cable policy proposal concerning the deletion of advertising from children's programming viewed through the Canadian cable system wherever possible. This will ensure that efforts made in Canada will not be rendered ineffective by permitting our children to be exposed to advertising material on American stations.

Your Committee also encourages the CRTC, in line with its evidence before your Committee, to continue to sponsor and distribute research to broadcasters, consumer groups and the public so that the best thinking regarding the effects of children's advertising will receive the widest possible attention.

Your Committee feels that a complete ban on all children's advertising as advocated in Bill C-22 would have negative ramifications affecting many aspects of Canadian life. The North American system of merchandising has included television advertising and the Canadian Parliament has decided over the years that the broadcasting system in this country should involve a mixture of governmental and commercial support. The evidence presented by the CRTC emphasized this point by illustrating that our broadcasting system has a commercial element which should not be eliminated. However, your Committee agrees that we should see to it that this does not entail the complete predominance of merchandising strategies over Canadian policy objectives.

During the appearance of the CBC before your Committee an announcement was made that they intend to remove all children's advertising by September 1974. Many Members of your Committee, at the time, felt that such an announcement was premature due to the fact that your Committee had not yet had a chance to examine all sides of the question and make recommendations. However, in view of the recommendations contained in this report, the CBC proposal will become redundant and their condition of a budget increase of 2½ million dollars they considered necessary, will not be required.

It is the feeling of your Committee that Canada should work toward a general programme production policy based on the premise that the programme production industry is as vital for Canada as any other industry. Canadian creativity and expression is a matter of dollars and cents as well as an artistic matter.

Your Committee further feels that a cable policy should be developed that will help Canadian expression, creativity and production, avoid a policy which would only accelerate the penetration of American commercial stations and disrupt the economic base of Canadian broadcasting.

In addition, your Committee feels that the terms of reference of the Canadian Film Development Corporation should be modified so that it can help with the production of television programmes. It is realized that funds are not available within the budget of this Cor-

poration for this purpose at present. Your Committee realizes that its scope will not permit it to recommend an increased budget for the Canadian Film Development Corporation but it feels duty-bound to stress the importance this Corporation has in relation to the future production of programmes.

Recommendations:

In the opinion of your Committee, it is recommended that the government give consideration to the advisability of taking whatever action is necessary, including the introduction of legislation to accomplish the following objectives:

- 1) that the CRTC pass regulations which would provide that advertising must not be directed exclusively to children;
- 2) that the CRTC limit further the number of commercial minutes per hour during children's programmes;
- 3) that the CRTC require the deletion of advertising directed to children from American programming distributed on the Canadian cable systems;
- 4) that the Income Tax Act be amended so that advertising directed at Canada on foreign television stations would no longer be considered deductible for income tax purposes;
- 5) that ways and means be found to expand the Canadian programme production industry with particular emphasis on the creation of children's programmes.

Conclusion:

Although it is not within the scope of your Committee to make recommendations regarding programming, your Committee feels it imperative to emphasize that broadcasters should recognize their special responsibilities to the young viewers, not only regarding commercials but by striving for higher standards in children's programming as well. In spite of attempts to stay strictly on the question of advertising throughout Committee meetings, it was evident that the whole question of quality of programming is closely connected with the subject and merits considerable study by the Government and various Government Agencies.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 14 to 22 inclusive*) is tabled.

(*The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 51 to the Journals*).

Mr. Sharp, a Member of the Queen's Privy Council, laid upon the Table,—Copies of statement, dated July 16, 1973, concerning the death of Canadian tourists at the Zambian/Rhodesian Border, May 15, 1973. (English and French).—Sessional Paper No. 291-6/155.