

the importation of hockey pucks on the grounds that foreign pucks debased the national sport. In contrast, Article IV of the GATT provides for screen-time quotas in exhibiting films. Thus, the cultural exemption from existing trade rules for goods is narrowly focused.

Four policy areas where strong negotiating pressures may be felt are the use of U.S. signals by Canadian cable TV companies with substitution of Canadian advertising; the deductibility for Canadian tax purposes of advertising in U.S. radio, TV, and magazines; customs regulations prohibiting entry into Canada of foreign magazines with significant amounts of Canadian-specific advertising; and the forced divestiture of Canadian subsidiaries when one multinational publishing firm is taken over by another.

The forced divestiture regulations are being strongly attacked in any case on grounds of retroactivity and destruction of value of foreign subsidiaries after the investment has been made. Forcing Prentice-Hall to repatriate the distribution of their non-Canadian list to the United States reduces the value of their investment in a Canadian distribution system to no obvious gain to Canadian culture. A much surer route to encouraging Canadian authors to publish would be increased direct subsidies to publishers of Canadian books. The only risk here would be countervailing duties in the United States. It is unlikely, however, that sales of a subsidized Canadian author or publisher in the United States would be large enough to cause the injury needed to trigger countervailing duties.

Strong pressure may also be exerted on Bill C-58. The extent to which the bill keeps Canadian border stations in business is problematic and, once again, the subsidy route might be another means to the same end worth considering.¹¹

Assessing the bargaining pressures on cultural support policies is difficult because the effects of Canada's various programs are themselves