advertising on television, there has been absolutely no criticism nor protest from the United States government. We are amending Canadian tax laws quite appropriately to aid and encourage our own industry.

Some have argued that Canadian advertisers cannot buy time on Canadian television. Such a charge is simply a misunderstanding of the current situation. When the CRTC allowed the expansion of second, private stations in major Canadian centres it then became especially crucial to try to limit the outflow of Canadian television advertising dollars. There is time available on Global and City in Toronto. For instance, in the British Columbia area, when the new private station owned by Western Approaches goes on the air in less than a year, positive action by the Canadian government such as the amendment in this bill will be absolutely crucial for its survival.

While availability of time and cost of time is very complex, suffice it to say that unless Canadian advertising dollars are concentrated here during prime time and non-prime time, peak seasons and non-peak seasons, we will not have good Canadian programs, much less programs that can begin to compete with the much more costly products of our neighbours to the south.

One aspect of the loss of television time dollars in Canada that few people have considered is the millions of dollars never spent here because multinational advertisers can purchase network spots in the United States and at no cost at all make a major penetration into Canadian markets. Aside from the approximately $20 million a year lost through United States television time purchases in particular American border station locations, millions and millions more are lost simply because those border stations in their national advertising and network operation reach millions of Canadians at no extra cost. I do not think it is unselfish to argue that corporations selling the same products to Americans and Canadians should be prepared to pay as much per capita on advertising to Canadians as they do to Americans. At the moment, that is certainly not the case.

I would like briefly to refer to news reports and opinions expressed by some of Canada's major media participants and critics on the subject. Global is one of the new Canadian television operations that began with the greatest of hopes as an initiator of new Canadian programming. They hoped, also, to give exciting quality aspects to programming that they argued had not been available in great quantity before. Now, because of the situation I have described, Global is in serious jeopardy and is accused of not meeting its Canadian content requirements. Yet what places it in jeopardy are the stations that have no Canadian content requirements and no programming costs relative to their Canadian audience. Perhaps I could quote the president of Global Television, Moses Znaimer, in his article in the *Globe and Mail* of November 5, 1975. He said:

> From the American point of view, that's what the border war is all about: money, profits. The rest of the shouting about morality, about legality is a sham. Over the years, we Canadians have paid for every brick, every camera, every bit of technical facility in Buffalo's ABC, NBC, and CBS affiliates five times over. In the Toronto-Buffalo area alone, what's at stake this year is roughly $10 million: on a nationwide scale $20 million: in all probably a juicy $250 million since the porkbarrel began.

Non-Canadian Publications

Znaimer also comments in the same article about the U.S. industry's reaction to this bill even before it has been adopted. He and others in the industry charge that some Buffalo stations have cut their rates and are, in a manner of speaking, dumping U.S. commercial time in Toronto. Znaimer says in the article:

> It's a measure of the super profits that U.S. border stations have been able to generate, that they can cut their rates by 50, 60 and even 75 per cent on the Canadian side of the border only and still continue to do very nicely, thank you. Why not? As companies, they were created to be viable in their markets of origin. Everything else, all of Canada, is gravy. A free ride. (Buffalo opposite Toronto is a small, relatively unimportant market in U.S. terms. Bellingham opposite Vancouver is a town the size of a yawn. Yet, network affiliate stations in these towns have consistently, astonishingly, ranked among the most profitable in the United States).

Some of the Buffalo stations deny this so-called dumping and say they have cut their rates simply for seasonal sales reasons. The information available to me has put that claim in some doubt. Toronto *Star* television writer Jack Miller, on October 6, 1975, made a very good case by comparing how the FCC protects one American community from another but has no similar obligation and does not do so when a Canadian market is jeopardized. He wrote:

> If this happened between two U.S. cities, it promptly would be vetoed by the Federal Communications Commission in Washington as grossly improper.
>
> Say, for instance, that because of cable TV people in Rochester were able to see Buffalo stations as well as they could see their local one. Theoretically, the Buffalo broadcasters could go to all the Rochester advertisers and use the same argument they use in Toronto to pick up some outside business.
>
> But no, says Washington, that's not the American way. The Rochester stations are licensed to serve Rochester and they are obliged to provide local newscasts and other local program services for Rochester, so in return for that service they deserve to be protected against competition from outside stations which don't do anything for Rochester.

Miller goes on later to say:

> But as for protecting local TV, stations in Canada—well, that, of course is not Washington's business. It is something for Canada to worry about.

● (1600)

Miller, later in his column, shows the difficult problem Canadian television producers have. He says:

> Whereas a U.S. network program 60 minutes long might have a budget of $250,000 for its production, a Canadian equivalent on commercial television might get $40,000 on a good week.

Meanwhile, remember that those U.S. border stations get that much more expensive programming at a cost spread over the much larger U.S. population and the border stations particularly only buy that much more commercial production according to the portion of their audience that is American.

Bill C-58 can only be a beginning, but an important beginning, in rectifying the situation for our own television industry as it is affected along our border with the U.S. If this so-called dumping is taking place, then we have U.S. border stations already attempting to circumvent the laws of this parliament before that law is even passed. Canadians have always paid their way, sometimes too dearly. In this particular situation, hundreds of millions of dollars in windfall profits have already gone to U.S. television operations which not only have more expensive pro-