

Oral Questions

To calculate the percentage cut, we have used 1980 allowable figures so that we are comparing apples with apples, not apples with oranges.

In any event, the relevant point is that the whole control program is based on the threshold of acid loadings above which, scientists tell us, damage to the environment begins to occur. It is a sound program. It is much better than that in any other country of the world, including the United States from where some of the criticism is coming.

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TELEFILM CANADA**CORPORATION'S FINANCIAL POSITION**

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on October 19 the Minister of Communications received an urgent telex from independent producers and senior executives of public and private TV—from Global, CTV, CBC, TVA, Quatre Saisons, Radio Quebec, and TV Ontario—who are very concerned about the present operating policy and financial position of Telefilm. The Minister knows that that will have a very negative impact on the Canadian content of television in years to come.

As the Minister knows, Telefilm Canada halfway through its fiscal year has no more money and is offering promissory notes for April of next year instead of cash commitments for the programs of this year. Why has the Minister not advised the Canadian film and broadcast industry of what steps she as the Minister responsible is prepared to take and when she is going to meet with them, or is she planning to shut down Telefilm for the next six months, which would certainly please her American cousins?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it is interesting to note that the last full year the Liberal Government was in office the budget for Telefilm Canada was \$16 million annually. This year the budget for Telefilm Canada is \$114 million.

That is the difference between the importance that this Government attaches to the Canadian film industry and the importance that the previous Government attached to the film industry.

Telefilm Canada has said that it will honour all of its commitments. It has also moved—and I am very pleased to see that it has done so—to undertake a revamping of its cash flow methods. I would think that the Hon. Member would be pleased with that.

Obviously the growth of the film industry in the country has been great. I am pleased to see that one of the reasons it has been great is the funding which has come through Telefilm Canada.

CORPORATION'S ABILITY TO MEET COMMITMENTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, this is only the third year that Telefilm is in financial crisis and, according to Mr. Jean Sirois, the reason for that crisis is that the Minister of Finance did such a "fine" job with the capital cost allowance in his provisions for next year's budget. That is what has brought about the crisis, not financial management, according to Mr. Sirois.

Did the Minister authorize Telefilm to issue promissory notes against next year's government allocations to Telefilm? Does this mean that they will be playing catch-up in next year's budget, or is the Minister standing here in the House and offering an increase over their present year's budget so that they can meet not only their commitments but their advance commitments for next year?

• (1520)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it is interesting to note that one day the Hon. Member comes into the House and says "You must not direct the cultural agencies. You must keep an arm's length relationship with the cultural agencies" while the next day she comes here and says "You must get into the running of Telefilm Canada". She cannot have it both ways.

Mrs. Finestone: You are the responsible Minister.

Miss MacDonald: I would like to assure the Hon. Member, in the words of the chairman of Telefilm Canada, that it will meet its commitments. Certainly it will have to extend those commitments over a period of time. I assure the Hon. Member that the Government will continue to back the Canadian film industry in many ways. I must say that she is obviously the spokesperson for the American film industry in Canada because she is the one who keeps raising their interests all the time.

Mr. Speaker: I think I should indicate to the House that there will be a question from the Hon. Member for Cape Breton Highlands—Canso followed by a question from the Hon. Member for Vancouver East and that will close off Question Period.

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TRADE**CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON CONSUMERS**

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Can the Minister tell us how increased competition in a larger variety of consumer products will benefit lower-income and ordinary Canadians as a result of the trade agreement?