

I said at the time, and as I have been saying since, over the past decade, just having a government agency which assists in some way in the production of scripts and the provision of a certain amount of capital will not ensure the establishment of a nationally-developed feature film industry.

After almost ten years of the existence of the CFDC, the production of some 200 Canadian films, and the expenditure of about \$20 million in public funds, we are faced with the fact that roughly 96 per cent of screen time in this country is dominated by foreign films. This means, of course, a much higher percentage in English-speaking Canada, probably closer to 98 per cent; the figure is less in French-speaking Canada. Around \$250 million is spent by Canadians annually to see feature films and a large part of that sum is, of course, exported to the United States—something like \$63 million in profits.

At the time the CFDC was set up, Canada was the sixth largest market for American productions, but since that time we have risen to become the largest foreign market for Hollywood. That is a depressing comment on the state of our own feature film industry. Last year the two major television networks, CBC and CTV, showed a certain number of Canadian films. The publicly-owned network, the CBC, showed four, and CTV showed five. For those who wish to argue that the private network is assuming a greater responsibility toward Canadian production than the public network, it is time to wave a flag. It is certainly a sorry statistic, a sorry admission for the CBC that it took so little responsibility with respect to the Canadian feature film industry.

In a recent article in the magazine *Canadian Forum*, Sandra Gathercole of the Council of Canadian Film Makers, writes:

The central fact of film production in Canada is that it is disconnected from its own market, and does not benefit from the enormous revenues generated by that market.

No less than 93 per cent of film rentals in Canada flow to seven American distributors, representing an annual outflow across the border of around \$63 million. Think of the number of lost jobs, the loss of income to the Canadian economy, let alone the tremendous loss of opportunity for cultural communication.

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As a matter of fact, American films have had for many decades a guaranteed access to Canadian screens through the two principal chains, Odeon and Famous Players, a functional quota vastly more effective than the weak voluntary arrangement worked out for Canadian films. In a television production, I think last year, called "The Great Canadian Culture Hunt", George Destounis, the president of Famous Players, made this comment:

It's been an historical fact that . . . major distributors align themselves with either one circuit or the other. People like Paramount, Warners and United Artists will play one hundred per cent Famous, and people like Columbia, and two thirds Universal, and one third Fox would play Odeon . . . It was agreed, I understand, (in the) early forties how the breakdown (worked) when Odeon was first formed.

Adjournment Debate

If there is one area where there seems to be almost total control of the Canadian cultural system by foreign producers and foreign companies, it surely must be in the Canadian feature film industry. Indeed the CFDC, in its annual report published recently, acknowledged as much concerning the supposedly voluntary quota, which was vaunted by the previous secretary of state, for showing four weeks of Canadian films at regular theatres and one week at drive-ins. Neither Famous Players nor Odeon came even close to meeting their commitment. In the case of Odeon, less than 30 per cent either exceeded or even met the quota. In the case of Famous Players it was a bit better; the percentage was something like 42 per cent. Some 48 per cent of Famous Players theatres met less than one half the quota and 53 per cent of Odeon met less than one half the quota.

I think this is an indication that we are in a situation, to quote Sandra Gathercole again, where voluntary agreements have been about as successful as voluntary income tax. If we need a reminder from one of the ministers responsible for this matter, the Minister of Communications (Mrs. Sauv ), speaking to the CAB last year, said that unless we take direct action to enhance the production capability of Canadian broadcasters, Canadian broadcasting will also go the way of *The Saturday Evening Post*.

I think we have a major dilemma on our hands, Mr. Speaker. It is not enough for the Secretary of State to say that he hopes to have an answer by the end of the year. Surely the whole question of culture and communication is basic to our sense of identity and our national unity. If the Secretary of State is genuinely concerned, as he seemed to suggest the other day in answer to me, surely we should have a more concrete and effective answer from the government than the one I have received to date.

Mr. Robert Daudlin (Parliamentary Secretary to Secretary of State): Mr. Speaker, once again I should like on behalf of the minister to indicate our thanks to the hon. member for raising an issue which does not receive that much light in the House. As the hon. member has said, the minister agreed with the hon. member that questions of distribution are indeed the key to a resolution of the problems the industry is facing. He indicated as well that the government is now considering proposals concerning which it hoped to make an announcement before the end of the year.

That the hon. member would argue that this in fact is not a sufficient response is indeed a bit of a puzzle, Mr. Speaker, unless one is to argue that what the hon. member is saying is that the end of the year is not soon enough, that he wants something sooner, say today, or even yesterday. As I say, the minister is in fact committing himself to some kind of statement before the end of the year.

I stress the government's commitment to assist in whatever way it can the development of a Canadian film industry. I stress this general commitment because, in trying to resolve the many complex problems that arise in the film industry, the over-all objective is often forgotten, namely, the encouragement of the production of Canadian films because they are an