

Oral Questions

about the complete letter, the full letter, not an edited version of it.

The allegations I was bringing to the attention of the House and the Minister were not my allegations. They were the allegations of the former Executive Director of Telefilm, Mr. Peter Pearson. I would be perfectly willing to table that incomplete letter rather than the abbreviated version that the Minister tabled yesterday.

INTRODUCTION OF FILM DISTRIBUTION LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, not only has the Minister allowed Telefilm to become almost a total mess, and not only does the Canadian Film and Television Association want Mr. Jean Sirois, a Conservative patronage appointee, to quit as Chairman, but the Government's over-all film policy is now being dictated by Hollywood movie moguls.

Why is it that the Minister allowed tax changes to be made at the request of American film producers? Why is it that she has not yet presented her legislation on Canadian film distribution in the House?

Some Hon. Members: Right on.

An Hon. Member: What did you do when you had the chance, John?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker—

Ms. Copps: A free trade sell-out.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Miss MacDonald: Mr. Speaker, for the last 40 years the film industry in this country has been pressing various Governments to introduce legislation that would ensure that the Canadian film market is a separate entity for film rights. For 40 years, Mr. Speaker, it has been attempting to get that inequity corrected.

For most of that 40 years a Liberal Government was in office, and not once did they ever address the problems of the Canadian film industry in this country. Not once. However, I can assure you, Mr. Speaker, that we will be bringing in legislation to deal with that inequity.

● (1425)

EXPENSE ACCOUNT ALLEGATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, since the Minister has received Peter Pearson's letter of resignation and since she heard from Michael Spencer through Mr. Musgrove, why has she not investigated the documents which were offered to her about Chairman Jean Sirois and expenses in his expense account as well as his interference in the

awarding of tens of thousands of Telefilm dollars to his Quebec City friends for the big show *Rendezvous 87*?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, once again I say to these Hon. Members that if they have specific charges to lay imputing wrongdoing, why do they not have the courage to get up on their feet and do so? They are not satisfied. They want to smear and they want to create innuendo.

I have taken it upon myself to ensure that auditors were sent in to look at the differences in the financial situation of Telefilm Canada which were reported to us. At one point there was a lapse predicted of \$53 million. Subsequently there was an over commitment predicted of \$48 million, a difference of \$100 million. I wanted to ensure that that situation was dealt with and, as a result, auditors were brought in, a new management team was put into place, and new management systems were introduced for the first time so that now Telefilm can be put on a substantial basis.

I say to the Hon. Member that I am pleased Telefilm has been able to get itself out of the mess that it found itself in last year and I regret that the Hon. Member continues to try to undermine it.

REQUEST THAT CHAIRMAN BE SUSPENDED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the important issue here is how to get help for feature films and for TV programs from the banking and financial institutions. That is what the Minister has failed to settle in this whole matter. The Minister is the one who is incompetent and the Minister is—

Mr. Speaker: I would ask the Hon. Member to put a question.

Mrs. Finestone: Will the Minister suspend Chairman Jean Sirois now, name a new executive director, and launch a full investigation into what has been happening at Telefilm Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Hon. Member says that nothing has been done with regard to funding for Telefilm Canada. We added \$33 million a year for five years, a total of \$165 million to the Telefilm fund so that any number of new Canadian films could be made. I want to assure you, Sir, that I am very proud of what has happened.

Un Zoo La Nuit which has won international fame has been funded by Telefilm Canada. *I've Heard the Mermaids Singing* has been funded by Telefilm Canada. *Anne of Green Gables* has been funded by Telefilm Canada. All of these great films, all of these great series, has been funded by Telefilm Canada. I happen to be very proud of what Telefilm Canada has done and I regret that the Hon. Member wants to try to destroy it.