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Let me quote from the Raymond Roth report on the film distribution industry:

*The Consequences of Foreign Domination.*

Distribution feeds the markets. It determines who can see what, when and how. It chooses the films to be imported, thus determining what products the Canadian public will have access to. It determines the marketing strategy for film in the various medias: theatres, videocassettes, pay and free TV. It determines the scope of their reach across various regions of the country. All of these decisions affect the cultural life of the nation. It is unacceptable that they be made by non-Canadians, purely in their own economic interests.

That analysis is absolutely clear. In the case of film, 97 per cent of the revenues from film go to the United States. They go into film production in the United States. We have some very good Canadian films being produced in Canada, not a large number, but we have some. They scarcely get into the distribution field because the distributors are American-owned. Even Canadian films have to go through an American distribution company to be shown in theatres in Canada. This is a situation that is not allowed in any other country. Canada is simply considered a part of the American market for film distribution purposes. The result is that \$1 billion a year gets spent by Canadians going to movies. Instead of the profits from that money going into Canadian production, into hiring Canadian writers, directors, actors, technicians, camera people and so forth, it gets plowed back into American production. So there is a vicious circle and you get more American films which are distributed by American companies.

This task force report came up with some very good recommendations on what to do about it. The first recommendation was for Canadian ownership and control of the Canadian film industry. It states very clearly that it is essential that to have any kind of sane distribution policy there has to be Canadian ownership and control. But what does the Minister of Communications (Miss MacDonald) do about it? She has come up with a different scheme. She has suggested instead that there be a licence import system. This licence import scheme is certainly better than nothing. It would probably mean a reduction in about 10 per cent of the control of Americans in our Canadian film distribution industry. Instead of getting 97 per cent of the profits from Canadians going for films, they will be getting roughly 10 per cent less than that. Roughly 10 per cent of that would then be going to Canadians. That is better than nothing. However, that is a denial of the first principle of the Raymond Roth report which says that we have to have Canadian ownership and control.

When I asked the Minister in committee about it, for example, she pretended not to even know about this recommendation. Her Assistant Deputy Minister seems to have rewritten the report. When he discussed the recommendations of this task force report, he managed to drop the most essential one, the one on Canadian ownership and control. He only talked about the other ones, the ones that are a little bit easier to implement.

Other countries have much better control over film distribution. They have various measures of requirements, quotas and so forth because other countries, small countries like Canada,

small relative to the United States at least, have realized that if they want to have a film industry they need to have some rules to protect it. Small countries simply cannot compete with that massive American market, the massive advantages that that society has in producing and distributing its own films.

We have this excellent report. We have strong recommendations for Canadian ownership and control, but nothing has happened on it. The Minister is not even sure whether Canadian ownership and control ought to be an objective. In other statements that she has made, and when I have asked her, she says that she is going to talk to the American majors and ask for their co-operation. She is going to ask for the co-operation of people who are making a fortune in distributing American films in Canada. She will say: "Please stop making a fortune. Go away. Let Canadians do it". That is not the nature of the beast, Mr. Speaker. Businesses are in business to make money. They make money by distributing American films.

Why should they, out of the goodness of their hearts, simply quit making money in Canada distributing American films? They are not going to. Instead they are lobbying very hard to get rid of or not to have put into place—because it is not quite there yet—the licence import system. They do not even want that, which is a very, very modest measure. They are fighting very hard for it, and we worry about how much influence they will have on this Government. We know that President Reagan himself has raised the issue with the Prime Minister, protecting his old buddies in the Hollywood film industry to see that Hollywood continues to dominate the Canadian film system. So Canadians get very little chance to see the excellent Canadian films that, in fact, are being produced.

I would like now to make a few remarks about the music recording industry, another cultural industry over which we do not have much Canadian control, ownership or presence. An interesting thing happened a number of years ago. The CRTC came up with a requirement for Canadian content in sound recordings for popular music broadcast on the radio. Suddenly, as a result of this regulation—and this is a Government that thinks regulation is evil, awful and does all these terrible things—what happened? We began to get a popular music industry. Our songwriters and singers began to get an outlet for their creative work. People got jobs. Records were produced, thanks to this regulation. But we did not have anything comparable for classical music. We do not have any kind of Canadian classical music industry. Here you can clearly make the comparison. You make a requirement that stimulates an industry. The people are there. They can do it.

We have talent in Canada. It is not as if we are talking about a situation where we have to depend on foreigners to create our culture. We have all kinds of creative talent in the country, singers, directors, writers and all of these people who want to work. We simply require that they be given the opportunity. They will not get the opportunity so far as the distribution companies are concerned because they are controlled by people who are promoting the work of artists in