

*Adjournment Debate***PROCEEDINGS ON ADJOURNMENT
MOTION***[English]*

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

**FILM INDUSTRY—DISTRIBUTION—CANADIAN CONTROL. (B)
GOVERNMENT POSITION**

Ms. Lynn McDonald (Broadview—Greenwood): I rise now to address a question that I have raised in Question Period with the Minister of Communications (Miss MacDonald) regarding the Government's policy on film distribution. The facts are very well known to us. They are pointed out, I am afraid, in very sad detail in the report of the film industry task force which was published in November, 1985. The Government has had well over a year to consider its response. Its response has been very weak, especially considering the very serious situation that when Canadians go to see films at the cinema and pay their money, the money does not get plowed back into Canadian film production. Because distribution outlets are overwhelmingly American-owned and because of the vertical integration within the system, the money goes mainly into American production. Only 3 per cent of the films actually seen on the screen are Canadian.

This task force came up with some very strong recommendations for reform. First, that the distribution of films and videos in all media in Canada be by companies owned and controlled by Canadians. Very specifically the Government was asked to make a clear policy statement that Canadian ownership and control over distribution in Canada is essential and to take the appropriate legislative and regulatory measures to ensure that this policy is carried out. Has the Government done it, Mr. Speaker? No, I am afraid not. It would appear from remarks made by the Minister that there is no intention to carry out this recommendation of the task force.

There are two more recommendations for specific action. One is regarding tax incentives and the third is the creation of a Canadian film fund with an annual budget of \$60 million. Work on this third recommendation has been undertaken, but the fourth recommendation has also been ignored.

● (1800)

The fourth recommendation is to enact measures which will prevent all vertical integration, distribution and exhibition to the extent such integration limits competition and freedom of trade in Canada. The Government has taken only a very modest step in the direction of fulfilling Recommendation No. 4.

The task force composed of experts in the field concluded that its principal recommendations are relatively few. They form a whole and cannot be separated without threatening to upset the balance of the entire structure and should be applied concurrently. The task force is looking for a comprehensive response on the part of the Government and the Government has not made that comprehensive response.

It has been estimated that the film import licensing proposal of the Minister will reduce American control by only 15 per cent or less. Instead of 97 per cent of the profits going out of the country, roughly 80 per cent of the profits would go out of the country. That is not a very significant change.

I would like to compliment the Minister for taking a step in the right direction and to point out the cowardice of the previous Liberal Government which had these facts available to it over the years. The previous Minister, Francis Fox, certainly had access to that information. Yet he turned tail and did not have the courage to stand up to the American majors who are milking money out of Canada, plowing that money back into American productions and leaving Canadians with little opportunity to see the excellent films that do get produced in Canada and a very small fund of money from which to produce more.

I note that the Minister's paper on cultural industries cites European examples of much more vigorous methods of dealing with film production and distribution. Other countries that do more include Austria, West Germany, France, Italy, The Netherlands, Australia and New Zealand, indeed all the EEC countries. Since the 1920s, these countries have protected the production and distribution of films to ensure that they have viable film industries, something which we do not have here.

Canada is treated as a colony of the United States for purposes of film distribution. It is shameful for Canadians to have to be treated within their own country as an appendage of the United States. Of course, we do not have the funds to develop our own industry.

I am afraid that the Minister's response so far has been the desire to be congratulated on the very modest step she has taken, not to look seriously at all four recommendations made by the task force. She seems to consider her step adequate. In effect, she has even repudiated the first recommendation for a Canadian-ownership and distribution policy, a policy countries larger than ours that need this protection even less have instituted.

Our Minister is not standing up to the American distribution companies and is not putting Canadian policy first. I would call on the House to ask the Minister to put Canadian distribution first so that excellent Canadian programs will be distributed and Canadians will have a chance to see them.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to respond to the Hon. Member's concerns about the distribution of films in the Canadian film industry. The Government has taken decisive action to foster the development of a healthy Canadian film industry, building on the recommendations of the film industry task force chaired by Steven Roth and Marie Josee Raymond. This means addressing all phases of the industry: production, distribution and exhibition. Our goal is to have a viable film industry so that Canadians can have access to films by Canadians about Canadians.