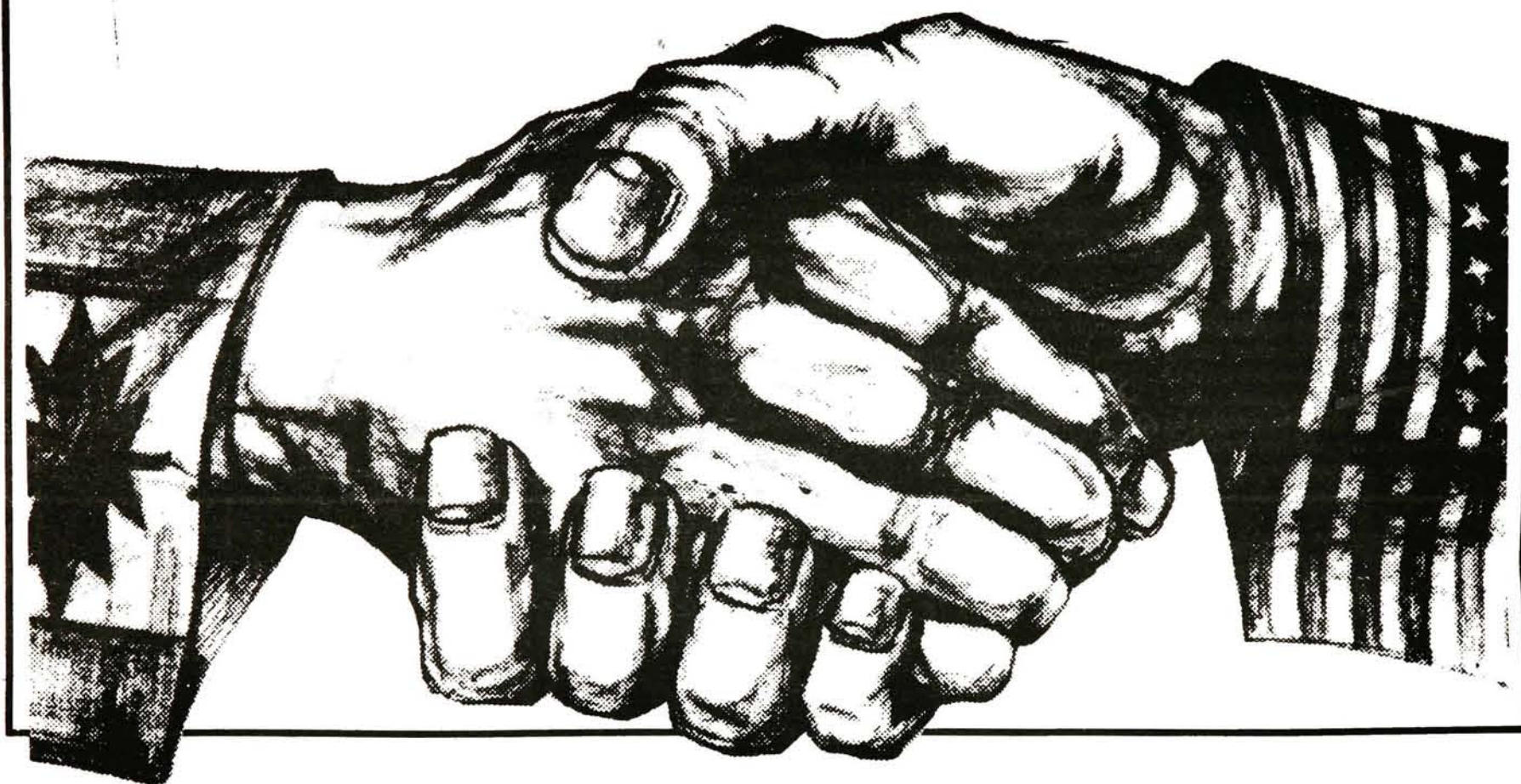


# The impact of free-trade on Canadian cultural industries



by Michael Bergman

**F**ree trade. Only two words yet the concept will alter the very fabric which clothes our country.

Free trade and the Canadian...minister, nine provincial premiers, a Royal Commission, and a host of businessmen and economists all be wrong?

Free trade, enhanced trade, dutyless trade — these are the appellations of an ill-defined economic policy for comprehensive, unimpeded, tariffless, bilateral trade with the United States. Rarely has national economic policy had such potential for so dramatic consequences on Canadian cultural industries. At stake are these industries' very existence — for free trade will be their grim reaper.

Michael Bergman, *Cinema Canada's* legal columnist, is an entertainment lawyer with offices in Montreal and Toronto.

## Free trade. Can one prime minister, nine provincial premiers, a Royal Commission, and a host of businessmen and economists all be wrong?

No wonder Canada's cultural industries should have a vital interest in the national debate on whether to implement free trade.

Understanding the role of the cultural industries in this debate requires an assessment of the forces pressing for free trade, the nature of the Canadian cultural industries and how the two interact on one another. Although free trade is generally portrayed as a positive, aggressive, assertive stance for expanding the Canadian economy and opening up markets and competition in the U.S., it owes its origin and primary

persuasiveness to two principally defensive and fearful concerns. The most usual of these concerns is the fear of current protectionist sentiment in the American Congress and its seeming insistence on inhibiting imports into the U.S. by creating or increasing competition barriers. If carried through, this would make trade with the U.S. not only more difficult, but reduce foreign competitiveness with American businesses for the U.S. market. What is interesting about the Congressional position is that this is not the position of the American government. The Reagan administration

still continues to emphasize a multilateral trade. Most free-traders, though, believe that ultimately the Congressional view will force the administration to adhere to the more protectionist stance.

Free-traders also fear the results of any future recessions. They feel that Canadian business suffered greatly during the last recession and believe that unrestricted access to the American market will be the greatest insurance against this. They believe that competitiveness alone will serve to determine the viability and growth of Canadian business. Like the philosopher Kierkegaard, they have made a 'leap of faith' that neither the size nor strength of the American economy, its people or its cultural aggressiveness will compromise Canada politically, culturally, or as a sovereign nation.

If comprehensive free-trade is to be successful and competitiveness in open markets is to be effective, then there must be equal opportunity for competi-

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tive action. This means reducing barriers or obstacles to competition, including obviously tariffs and duties, but just as importantly the kind of indirect or non-business advantages which may nevertheless influence competitiveness. Examples of these abound: social programmes, subsidies, Canada-first policies and Canadian content policies.

All of the implications and all of the paraphernalia of free trade represent the very antithesis of the context of Canadian cultural industries. If ever there was a protected industry, it is the Canadian cultural industries. Not only protected, but protectionist in orientation and outlook. The whole thrust of Canadian cultural lobbying has been to eliminate or reduce foreign competition within Canada and to encourage, or even force, the use of Canadian products. Witness Canadian content regulations in broadcasting, whether television or radio; government assistance to the film industry; ownership guidelines in book publishing; advertising tax benefits to Canadian publications only – the list goes on. These industries see their existence, and the growth they have attained so far, threatened without the protective shield of government intervention against foreign – and in particular American domination in culture – and rightly so.

Consider the kinds of forces the shield of protection wards off. In film, American producers have still to grow acclimatized to a distinct Canadian film industry. But American producers consider Canada part of their domestic territory and consequently have almost no concern to reinvest the tens of millions of revenue into indigenous filmmaking. For them, grand strategy as concerns Canada's film market is still determined by Hollywood. Look at the vociferousness of their protests against such efforts at Canadianization as the Quebec Cinema Act or the many attempts of successive Canadian communications ministers to persuade the American film distributors in Canada to exhibit more Canadian product. In broadcasting, Canadian advertisers are prohibited from the advantage of tax-benefits when advertising on American border stations. Canadian content regulations try to contain American programmes in Canada. A significant portion of Canadian broadcasting is financed by the government itself. All these measures run counter to the free-trade competitive ethic.

Free-traders claim that whatever we do not wish to compromise on the bargaining table with the U.S., will not be part of the negotiations. This belief is invalid – no matter how often or in what good faith it is insisted on. Comprehensive, bilateral free-trade is more complex than the Canadian reasons put forward on its behalf. Of course, free trade means open and unfettered access to Canada's important market with its

largest trading partner, but more importantly although less tangibly, it would achieve a more unified, continental North America in which American business, defence and cultural interests will be solidly dominant. Short-term or long-term, this would of necessity eventually cause the Americans to question why any Canadian industry should be protected and, even if some should, the extent of the protection to be accorded. Presumably the greater the commercial value the more likely that industry would be the subject of the negotiations. It should not be forgotten then that the cultural industries of Canada are among the largest sectors of the Canadian economy, employing considerable numbers and producing quite a bit of money. The growth of Canadian

**Free trade rests on a compartmentalized view of nationhood: that certain elements may be dealt away without any effect on the others.**

cultural industries in Canada takes place at the expense of foreign imports, especially American. One would expect, then, that the Americans would lobby hard to assure that the free-trade talks at least restrict Canadian cultural industry's growth by reducing protectionism in that sector.

There are other ways, though, for Americans to deal with this problem. Even without being conscious of it, the Americans (as so many of the great powers in history, be it Rome, Britain or Russia) believe that their culture and way of life is the expression of the ultimate good and liberty of man. There is a natural assertive and aggressive quality to this: the expectation that all other nations want to emulate it and take up the call. Free trade, by reducing barriers between nations, would be an opportunity for the Americans to assert this natural inclination with even greater vigour. If the future of the Canadian economy lies solely in the American market, then Canadians, as they go into this market, will find themselves acquiescing more and more to American culture – at the expense of Canadian cultural growth.

Canadian cultural industries have nothing to gain by free trade. There are no particular governmental or legislatively imposed barriers to the exhibition and sale of Canadian cultural industry products in the U.S. The barriers that are imposed are more the result of competition. The American cultural industry is so enormous that it has a reduced need for foreign product. And Canadian product, especially in film and dramatic television, is considered foreign – at

worst, inferior or, at best, of insufficient numerical weight to become less than foreign.

If the Canadian cultural industries have nothing to gain by free trade, they have a lot to lose by it. Protectionism is not simply guarding what already exists. In fact, Canadian cultural industries are growing under the cloak of protectionism, and are dependent on it for their continued expansion. Even if it were possible to convince the Americans that certain sectors of the economy, such as Canadian cultural industries, require protectionism to maintain their status, surely they would with difficulty agree to the idea that these protected sectors should achieve any significant growth through further protectionism. Canadian cultural industries need protectionism not only to grow – they need *growing* protectionism to grow faster and with increased vitality. Consider the possibilities of increased Canadian content regulations or Canadianization of the film distribution system as examples. Surely free trade, if nothing else, would inhibit further protectionism or government intervention.

All free-trade advocates claim the free-trade negotiations and resulting agreements would in no way compromise

results of this creativity. Culture is individuality and collectivity. It is an expression of being, of vitality, of assertiveness, of confidence and of pride in a way of life. Culture grows by the vitality and dynamism of society. Cultural industries grow, not only from commercial viability, but because they are able to express the cultural good of the societies in which they emanate. To the extent that free trade makes the Canadian economy even more dependent on the Americans is the same extent to which Canadian culture is weakened and bound to stagnate. Those who speak of cultural sovereignty tend to mean the 'quaintness' of culture: the preservation of native traits, colourful costumes, folk-dances and songs. This is cultural sovereignty over the anthropologist's collection of old bones, not the beat of a life-force.

Canada is a much younger country than the U.S. Its historical and cultural development has yet to reach a peak. We are still confronting and dealing with societal problems the Americans resolved a century ago – issues of national unity, population, identity and the links in the bonds which cement the ties between all Canadians. We should be most circumspect and careful of anything that may inhibit or retard such growth, for without cultural growth we do not develop as a people and we do not grow as a nation. The old cultures of England and France are more resilient, but even they are concerned about Americanization. And we should be even more so as we do not have a millennium of history to stand in our defence. We once were the first Dominion of the great British Empire, the greatest colony of Britain's colonial culture. Let us not become the cultural backwater of the American hegemony. The making of the Canadian way, of the Canadian 'man', of the Canadian nation, is what Canadian culture is all about.

In economic matters, bilateral free trade is not the only way to go. Why not free trade with all nations? Few would disagree that multilateral trade and trade-talks would allow us to reach out economically and in other ways to the rest of the world.

Canadian cultural industries have a vital interest in the free-trade debate. As preliminary discussions and positions are taken between the governments, it is imperative that Canadian cultural industries make their positions publicly known, lobby for and insist on their protection and growth.

The argument against free trade, in spite of the many complexities of the

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partmentalize culture, which is the end result of a way of life which all the facets of society working together create.

Culture is not simply the writer or the artist going through the motions of creation; and cultural industries are not simply the medium for exhibiting the

topic, is strikingly and simply conveyed by the words and their relationship to each other in the phrase "Canadian Cultural Industries." If Canadian is compromised, culture is compromised. If culture is compromised, industry is compromised. If industry is compromised, it simply ceases to exist. ●