

Free-trade with the U.S.: the dismal record of Canadian film negotiations

"When it comes to Canada, I'm a Chinese Wall protectionist" – Architect of the CPR, U.S.-born William Cornelius Van Horne

"Oh, to be Albania!" – The Globe & Mail, Apr. 24, 1986

With comprehensive free-trade talks about to get underway between the U.S. and Canada, now is a good time to review the Canadian record in negotiations with our great trading partner to the south. And, here, the film area is particularly relevant because, in effect, total free-trade has been the norm since the teens of this century, with some of the well-known consequences:

- only 3-5 per cent of theatrical screentime is filled by Canadian films
- Canadian titles make-up only 2-4 per cent of videocassette sales
- 97 per cent of profits from films shown in Canada leave the country.

In the area of film, Canada has been negotiating with the U.S. since the 1920's for a greater share of the Canadian market for Canadian production. After 60 years of 'negotiation,' and, as Communications Minister Marcel Masse recently pointed out, billions of dollars of public money invested in cultural production, "We should then be in the pleasant position of noting today that we possess vigorous film and book industries. This is unfortunately not the case."

Now, the optimists in the Federal cabinet might be tempted to argue that, had it not been for what Michael Spencer in this issue calls the strategy of "moral suasion," Canada today would not even have as much as 3-5 per cent of its domestic market for Canadian film production. But Spencer's feature suggests the contrary; indeed, that it's been precisely Canada's systematic lack of toughness in such negotiations that has contributed to Canadians' tiny share of their own market.

The historical record in the area of film is, as Spencer details, of cold comfort given the prospect of further negotiations. But if chills are what you're looking for, one needn't ransack the archives nor wander very far afield in time to find evidence that Ottawa, not having understood past history, is therefore condemned to repeat it. The federal cabinet's March 12 decision, announced by Industry Minister Sinclair Stevens and Masse, approving Gulf & Western's (which owns U.S. Major Paramount) takeover of publisher Prentice-Hall has already had repercussions in the area of film, with Paramount raiding Atlantic Releasing's Canadian franchise via Norstar in Toronto, depriving Norstar of 50% of its business in U.S. independent and foreign films. If this signals a trend, it's the beginning of the end of what little remains of Canadian distribution. But that's free-trade as the Majors play it.

All this puts a culturally interventionist minister like Masse in somewhat of an intolerable bind, never mind that from the beginning he's been an anomaly in a government whose central platform is in complete contradiction with the cultural aspects of his own portfolio. Now the bind will only tighten further. How, for instance, can Masse respond to the Paramount raid when he himself was instrumental in approving G & W's Canadian takeover? It's relatively elementary logic that if you allow the Americans to takeover a company that publishes some Canadian books, you can't object very loudly when they move on another company, even if that company distributes some films to a Canadian distributor.

Even more so, with the imminence of free-trade talks, would not the Americans now be perfectly entitled to howl "unfair" if the Canadian government, God forbid, suddenly turned culturally protectionist? As to what sort of negotiating one can expect (at least in the area of film) when one side already has 1) nothing to say for itself and 2) nothing left to negotiate, we'll no doubt see in the months to come.

On the other hand, when the issue of the negotiations does not involve the minor matters of either Canada's culture or territory, Canada's record historically is much better. Among historians, economists and journalists, there's consensus that both in 1911 and in 1947 Canada would have gotten "a good deal" (whatever that means) had it accepted the free-trade treaties with the U.S. that had been negotiated. But in the first case, the Canadian electorate resoundingly said "No" and, in the second, MacKenzie King unilaterally tore up the treaty.

That leaves the 1965 Auto Pact as Canada's most visibly successful negotiation to be actually implemented. That negotiation too was "fast track" and, according to journalist Richard Gwyn, it was so fast track that the Americans signed without understanding it. As a result, they have over the years repeatedly threatened to dismantle the Pact, especially when, because of the low Canadian dollar, it works to Canada's advantage.

According to the *New York Times*, the negotiations "are an opportunity to open markets for American companies and to guarantee American ac-

cess to Canada's bountiful raw materials." By that definition, Canada's cultural industries, heavily subsidized to cling like barnacles to their 3-5 per cent market-share, are an obstacle to free-trade. What the Canadian response might be is impossible to say since no one in officialdom has ever openly addressed the issue, other than to reassure the Americans that "everything is on the table."

What it all revolves around, yet again, is Canada's infamous hesitation when it comes to issues of culture. Not that this country has been remiss in producing writers and thinkers for whom the role and function of Canadian culture has been absolutely central to their thought (and not some thin veneer of "kulchur" mimed by peasants with elite pretensions). Forty years ago, and with increasing urgency until his premature death in 1952, Harold Innis attempted to provide Canada with "a strategy for culture" which, as Patrick Crawley argues in this issue, is even more relevant to Canadians today than when Innis was writing. But one of the implications of Innis – namely, the recognition of the centrality of Canadian culture – would also, as Crawley argues, have produced a political culture and a Canadian film and broadcasting industry very different from today's fragmented field. For a delightful view of what Canadian film is really like, see *Cinema Canada* founding editor George Koller's description of National Film week in Vancouver in this issue.

Commentators such as Richard Gwyn or Royal Commission chairmen like Donald Macdonald have argued that Canada has to undertake these free-trade talks to come to grips with its "North American destiny." After all, Canadians were continental free-traders long before the United States existed, and only became "Canadian" as a reaction to the U.S.'s post-revolutionary protectionism of its own budding national market.

It would not be the least of the ironies of Canada's history that, out of the realization Canada does indeed have a North American destiny of its own, a stronger sense of Canadian culture could emerge from the free-trade negotiations. Unless it is the Canadian fate only to at last be able to perceive this elusive culture of ours (and what has, in fact, always been what makes us different) at exactly the moment when what remains of Canada's compromised sovereignty disappears forever.

LETTERS

Get Postmodern (A response to Lyle Burwell)

In answer to your letter (*Cinema Canada*, No. 129), I would like to point out that the type of criticism you describe is called "New criticism" in academic circles and it has been out of favour in those circles for at least the past 10 years. New criticism is allied with modernism in art and literature, i.e., with the idea of an art that is self-contained and refers only to itself. Post-modernism, which is the avant-garde art of today, is a local art which believes in being a part of the world it exists in. Feminist art is part of this movement and so is feminist criticism. As a perusal of most critical film magazines would show, feminist film criticism is an accepted part of the current critical scene. Aside from that, to keep one's criticism of an art work strictly within the work and not make any references to its relationship to the broader social context seems to me an elitist, head-in-the-sand attitude about art and criticism.

Perhaps I erred in my review – on the side of brevity. That is, perhaps I should have explained my points more fully. However, I did not want to insult readers' intelligence. My point about the two single-families in *One Magic Christmas* being poor was meant to point out how the film stressed conventional family values, i.e., that it seemed to imply that families with single parents cannot provide adequately for their children. As for the female lead risking her job by staying home on Xmas Eve, it seemed to me that no one would have thought it right for a man, who was the sole support of his family at a time when jobs were scarce, to risk his job and that much-needed income. Perhaps I'm wrong, but I was brought up to feel that it was better to work at a menial job than to be on unemployment or welfare, whatever one's sex. As an expression of love, I would rather that my husband went to work than stayed home to prove his sentimentality about Xmas Eve.

As for the film's many flaws, I felt that, yes, the film would be confusing to the 5-10 year-old group and therefore stressed that it was more of a fairy-tale for adults.

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