

Election countdown:

Cultural policy options

The comments which follow were solicited by *Cinema Canada*. The Minister of Communications' office sent a written response to a series of questions, while statements by the opposition party spokespersons were obtained in interviews which were then edited and resubmitted for approval before publication. Statements from the various interest groups were obtained in interviews.

Flora MacDonald,
*Minister of Communications
and PC-MP for Kingston
and the Islands*



The Progressive Conservative government takes the fundamental position that Canada deserves and requires a feature-film capability and is committed to policies which achieve the goal. The existence of a feature-film independent production community in Canada, drawing from our best creative and technical talents, addressing the interests and needs of Canadian audiences, requires both direct financing assistance, to cover the costs and risk of producing films for the Canadian market, and action to set the Canadian film industry on a sounder structural basis. The two thrusts are represented in government policy by the creation of the Feature Film Fund of Telefilm on the one hand, and the pursuit of a regulated resolution to the longstanding

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Sheila Finestone,
*Opposition communications
critic and Liberal MP
for Mount Royal*



With respect to the Broadcast Act, certainly the programming should be predominantly Canadian. The fundamental characteristic of Canada is its bilingual and multicultural nature and with certainly a recognition of the aboriginal peoples. Now if that is the case, then I think our broadcasting industry must so reflect that reality and that would mean that the stamp of its bilingual nature be seen across the land.

I think that there have to be some more concrete measures with respect to aboriginal languages in the broadcasting system. And, certainly, the equality principle should be included. What I'm saying is that it's not only the people who are on the screen, it's behind the screen. It is the people who are in the newsroom, the

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Ian Waddell,
*NDP communications critic
and MP – Vancouver Kingsway*



Generally, if we form a government or there is a minority situation, the cultural policy will swing away from continentalism to nationalism. Our commitment is to budget \$195 million to culture in the first year and between \$300 and \$325 million in subsequent years.

We want to introduce Status of the Artist legislation based on the Quebec law, something that recognizes artists, gives them tax advantages and access to social programs they're not entitled to at the moment.

Part of our attack on Mulroney's patronage record has to do with Michel Cote's former campaign manager, Jean Sirois, who became chairman of Telefilm Canada. We would fully investigate

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Flora MacDonald Progressive Conservative Party

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conditions of inequity in Canadian film distribution. Canada's film needs are not parochial, but the Canadian audience has a perspective and a collective memory different from those in any other countries. In addressing these, we believe Canadian films will find a voice that is of universal interest, and which will be of commercial appeal anywhere that authentic creative voices are valued.

- In 1986 the establishment of a Feature Film and Dubbing Fund provided a further \$165 million for the special needs of this industry.
- In June of 1988 we introduced ground-breaking legislation to establish a separate distribution market in Canada for Canadian and foreign films. It will improve significantly both the access of our own films to Canadian theatre screens and the opportunity to generate new sources of financing for future Canadian productions.

- In May of 1988 we announced an additional \$200 million in support of film and video production, promotion, and marketing.
- Included in this support was the establishment of a new Distribution Fund at Telefilm, a new non-theatrical fund administered for Communications Canada by the Department of Supply and Services, and additional resources to the National Film Board to co-produce with the private sector.

- New management was brought to Telefilm with the appointment of Pierre Desroches as executive director and Edward C. Bovey as chairman.

- On October 30, 1987, we issued a statement reaffirming support for the French-language dubbing industry.

- The 1988 Broadcasting policy and legislation include \$250 million directed largely toward increased Canadian independent production, innovative alternative programming and greater reflection of our regional and multicultural diversity. The broadcasting Bill gives explicit recognition to the significant contribution from the Canadian independent production sector and the CBC's own commitment to go to independent producers for more programming.

- The Broadcasting Act states that "broadcasting is a public service essential to the maintenance and enhancement of national identity and cultural sovereignty" and should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada."

- New training institutions in cinematography such as Edmonton's National Screen Institute (being supported for the last two years), which is promoting training, particularly for television

film production, and the Canadian Centre for Advanced Film Studies in Toronto (announced in the fall of 1986) are being supported through Communications Canada.

As part of the measures to support an indigenous Canadian distribution industry the government has also announced new Investment Canada policy on foreign investment in the Canadian film distribution sector:

- takeovers of Canadian-owned and controlled distribution businesses will not be allowed;
- investment to establish new distribution businesses in Canada will only be allowed for importation and distribution activities related to proprietary products (the importer owns world rights or is a major investor);
- indirect and direct takeovers of foreign distribution businesses operating in Canada will be allowed only if the investor undertakes to reinvest a portion of its Canadian earnings in accordance with national and cultural policies;
- all applications to Investment Canada made after February 13, 1987 will be subject to the new policy.

All of these initiatives have been based on consultation with the industries and individuals affected. These initiatives have added to the strength of Telefilm, the National Film Board, the Canadian Broadcasting Corporation and other existing structures, while encouraging new ventures in private production.

The process of building new partnerships and seeking new inspiration will continue. As an example, the commitment to find a workable formula under tax reform to ensure that private investment continues to play an important role in production financing, including the possibility of using investment tax credits, is the subject of several current studies commissioned by Communications Canada and being carried out by industry associations, including the Association des Producteurs de Film et de Vidéo du Québec, the Canadian Film and Television Association and the Association of Canadian Film and Television Producers.

Film and program production find their wellspring in all of the creative disciplines. Our commitment to training, to artists' rights, to audience, distribution and marketing development in all fields is an insurance that Canadian theatrical, non-theatrical and television screens have a rich source of new ideas and talent.

Legislation for revision of the Copyright Act was introduced and has been passed by Parliament. It includes a number of measures which protect the rights of copyright creators and holders in film and video productions. It also encourages the development of copyright collectives and enhances moral rights for all creators. The Second Phase of copyright revision will be introduced soon after the House resumes.

Michael Hind-Smith Canadian Cable Television Association



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We are quite content if the government were to reintroduce the Broadcasting Act. Assuming this government is reelected, it would introduce the Broadcasting Act as passed by the House on the 28th of September, that died in the Senate on the morning of the 1st of October. It's as good a broadcasting bill as we are likely to get.

I would think a minority Tory government, which I don't think is likely, on present evidence would proceed with the bill. It's been three and a half years in the making. It's been the subject of wide consultation, and to the best of my knowledge, this government is committed to it.

It has already accepted 56 amendments designed to mollify the opposition parties who sought those amendments. We don't want to see it modified any more than it has been already. The Tories pushed really hard to get it through and they just run out of track as far as the Senate was concerned.

With regards to the provisions within the Free Trade Bill that deal with retransmission rights of cross-border signals, and copyright payment for those rights, we opposed it. We did seek additional definition of what is a local signal and therefore exempt from retransmission liability. We were trying to achieve the conditions which exist in the United States.

Under their copyright act there are a series of definitions which define a local signal. We would have liked those mirrored in Canada. They weren't, but that's not likely to change now. Canadian cable subscribers should not be required to pay a retransmission royalty that an American cable subscriber in comparable circumstances does not have to pay.

The Cable Association has been consistent and clear with our position on Free Trade. I'm sure the Grits, the Socialists, the cultural coalition and all of that lot are trying to make changes. We think we've got the best we could have achieved and we're happy to live with it. A Liberal-NDP coalition would make us extremely

nervous people. These are people who have consistently opposed the Broadcasting Act and Free Trade at every turn.

Michael McCabe Canadian Association of Broadcasters

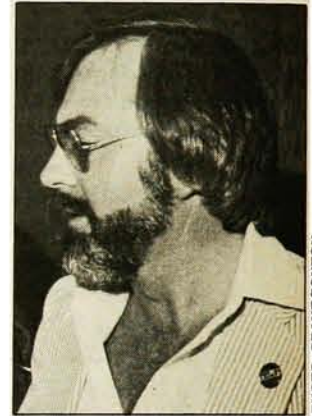


PHOTO: GRANT PONTON

As far as private broadcasters are concerned, what we would like is some greater understanding of the contribution broadcasters make in this country. We would also like a greater co-ordination of the various demands made on broadcasters, whether it's for Canadian content, or new sales taxes, or new pressures on copyright.

We opposed the Broadcasting Act and we still do. What we would like to see amended is, one, that the power of direction be limited. The government said it was to be limited to broad general matters, but now they want to tell cable companies what to carry on basic cable all across Canada and tell them the price that they are supposed to charge. This strikes us as hardly being broad general policy. So we think that this still has to be dealt with.

Two, we would like the decision-making process at the CRTC, in effect, restored to what it is now, so that we don't have decisions that are fragmented across the country - where we have a panel on the West coast that may make a decision that is vastly different on the East coast in essentially the same matter. We would like to have a national overview retained at the CRTC.

The third thing is we'd like to talk to the government about a workable incentive policy for new or additional Canadian programming and not the fines that they are proposing now, which we don't think will work.

Minority governments have been, over the years, among the most productive of governments. On the other hand, I think there is a requirement at this time for some strength heading into the Free Trade arrangement, which will require some strength and direction from the federal government.

Quite clearly it was necessary to get from the Americans exemption for cultural industries in order for the Free Trade Bill to have any chance to have passage in Canada. Quite clearly, also, the Americans continue to be very concerned about the exemption of these cultural industries and we believe that in the context of the Free Trade arrangement the Americans will increase the pressure and from now on there will be a formal framework for that pressure to be put. I would think that kind of pressure is going to be very tough.

We can work with all of the parties. That's our job. During the period of consideration of the Broadcasting Act, we worked with all three parties. We have no specific view of what particular government is good for us or not good for us.

Peter Mortimer

Association of
Canadian Film and
Television Producers

I think with a majority the government will bring back the Broadcasting Act pretty much as it is. I suspect we may have heard the last of the Film Importations Act.

Funding is likely to continue at appropriate levels of increase. The government feels it has done a pretty good job according to its master plan. Culturally directed subsidy is going to increase. I don't think there is a big sack of additional money. Probably there will be more money attached to the Broadcast Fund.

I think there was a recognition in Ottawa that we were right vis-a-vis private investment. The 30 per cent CCA is not doing anything, except in Quebec with its provincial tax incentives. There is no evidence of further private investment. Half the money that was available for production last year has gone away. But the government has added some money to offset this.

If there's a minority government a lot depends on who is uppermost in opposition. Both the Liberals and the NDP are very forceful about perceived deficiencies in the Broadcasting Act. They may succeed in having more changes made. The things we're looking for are: (1) regulation of foreign services coming in. They should be complementary rather than competitive to Canadian services, i.e. A & E should be forced to have a Canadian office; (2) maintaining the exclusivity of the Canadian market. There was a perception that the early draft of the Act was continentalist. I think the Bill as it stood up till October 1 was substantially

Sheila Finestone

Liberal Party

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people who are out doing the reporting, so that your scripts and your interpretations as done through your producers and the actors that you use and your public information disseminators, reflect the real diversity of Canada. If you believe that, then you have to have it reflected in every level of decision-making. There are competent, capable people in every aspect of Canadian society. We just have to make a conscious effort to see that they're reflected.

I think you have to have the principle of freedom of expression throughout the whole Act, which I brought in as an amendment. I think we have to have a reaffirmation of the arm's-length principle, so the CBC not only has the journalistic freedom, but it also has the right to manage its own affairs.

With respect to the definition of the roles in the CBC, the chairman and the president, I think we have to have some clarification of that. Otherwise we're going to have an ongoing conflict, Telefilm being the perfect example of how that could happen.

I would suggest that with respect to avoiding unfair competition and conflicts of interest, you really would have to incorporate in law provisions that would limit the role of the cable television system to produce programming, and that programming should be strictly complementary to that which is offered by the licenced broadcasters, Canadian stations and networks. If they're going to originate programming, they are going to have to originate complementary programming.

I think probably the most important element of the Broadcasting Act would be the priority of carriage on radio and television. If you don't have that, you're not organizing your system.

I had brought in an amendment, which was accepted and I presume that it would go through in a new broadcasting system, which was to encourage the development of Canadian expression, to provide a broad range of programming... I took it right out of the original Act. One of the other things that was left out was of course the serving and the reflecting of the regions as a CBC mandate and the recognition of independent filmmakers. Now many of these things were picked up and put in, but I think it was an interesting indication of where the philosophy was going that we had to fight so hard for these amendments.

One of the other concerns I had was the fact that there is no separate recognition of the role of

educational broadcasters, nor that of the community sector broadcaster, which had to be much more clearly defined with respect to the carriage of foreign, mainly American, television services.

The CBC

There's no question with respect to the CBC. I think it has to be brought up to an appropriation which will keep in mind the cost of living and its major role. And I think that this increasing emphasis on advertising revenue and the present government's philosophy that it be a mass audience programmer is counter-productive and counter-indicative of what the fundamental role of a public broadcaster should be.

Film production, distribution

The cut in the capital cost allowance was a dramatic reduction of private sector initiative and it was an effective tool. Simply adding dollars to Telefilm, which is an important vehicle and I certainly don't underestimate its importance, is not sufficient. We would certainly be looking at bringing back the kind of thing that the Capital Cost Allowance did do. And if it was good enough for mining flow-through shares, I certainly think it's a good vehicle.

I do have some strong feelings with respect to making Canadian programming more visible through better marketing and distribution and increasing the windows of opportunity that are available. As an example, perhaps there ought to be an NFB hour on CBC. There may well be a reason to say that our national carrier, whether it's Air Canada or Canadian, ought to be showing Canadian films.

I regret that the Free Trade agreement was negotiated using as part of the leverage a film distribution bill that is totally un-Canadian. And I would suggest that we need a form of legislation which would go back to the original concept that came out of the Raymond-Ross report, where you would have two classes of licenses; a general license which would be only open to Canadians and a proprietary licence which would be open to others, whether you're an Australian or an American, in which you have financed your film or hold the world rights and would then have the right to come in and distribute the film as principal investors. But the system that I am suggesting would allow

Canadian distributors to have access to films made by foreign and independent American producers. The estimate was that we would increase the distribution by Canadians to almost 15 per cent of the Canadian market. I don't think it's such an outrageous proposal, from three per cent to 15 per cent, for Canadian rights within their own home territory. It seems to me that we need that kind of film legislation the way we need new Telefilm legislation... We need a much clearer bill that would define its mandate with respect to broadcast, which of course wasn't included when the bill was written, and furthermore we need clarity as to who's the boss.

The amount of money given to the Canada Council for their filmmaking is a joke. In fact, I think it's quite insulting. The Canada Council is the flagship in terms of our creative factors or forces and has been underfunded for a long period of time. I would suggest that the government must look at the funding for the Canada Council and hear what they've had to say.

Free Trade

I think the Free-Trade deal has certainly frozen us into the present orbit, if I could put it that way. Certainly every one of our industries has a problem, whether it's book publishing, sound-recording distribution or postal subsidies... But when you try to move forward in any particular way, you have the clout being brought in by the potential of the derogation clause, clause 2052, the Notwithstanding clause I guess you might call it. It is a menacing and certainly concrete ability of the Americans to take a countervailing action and it is certainly not clear as to how that action will be taken... Will it be taken only against the cultural industries? Or do they have the opportunity to go against any one of our other industries so that it brings pressure to bear on politicians?

My goal basically is to allow Canadians to have the right to choice and that's quite fundamental in principle and it is very liberal in its view. It's not restrictive, but it's certainly proactive.

We have great talent here and there is no country in the world that promotes its talent without government intervention and without government help, whether you're talking about France or Italy or Germany or Japan or Australia or New Zealand or any other country in the world.

Ian Waddell

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the Sirois regime. It must be accounted for.

We would also introduce a new Telefilm Canada Act. Making it more of an arms-length agency to further the objectives of Canadian cultural policy. We would also allow it to roll over funds from one year to the next to cover commitments made which will not result in cash payments until the following year. I also think we'd have to consider some approach to a regional balance of Telefilm investments.

The film distribution system is dominated by the American multinationals. Only three per cent of profits stay in Canada and the (Conservative) government won't change that because of Free Trade. Flora MacDonald said she'd correct the situation but her revised policy was to give \$17 million to the distributors. We'd introduce a Cinema Act which would implement the recommendations of the Film Industry Task Force and insist that distribution be owned and controlled by Canadians. This could save \$85 million a year which would be given to the National Film Board.

I hope (the new NFB money) would tie into broadcasting. We would widen the mandate of the CBC so it would have the dollars to pursue Canadian content. There should be an increase in the Broadcast Fund and a new, publicly-owned, alternative TV network. I'm not sure if it would be run by the CBC but the corporation would get the All-News service.

We have a couple of problems in TV and radio. We're still weak on Canadian drama, there seems to be all-party agreement on that. I see an area where the Broadcast Fund could be used. And also, regionally, because of CBC cutbacks they're lean on regional production. We want regions to be able to talk to other regions.

We need stiffer performance requirements on private broadcasters and, in turn, we would licence American superchannels only if they were complementary to Canadian services. For example if there was a Canadian Arts and Culture channel we'd take Arts & Entertainment off, the same with all-news. But we wouldn't interfere with CBS, NBC, ABC or PBS.

As a result of the Free Trade Agreement... the Capital Cost Allowance has been reduced because it's an unfair subsidy. The general thrust of our position will be to partially put it back into place, to reinstate it for Canadian films. There may be room to put it back in terms of Canadian Cultural Content if we can find a way to define that. The Canadian Conference on the Arts says it can be done. What we're talking about are Canadian shows. I don't think the government should be funding pale imitations of an American cop show.

improved because Flora accepted a lot of amendments.

I don't know if the Tories would be prepared to do that again. The opposition may force the minister in a minority government to beef it up—assuming the government brings it forward. That depends how high cultural items are on an NDP and Liberal agenda. Chances are that it's fairly high. That might be part of deal-making with the government.

Aimée Danis Association des producteurs de films et de vidéo



Aimée Danis, president of the Association des producteurs de films et de vidéo (APFVQ), says the next federal government must, at least, listen to the Quebec producers.

She explains that the 100-member producer's association felt betrayed in 1987 when, in the wake of tax reform legislation, the Department of Finance did not replace the loss of a 100 per cent Capital Cost Allowance with an attractive investment policy.

"After they (Finance) had told us they would study our problem and after we had invested a lot of time and money to facilitate this, we felt that we had been ignored by Finance," says Danis.

Thus, the next federal government must remain accountable.

"We should be able to expect that from any government. We are not a politically motivated organization that will try to determine the next government. We will deal in good faith with whichever party is in power."

The most outstanding issue of the day in film and television continues to be the importance of replacing the 100 per cent CCA (reduced to 30 per cent). A reimbursable tax credit proposed by the APFVQ seems to be the most agreeable way to go, according to Danis, who says Communications Minister Flora MacDonald showed enthusiasm for the proposal at the general meeting of the APFVQ in late August. Whether this enthusiasm is adopted by the next

government remains anyone's guess.

There is no doubt that without this sort of support the film industry will have to lean more heavily on Telefilm Canada for financing, says Danis.

There is a strong consensus among the Quebec producers, says Danis, that the Film Importation Bill, sponsored by the Mulroney government, was little else than a sop for the Americans in free-trade negotiations.

"This was done to quiet the Americans and assure them that their market will remain intact in Canada," she says.

Danis, who is also the president of Les Productions du verseau Inc., says the federal government should reconsider the two-third, one-third allocation of federal spending on CBC and Radio-Canada, respectively. The allocation, she says, should be equal.

"The cost-of production is the same in French and English Canada but we don't have the market that English Canada does. However, there are larger audiences for our programs."

The next government should also consider maintaining the quality of French-language television production by increasing broadcast licence fees from the average 24 per cent of the value of production to levels approaching the European model of between 60 and 80 per cent.

Garry Neil

A.C.T.R.A.*



With the Tory majority, very clearly free trade will be adopted. Our fear about free trade is twofold. Firstly, what is in the agreement itself, the "Notwithstanding" clause—how much have we agreed to limit future measures with that clause. As more evidence comes out it appears more and more that our worst fear, basically what was agreed at the bargaining table, existing programs are fine, new programs would be subject to U.S. countervail. And the U.S. would intend to take very strong action if the Canadian government

*Alliance of Canadian Cinema, Television and Radio Artists.

comes up with new programs. That's our fear about what's in the text itself.

We have a greater fear, however. It appears to us the government agreed to do many other things or it seems to be more than coincidence that other things occurred at the same time we had bilateral trade talks with the U.S. In film and TV they include the Cinema Act. It seems more than coincidence that the film distribution legislation was significantly watered down over the year and a half since it was first proposed.

It seems more than coincidence that other irritants in the broadcasting side or the film side have suddenly disappeared. CCA went in the tax reform. There was the whole debate about whether CRTC should be given authority to licence American networks operating in Canada. Despite the recommendations of the Standing Committee and so on the government decided in the Broadcasting Act to reject that concept. The government certainly didn't take any action to strengthen the broadcasting system in the Broadcasting Act. It extends to publishing and the Baie Comeau policy which seems to have disappeared. All these things in our view are related to free trade.

What is in danger is the possibility of new and creative initiatives for the cultural industries. And after all, that's what we need. If you stand back and look at where we are, we don't have enough Canadian programming; we don't have enough Canadian movies; we don't have enough Canadian books and periodicals; we don't have enough professional expression of Canadian culture. The existing programs are inadequate. We have to develop new programs, stronger programs. And that's the danger from free trade. We're going to be limited in those.

The other two parties have obviously said they would not approve the free-trade deal if elected. We would hope that comes about. That doesn't seem likely, however.

In a certain narrow sense, if the Tories are re-elected with a majority, we will see some legislation. I fully anticipate that they will reintroduce the Broadcasting Act; they would introduce the second phase of the Copyright Act; they would reintroduce the film distribution legislation; they would carry forward on their promises of additional funding—there would not be the kind of cutbacks we saw when they first came to office. At least that's something, but I don't think as a whole it would move us significantly forward. But they're all in themselves somewhat important.

For example, the Broadcasting legislation would give us another opportunity to make more positive amendments to that legislation and perhaps turn it into a bit of legislation that would play an important role in shaping our broadcasting in a positive way in the years ahead.

Now if the other parties are elected I think that I would anticipate a stronger Broadcasting Act from the Liberals. They appear to share

some of the concerns that we have: the additional power the tabled Act gave to the cable industry; the lack of serious proposals to ensure that private broadcasters produce more and better quality programming, particularly drama. They seemed to share some of our concerns about the film distribution legislation which is virtually meaningless. What we need is much stronger legislation.

I haven't personally heard announcements from Mr. Turner about their cultural policy. I say "they seem to share some of our concerns" because the Liberals were in office for many, many years and did not move to amend the Broadcasting Act. They never made any move to introduce legislation to control film distribution in Canada. They were the ones that began the cutbacks at the CBC.

A minority government might help those of us who are working to achieve positive changes in the cultural field. Because a minority government is always more willing to compromise on bits of legislation which perhaps aren't crucial to their main agenda. And certainly for Tories and Liberals, cultural issues aren't critical to their agenda as would be tax reform, free trade and so on. That might give us a much stronger hand. We might be able to apply much stronger pressure through the opposition parties to effect changes.

What I understand from the NDP platform is clearly the most encouraging. There are a couple of key elements for us. In broadcasting Broadbent is committing more money for the CBC and committing that new broadcasting legislation would be introduced with significantly stronger provisions directed to get the private broadcasting sector to produce more and better quality Canadian programming for broadcasting in real prime time. He is committed to more money for the Canada Council. He also produced to introduce status-of-artist legislation which is very important for us. They also said they would introduce the original film distribution legislation proposed by Flora MacDonald.

Presuming that the Tories get elected with a majority, then our immediate action will be to get them to introduce the legislation which they have already committed to or have already previously introduced but amended. We would likely continue to do what we've been doing the past couple of years urging stronger government action in a whole number of areas. Our strategy would not be a whole lot different from what we've done, which is meeting as often as we can with as many people as we can and at many levels as we can and working with other groups in the industry to develop some of these changes.

One other battle we face immediately after the election is the revision to the sales tax. Clearly it's going to happen and it will have an impact on our industry and we're going to have to fight very hard to reduce the negative impact.

Samuel Jephcott

Canadian Film and Television Association



It would probably give the Conservatives A+ for effort in their cultural endeavours but a poor mark for completion. What we're saying is that we don't dispute that Flora was working hard and that indeed many of the people in Communications Canada have been trying very hard to get things done. Unfortunately, they didn't. And part of that problem is that the government as a whole, and indeed provincial governments as well, have failed to recognize that film and television and particularly television is the new, pervasive medium and is desperately important both industrially and culturally.

We have shared the opinion that the Broadcasting Act needs to be revised. The legislation that died on the order paper was going a long, long way in the right direction. It didn't go quite far enough. That is probably the failure to understand the importance of the business.

Our response to the film distribution legislation that finally got on the table is that it is a very small step in the right direction. If it's true, and we can get a little bit more access to the market, that's an improvement. God knows anything is an improvement. The original draft that was leaked was obviously a great deal better; it was much more of an improvement.

The problem is that when you get things like Quebec's 109 provision which discriminates against other Canadian distributors and the failure of the federal government to exercise its jurisdiction or at least launch a challenge in the Supreme Court as to whether this is constitutional, is of concern. Even a bad law that's moving in the right direction, like the federal film distribution legislation, is better than no law at all. At least you can say let's build on something. The problem is we're building on nothing without it.

The free-trade agreement is so loose that we can only be either optimists or pessimists because no one really knows what it says. The

CFTA stands squarely in the middle and says we can understand the questions that are being asked. We are not opposed to a free-trade agreement; we are in favour of a free-trade agreement. That raises a problem therefore of an industry which has all parts of the political spectrum involved. As a Canadian I accept the argument that without an agreement we might be very seriously hurt by the omnibus trade bill and that is an opinion shared by a great many of our members.

We accept that cultural industries are exempt and all of that. What we are concerned about is whether the exemption applies to any new or different approaches and, therefore, in terms of putting forward a proposal, for instance, for a refundable investment tax credit, which is being done by a CFTA task force, our concern is whether that would be challenged in front of the tribunal as being a new support program not covered by the so-called cultural exemption. At that point we start sharing the same opinion as those violently opposed to the free-trade agreement.

What we should have been doing is approaching the free-trade agreement saying this is absolutely wonderful. This means that we now have an opportunity to take a YTV service and start selling it to American cable companies. I think that isn't being looked at because no one is prepared to sit down and understand how important a solid base is at home. It may well be that the CBC 24-hour news channel would be the sort of channel that would have a market, albeit small, in the U.S. If at home it's going to have to compete with two American 24-hour channels. It will have enough difficulty attracting an audience here that it won't have enough time to look abroad at what it can do somewhere else. Somehow or other what we want to try and do is say, "Hey, let's start doing some serious horse trading. We carry your signals, you carry our signals."

One hopes that the next government will in fact start looking, as it goes back and sees the legislation it didn't achieve, the state of the

industry and the advantages and threats of a free-trade agreement that it will say, now is the time to recognize that we do have some distinctive advantages.

André Link

Association Québécoise des distributeurs de films et de vidéo



We expect that the Film Importation Bill will be re-introduced, studied and proceeded with. If the results of the election deem it necessary we would assume that a parliamentary committee will study the bill and make whatever recommendations are necessary. This bill is certainly not as strong as we would like. Preferably it will take the form of the original bill (February 1987). I don't know if it is reasonable to expect that, today, but the more efficient and just the legislation the better off everyone is, including the international film distribution community.

We need a law that will protect the Canadian industry and there are many ways the federal government can proceed on this. We hope they will do something.

In broadcasting we would like to see higher license fees that are more in line with production costs. ●

Research and interviews
by Mark O'Neill,
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