

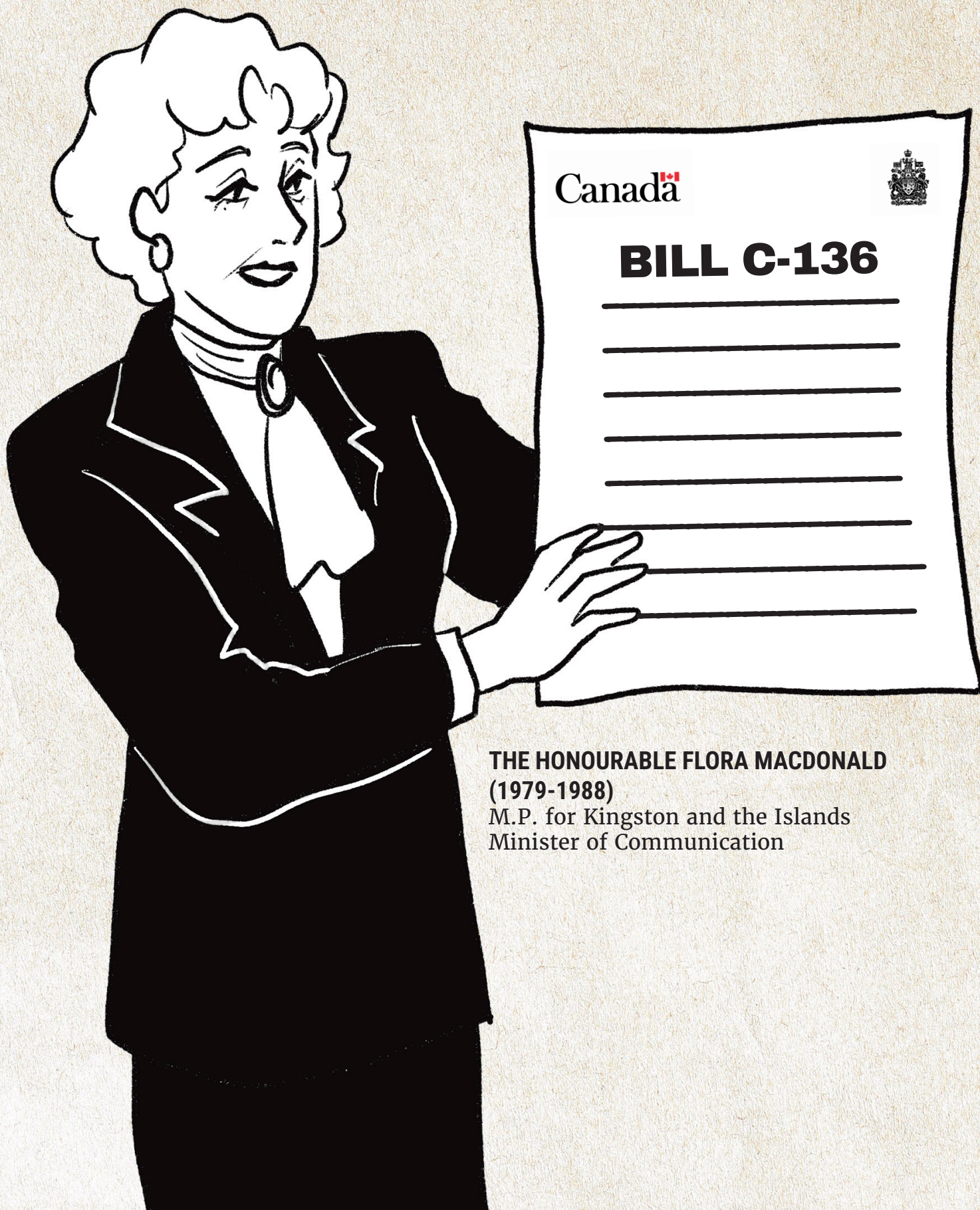
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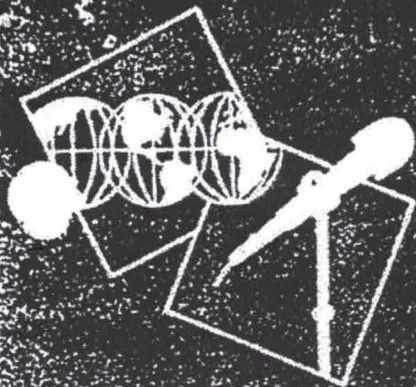
Canadian Voices – Canadian Choices

*1988 Flora MacDonald Film Products Importation
Press Conference*





THE HONOURABLE FLORA MACDONALD
(1979-1988)
M.P. for Kingston and the Islands
Minister of Communication



CHECK AGAINST DELIVERY

NOTES FOR A STATEMENT
AT A NEWS CONFERENCE BY
THE HONOURABLE FLORA MACDONALD
M.P. FOR KINGSTON AND THE ISLANDS
MINISTER OF COMMUNICATIONS
ON
THE TABLING IN THE HOUSE OF COMMONS
OF THE FILM PRODUCTS IMPORTATION BILL

OTTAWA, ONTARIO

JUNE 8, 1988

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TODAY I TABLED IN THE HOUSE THE FILM PRODUCTS IMPORTATION BILL WHICH WILL REGULATE THE IMPORTATION OF FILM PRODUCTS AND CREATE A SEPARATE AND DISTINCT FILM DISTRIBUTION MARKET IN CANADA FOR THE FIRST TIME IN OUR HISTORY.

THIS BILL, AND THE OTHER MEASURES IN OUR NEW FILM POLICY, MARK A TURNING POINT IN THE HISTORY OF THE CANADIAN FILM INDUSTRY.

THIS BILL IS SIMPLE AND EFFECTIVE. CANADIANS WILL AT LAST BE ABLE TO BID FAIRLY FOR THE RIGHTS TO INDEPENDENT FILMS TO BE SHOWN IN THEIR OWN COUNTRY. THE BILL IS ALSO TOUGH, PROVIDING FOR FINES OF UP TO 200-THOUSAND DOLLARS A DAY FOR ANYONE WHO TRIES TO GET AROUND THE LAW.

WE ARE DOING WHAT NO GOVERNMENT HAS DONE IN THE LAST 50 YEARS: SETTING THE STAGE FOR A VIABLE, DYNAMIC, PROFITABLE CANADIAN FILM INDUSTRY.

WITHOUT A VIABLE INDUSTRY, CANADIANS WILL REMAIN DEPRIVED OF SEEING OUR STORIES, IMAGES, AND EXPERIENCES THROUGH FILM.

THE RECORD OF PREVIOUS GOVERNMENTS IN DEALING WITH THE DOMINATION OF OUR FILM DISTRIBUTION INDUSTRY BY A HANDFUL OF LARGE AMERICAN FIRMS IS A LONG AND SORRY STORY OF INACTION.

IN THE 1930s, A GOVERNMENT INQUIRY FOUND THERE WAS A MONOPOLY. PROSECUTION IN THE COURTS FAILED.

IN THE 1940s, THE MINISTER OF TRADE AND COMMERCE, C.D. HOWE, COULDN'T BREAK THE MONOPOLY, BUT SETTLED FOR A MODEST COMMITMENT BY THE MOTION PICTURE ASSOCIATION OF AMERICA TO INCLUDE SOME CANADIAN CONTENT IN U.S. FILMS. SOME FILMMAKERS MADE A FEW TOKEN GESTURES FOR A FEW YEARS, AND THEN STOPPED.

IN THE 1960s, LEGISLATION ESTABLISHED THE CANADIAN FILM DEVELOPMENT CORPORATION. BUT THERE WAS NO CHANGE IN THE FOREIGN DOMINATION OF FILM DISTRIBUTION IN CANADA.

IN THE 1970s, SECRETARY OF STATE HUGH FAULKNER TRIED NEGOTIATING VOLUNTARY QUOTA AGREEMENTS WITH THE TWO DOMINANT AMERICAN THEATRE CHAINS. EACH COMPANY WAS TO RUN ONE CANADIAN FILM, FOR ONE WEEK, EACH QUARTER. THE AMERICAN EXHIBITORS DROPPED THE PRACTICE SOON AFTER MAKING THE COMMITMENT.

LATER IN THE 1970s, IN AN EFFORT TO INCREASE THE DISTRIBUTION OF CANADIAN FILMS IN CANADA, SECRETARY OF STATE JOHN ROBERTS JOURNEYED TO HOLLYWOOD AND SOUGHT THE CO-OPERATION OF THE STUDIO HEADS AND THE PRESIDENT OF THE MOTION PICTURE ASSOCIATION OF AMERICA. THE DISTRIBUTORS TOOK NO ACTION OF ANY CONSEQUENCE.

IN THE 1980s, COMMUNICATIONS MINISTER FRANCIS FOX AGAIN TRIED TO NEGOTIATE WITH THE AMERICAN DISTRIBUTORS TO ACHIEVE GREATER ACCESS TO CANADIAN AUDIENCES FOR CANADIAN PRODUCERS. THE NEGOTIATIONS WERE ABANDONED WITH NO RESULTS.

FOR 50 YEARS, PREVIOUS GOVERNMENTS HAVE TALKED ABOUT THIS ISSUE, BUT HAVE DONE NOTHING.

THIS GOVERNMENT DOES NOT INTEND TO SETTLE FOR TALK. WE ARE TAKING CONCRETE ACTION.

FOR THE FIRST TIME, WE ARE CREATING, THROUGH LEGISLATION, A SEPARATE, FAIR, COMPETITIVE MARKET IN CANADA.

THE FILM DISTRIBUTION INDUSTRY IS IN THE BUSINESS OF PACKAGING AND MARKETING BLOCKS OF FILMS TO THEATRE OPERATORS. TO BE SUCCESSFUL, A DISTRIBUTOR GENERALLY HAS TO PUT TOGETHER A MIX OF ATTRACTIVE FILMS FROM DIFFERENT SOURCES.

TODAY, THE MAJOR AMERICAN DISTRIBUTORS CONTROL THOSE PACKAGES IN CANADA. THEY COMBINE FILMS FROM THEIR OWN STUDIOS WITH THE BEST OF THE INDEPENDENT PRODUCTIONS FOR WHICH THEY AUTOMATICALLY BUY THE CANADIAN RIGHTS AS PART OF THE NORTH AMERICAN RIGHTS.

THERE IS NO INCENTIVE FOR THE MAJORS TO INCLUDE CANADIAN FILMS IN THOSE PACKAGES. AND BECAUSE THE MAJORS ALMOST ALWAYS TAKE THE NORTH AMERICAN RIGHTS TO THE MOST PROFITABLE INDEPENDENT PRODUCTIONS LIKE CROCODILE DUNDEE AND PLATOON, CANADIAN DISTRIBUTORS CAN'T EASILY PUT TOGETHER PACKAGES THAT APPEAL TO THEATRE OPERATORS.

OUR NEW FILM POLICY WILL BREAK THAT STRANGLEHOLD BY GIVING CANADIAN DISTRIBUTORS A CHANCE TO BID FOR THE BEST INDEPENDENT PRODUCTIONS SO THAT THEY CAN PUT TOGETHER COMPETITIVE PACKAGES OF CANADIAN AND FOREIGN FILMS.

THIS BILL ALSO PROVIDES MEASURES TO DEAL WITH DISTRIBUTORS WHO HAVE INTEGRATED INTERESTS IN THE FILM EXHIBITION BUSINESS. THESE COMPANIES, WHICH CONTROL A LARGE NUMBER OF THEATRE SCREENS IN CANADA, COULD HAVE THE ABILITY TO UNFAIRLY PREVENT OTHER DISTRIBUTORS FROM ACQUIRING THE RIGHTS TO FILMS OR DISTRIBUTING THEM.

UNDER THIS LEGISLATION, THE GOVERNMENT WOULD BE ABLE TO DENY IMPORTATION OF A FILM PRODUCT BY SUCH INTEGRATED FIRMS IF THEIR ACTIVITIES WERE DEEMED TO BE UNFAIR BUSINESS PRACTICES IN THE CANADIAN DISTRIBUTION MARKET.

AN ADVISORY COMMITTEE, CHAIRED BY THE DIRECTOR OF INVESTIGATION AND RESEARCH OF THE BUREAU OF COMPETITION POLICY, MR. CALVIN GOLDMAN, WILL BE ESTABLISHED TO ADVISE ME REGARDING THE COMPLIANCE OF THE INDUSTRY WITH RESPECT TO THESE PROVISIONS OF THE BILL.

AS I SAID BEFORE, THIS IS EFFECTIVE LEGISLATION, AND IT IS TOUGH LEGISLATION.

THIS BILL PROVIDES PENALTIES OF UP TO 200-THOUSAND DOLLARS A DAY. AND SERIOUS OFFENDERS COULD BE DENIED AUTHORIZATION TO IMPORT FILMS INTO CANADA IN THE FUTURE. TO ADMINISTER AND ENFORCE THE NEW POLICY, WE WILL HAVE THE ASSISTANCE OF CANADA CUSTOMS, THE BUREAU OF COMPETITION POLICY, AND A NEW FILM PRODUCTS IMPORTATION OFFICE.

THE LEGISLATION IS ONE ESSENTIAL ELEMENT OF THE FILM POLICY WHICH I ANNOUNCED ON MAY 5.

ANOTHER IS THE NEW FILM DISTRIBUTION FUND OF 85-MILLION DOLLARS OVER FIVE YEARS.

THE FUND WILL ENSURE THAT CANADIAN DISTRIBUTORS HAVE MORE RESOURCES TO INVEST IN, PROMOTE AND DISTRIBUTE CANADIAN FILMS; AND IT WILL MAKE THEM MORE COMPETITIVE IN ACQUIRING RIGHTS TO FOREIGN FILMS TO PACKAGE WITH THEIR CANADIAN PRODUCTIONS.

THE THIRD ESSENTIAL ELEMENT IS THE NEW INVESTMENT CANADA POLICY ON FILM. UNDER THIS POLICY:

- FOREIGN TAKEOVERS OF CANADIAN-OWNED AND -CONTROLLED DISTRIBUTION BUSINESSES WILL NOT BE ALLOWED.
- NEW FOREIGN FILM AND VIDEO DISTRIBUTION BUSINESSES IN CANADA WILL BE RESTRICTED TO DISTRIBUTING PROPRIETARY PRODUCTS ONLY.
- TAKEOVERS OF FOREIGN DISTRIBUTION BUSINESSES OPERATING IN CANADA WILL BE REVIEWED FOR THEIR CONTRIBUTION TO THE GOVERNMENT'S OVERALL FILM POLICY GOALS.

THIS NEW POLICY APPLIES TO ALL APPLICATIONS TO INVESTMENT CANADA MADE AFTER MY STATEMENT OF FEBRUARY 1987. IT IS FAIR TO THOSE FOREIGN-CONTROLLED BUSINESSES ALREADY OPERATING IN CANADA, BUT GIVES THE GOVERNMENT THE POWER TO PREVENT UNWANTED NEW ENTRANTS AND TO INCREASE CANADIAN CONTROL OVER TIME. THIS WILL BE PARTICULARLY IMPORTANT IN ENSURING THAT CANADIAN CULTURAL OBJECTIVES ARE MET IN NEW INDUSTRIES SUCH AS THE VIDEO DISTRIBUTION BUSINESS.

THE FOURTH ELEMENT IS AN ADDITIONAL 115-MILLION DOLLARS OVER FIVE YEARS TO ASSIST THE CANADIAN FILM INDUSTRY TO ADJUST TO THE CHANGING INVESTMENT CLIMATE FOR THE FILM INDUSTRY.

THE GOVERNMENT RECOGNIZES THAT THERE IS A NEED FOR FILMS THAT REFLECT UNIQUELY CANADIAN CULTURAL, REGIONAL AND LINGUISTIC EXPERIENCES. SUCH FILMS MAY NOT BE AS IMMEDIATELY ATTRACTIVE TO INVESTORS. THIS NEW FUND WILL ENSURE THAT THOSE FILMS THAT ARE IMPORTANT TO CANADA CAN STILL BE MADE BY CANADIANS.

THERE IS A BIG MARKET IN CANADA FOR FILMS AND VIDEOS -- CANADIANS ARE SPENDING 20 MILLION DOLLARS A WEEK. IT IS ONE OF THE MOST PROFITABLE MARKETS IN THE WORLD.

THE INVESTMENT WE ARE MAKING NOW IN THE FUTURE OF CANADIAN FILM, AND THE NEW RULES THAT HELP MAKE IT A FAIR MARKET, WILL HAVE A MULTIPLIER EFFECT. INITIAL GOVERNMENT SEED MONEY, ALONG WITH PRIVATE INVESTMENT, AND NEW REVENUES OF CANADIAN DISTRIBUTORS WILL CREATE A POTENT SOURCE OF FUNDING.

WE WILL BE PRODUCING -- AND SEEING -- MORE CANADIAN FILMS, BETTER CANADIAN FILMS, ON CANADIAN SCREENS.

THE BILL ON IMPORTATION OF FILM PRODUCTS IS PART OF A NEW SCRIPT FOR FILM IN CANADA -- A SCRIPT WHICH THIS GOVERNMENT IS WRITING AFTER 50 YEARS OF NO ACTION.

JUST AS PREVIOUS GOVERNMENTS DID NOTHING BUT TALK ABOUT COPYRIGHT FOR MORE THAN 50 YEARS, SO THEY DID NOTHING BUT TALK ABOUT FILM DISTRIBUTION.

THIS GOVERNMENT HAS ACTED ON COPYRIGHT, AND WE ARE TAKING ACTION ON FILM NOW.

THE CREATIVE COMMUNITY SUPPORTED US IN THE BATTLE FOR COPYRIGHT REFORM. THE FILM COMMUNITY IS SUPPORTING US IN THIS INITIATIVE ON FILM.

THEY KNOW THAT THEY CAN AND WILL DELIVER THE FILMS OF QUALITY THAT CANADIANS DESERVE FROM OUR SIGNIFICANT INVESTMENT. THE WORK OF THE LAST FEW YEARS IN FEATURE FILMS SHOWS WE ARE ON SOLID CREATIVE GROUND.

I AM CONFIDENT THAT CANADIANS WILL WELCOME AND SUPPORT OUR ACTION IN HELPING TO CREATE AN EXCELLENT FUTURE FOR FILM IN CANADA.

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