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Chair

Ms. Marlene Catterall

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• (0905)

[*English*]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I call to order this meeting of the Standing Committee on Canadian Heritage.

We have two witnesses this morning, so I'm afraid we're not going to be spending as much time as we'd like with either of them. The first, with the Canadian Conference of the Arts, is Jean Malavoy, who is the national director; Peter Fleming, whom I've known in many incarnations, is a consultant with them.

Which of you is going to be starting off, Mr. Malavoy?

[*Translation*]

Mr. Jean Malavoy (National Director, Canadian Conference of the Arts): Madam Chair, members of the committee, good morning.

My name is Jean Malavoy and I am the national director of the Canadian Conference of the Arts, the CCA. I am accompanied by Peter Fleming, who has worked for us as a consultant and has contributed to the preparation of our written brief.

The CCA would like to thank the Standing Committee on Canadian Heritage for giving us this opportunity to appear today. It is the first time that we have the chance to meet with the full committee.

The CCA celebrates its 60th anniversary this year. Our mandate is to make sure that the voice of performers and creators is heard. You will have the opportunity to meet with some of our member organizations who will appear before you during the ongoing process. The CCA includes such diverse organizations as ACTRA, the Independent Media Arts Alliance, the CFTPA, the Directors Guild of Canada, the CAB and the Union des artistes.

Our main goal in this file is to make sure that the development of policies in the film sector is based on the place and the significance of creators in the film industry. However, we are of the opinion that a policy framework that supports the business dimension of culture, on which these creators are dependent, is also essential if we want to guarantee a vibrant Canadian film industry, which must be able to reflect the Canadian vision, values and experiences.

Our presentation today is centered around five ideas on which we base our position.

First, the film policy must be predicated on cultural issues, and industrial objectives must support that goal.

Second, the film policy must strive to make sure that Canadian men and women will have access to diverse stories relating Canadian facts, from all areas of the country and reflecting a broad spectrum of cultural perspectives.

Third, in order to ensure that we have a robust Canadian film industry, we need a cooperative action combining the efforts of all parties concerned in the public and private sectors.

Fourth, it is essential to ensure accountability in the management of public funds, but this accountability requirement should not hinder the process to the point of becoming an objective as such.

Fifth, we should be able to resist the temptation to create a single window funding agency in the film sector, and we should take into account the fact that the harmonization of diverse efforts yields superior results.

[*English*]

Film policy is cultural policy. We believe that cultural goals should be paramount. At the same time, we have to recognize that without a sustainable industry with strong creative, craft, business, and financial structures, cultural goals will be unattainable.

We believe all four goals outlined in 2000 in the Canadian feature film policy, "From Script to Screen", remain relevant today: to develop and retain talented creators, to foster the quality and diversity, to build larger audiences at home and abroad, and to preserve and disseminate our collection of feature films.

CCA is concerned that some believe film policy is only about the third goal and have only looked at one measurement of this: the domestic box office for feature films. This ignores an evaluation of the other goals of the policy. Even if we accept that the audience goal is an important one, we believe focusing only on the 5% goal has two weaknesses—it overlooks other forms of production and, more importantly, it ignores the many other ways Canadians receive access to our own cinema. We therefore recommend that the committee's examination of the success of the policy also take into account the success of other forms of cinema, including feature-length documentaries, and that the study also look at progress in attracting Canadian viewers to our films on the small screen, at film festivals, and through other direct-to-market means. We also recommend that you examine the success in reaching the other goals, in particular the goal of developing and retaining talented creators. At the same time, if we do not find a way to increase the screen time allotted to Canadian films in our theatres, we cannot expect an increase in box office share. While we are not opposed to regulation to meet this goal, another option is some kind of tax credit system for distributors and theatre owners who meet a certain level of Canadian screen time.

Our film policy must ensure diverse reflections of Canada. Too great an emphasis on box office success could lead us down a blind alley—that of copying the successes from elsewhere, but with fewer resources. This means we have to be open to the widest range of creative inputs, whether from the many regions of Canada, from aboriginal people, or from Canadians from backgrounds other than English and French. The success of films like *Atanarjuat: The Fast Runner*, Deepa Mehta's *Fire*, or *Bollywood / Hollywood* shows us Canadian films reach audiences with stories from a variety of cultural identities. These filmmakers should not have to compete for moneys from the official language envelopes, but should have funds earmarked for them.

CCA therefore recommends that the existing level of funding for Telefilm for English- and French-language films be, at a minimum, maintained, and ideally increased, and that additional money be made available to support aboriginal and multicultural filmmakers.

[Translation]

Supporting the film industry requires an effort from many interested parties. In order to make sure that film production in Canada is not limited to a mere project and that, to the contrary, it is a long term effort, we must first and foremost discover, support and train creators who choose as a priority to present to us our own voice, our own films. This means that we must encourage beginner creators and support their scripts, that we must make sure that our screen writers have career opportunities and that we must support directors, actors, film score composers and craftsmen, be they beginners, emerging or well established.

In order to do so, we must have the support of the federal, provincial and territorial governments. We must also ensure we have the support of all public broadcasters as well as private broadcasters. In some cases, private broadcasters have strongly contributed to the funding and visibility of Canadian films. Still, we are convinced that much more could be done.

While regulations that would increase the private broadcasters' role should not be excluded, we are still prepared to consider an incentives regime for those broadcasters who would choose to increase the visibility—and hence licensing rights—of Canadian films. It could be regulatory incentives, but fiscal incentives for investors could also be considered.

We would also like to underline the important roles played by the Canada Council of the Arts and the National Film Board in the training of writers, directors and other creators. Their continued support is essential to a vibrant national film industry, both today and in the future.

Striving to implement an accountable management should not be an end in itself. We fully understand the motives behind the efforts to make sure that taxpayers' money be invested in an efficient manner. However, we must also take care that the objective to ensure accountable management of public funds do not become an end in itself. When systems are so complex that it becomes excessively costly to access the support they provide, we are faced with the problem of allocating too much of the public funding to procedures and not enough to production. We urge you to make sure there is some balance in this system.

● (0910)

[English]

Harmonization and not integration: It has been suggested by some that we need a one-stop shopping system whereby one agency takes care of the all film-related fiscal support mechanisms. We understand the temptation to create a super-agency that would bring together great expertise. However, we believe different organizations, each with its own mandate, can ensure a better diversity of inputs to our system.

We also need to ensure we do not have competing bureaucracies and multiple application procedures. It has been suggested many times that the various funders get together and harmonize their approaches so one form could be used for multiple purposes. Perhaps this time the committee can throw its weight behind this suggestion. In our written brief, and today in this short address, CCA has made a number of recommendations and suggestions to you. I would like to restate them.

Take a broad view of the task of evaluating the film policy, looking at its success in meeting all the goals set out in 2000.

Maintain and increase the English- and French-language envelopes for featurefilm, and supplement them with new money for aboriginal and multicultural productions.

Maintain funding—and increase it where possible—for all the major interveners in the feature film process, including the Canada Council for the Arts, the NFB, and the CBC.

Consider means to ensure more broadcasters become involved in the financing and exposure of film—by regulation, if required—and new incentives to reward their involvement. The CBC must play a major role in such efforts.

Find means to streamline and harmonize the differing mechanisms of support so more funding goes to production and artistic endeavour.

We share the hope of others who have appeared before you that your report will spark new directions in Canadian film policy that will build on the successes of the past and the lessons learned from broadcasting and other areas, and will ensure a strong film industry based upon Canadian values and experiences.

● (0915)

[Translation]

I thank you for your attention. I will be pleased to answer your questions, together with Peter.

The Chair: Thank you, Mr. Malavoy.

[English]

Madame Oda, you are beginning this morning.

Ms. Bev Oda (Durham, CPC): Thank you, Madam Chair, and welcome, Monsieur Malavoy and Monsieur Fleming.

It's always a pleasure to have an opportunity to discuss the arts and culture, particularly in a review of feature film. I must say I was interested in your written submission. It was very comprehensive—we appreciate that—and some very constructive suggestions were made in the submission.

There is one in the submission that I don't think was covered very precisely in the written, and not referred to necessarily this morning. I would refer you to page 2, point three. It's the fourth bullet down: "The federal government should play a leadership role in arts and cultural support and adopt a comprehensive policy...." At the end of the document you reiterate your recommendation for a cultural policy.

Mr. Malavoy, do you feel we are currently without a comprehensive cultural policy? Do we need to establish one, or do you feel there is one, which has to be reviewed? I read this as saying there is no federal cultural policy.

Mr. Jean Malavoy: As you know, the establishment of a federal cultural policy has been a major objective of the CCA. To answer the question, I'll say no, there is no overarching federal cultural policy that includes everything. There are very specific cultural policies, but there is no overarching vision of federal cultural policy as such. It's a big issue, an interesting issue. A policy framework is pretty dry for Canadians. There is no street line tag or excitement. I think, though, having a cultural policy is indispensable, essential, to bring the cultural debate to the street, to have a public debate about arts and culture.

Also, as you all know, because we fought very much for the Tomorrow Starts Today—*Un avenir en art* funding program—and you were strong on that, and are still very strong on that—we need all Canadians to understand that arts and culture is a pillar of society, as well as education and health, so...an overarching cultural policy. It is a major issue for the CCA, and as you may know, it's going to be

the theme of our national policy conference to be held in Toronto, November 24 to 26.

[Translation]

I would also like to point out the exceptional example coming from Quebec concerning their cultural policy. In fact, that has happened when Ms. Frulla was the minister. Quebec's cultural policy is an excellent example. It's a sort of charter of rights and freedoms, a document that can facilitate putting into place specific policies. It is a reference document for officials, but this policy can also create within the population a sort of vision vis-à-vis the cultural policy of the country.

I really like the title that has been given to Australia's cultural policy: *Creative Nation*. It is beautiful. It goes beyond culture. So I would say that it is a priority for us, as Ms. Oda has said. I do not believe that such a policy exists today.

● (0920)

[English]

Ms. Bev Oda: Thank you very much.

I would agree there should be an overarching cultural policy. I think it would maintain consistency, would maintain focus, and would certainly assist in the harmonization you've recommended as well.

You talk about cultural goals, and that's another very complicated discussion. The government has been asked to undertake its work, not just in this area but in many areas, such that the objectives are clearly defined. They're measurable goals so we can see how effective policies and programs have been.

You're talking about cultural goals, so just in the area of feature film within the framework you've suggested, could you suggest to us some cultural goals that might reach those objectives of being measurable, where the funds are used accountably and we have some kind of ability to measure? That's not going into the question of box office, but since you've suggested cultural goals, have you any recommendations as to what those goals might be?

Mr. Jean Malavoy: I'd just say we talk about industrial goals and we talk about cultural goals, and we say the two are really fundamental. The industrial goal is to be profitable. It's a business and you make a living from it. The film industry is a business, an industry, and we should keep that in mind. The cultural goal is to put the emphasis on the creators, giving work to Canadian creators so they can reflect who we are.

A major element of the fabric of who we are is the villages and the faces of all Canadians; in essence, that's the cultural goal and it's very much linked to our cultural policy. The cultural goal is not only market driven, it's driven by the Canadian identity. The Quebec film industry has done very well in that. The recent films have the emotion of bringing out—we've seen it with the films we mention in here—specific Canadian values that make us unique.

The Chair: I'm going to pass on to Monsieur Kotto.

[*Translation*]

Mr. Maka Kotto (Saint-Lambert, BQ): Thank you, Madam Chair.

Mr. Malavoy and Mr. Fleming, good morning and thank you for being here.

My concern lies within a holistic perspective. My approach of the cultural dimension is predicated on the necessity of preserving cultural diversity, just as we must preserve biodiversity.

Given your expertise, do you consider that the Canadian government is giving itself the right tools or has sufficient means to counter the sweeping cultural influence coming from Hollywood or even from New York?

Mr. Jean Malavoy: I believe that we have made steps in the right direction in terms of funding in the last budget, including in terms of the long-term stability of the infrastructure. However, there is still a lot of work to do to increase investment in arts and culture. I quite like your comparison with biodiversity. It is also being used on the international level, in terms of the Convention on Cultural Diversity. There are concerns regarding biodiversity and it is said that we should be just as worried about specificity of various cultures of the world that are faced with the American monolithic experience and this mirage that includes everything that we describe as entertainment. I believe that it is also a quite complex approach.

Thanks to its language, Quebec has managed to ensure a level of protection of its culture. The situation in the rest of Canada is much more complex. In the area of film, among others, Canada must compete with Hollywood in a market having a common language. Given that the situation is more complex, we must be creative. I believe that in any human issue, it is better to persuade than to regulate. It is important to convince people, rather than muzzle them. That is why we talk more about incentives than regulation, although at the level of television, the latter has worked well. We have managed to protect a certain level of Canadian content in television. The more commercial dimension of film is perhaps more complex, but we need incentives to protect our market and, more importantly, to showcase the talents of our creators.

In Canada, there are 135,000 professional performers and they do not have enough work. They have extraordinary talent, but they do not have enough work to express that talent. The people find a lot of themselves in their own creators.

• (0925)

Mr. Maka Kotto: I was precisely coming to this. Is the situation of creators in Canada and in Quebec more enviable than that of creators in the United States or even in Europe? Are there shortcomings that we should look after? This issue is also linked to the flight of talents going abroad. In English Canada, there is no

star system as there is in Quebec. There is nothing to induce these artists to develop a sense of belonging to their own community. So the pathway leading from Toronto to New York or Vancouver or Los Angeles is easy to cross. What can be done in this regard? And I would go even further. In the education system, nothing is being done to give the students some awareness about arts and culture in general and cinema in particular.

When I was in primary school, we had film societies where we were being educated about the art of the image, the script and the acting. We were linked to our own values at a very early age. I talk about this because today's market—if we can call that a market—is being flooded by products that do not reflect or convey Canadian values. These products are going into our bedrooms and our children's schools and are shaping their interpretation of arts and culture. One should not forget that from 0 to 16 years old, children are at the stage where their psychological make up is being shaped. After that age, it's over. If we do not do what must be done, they will become consumers of American products and will turn their back to Canadian products.

I would like to have your comments on all of this.

Mr. Jean Malavoy: The creator is at the core of any culture. He is the best flag-bearer of his culture. We should not forget that there is no culture without artists. That is why it is important that in any policy framework, whether it is a film policy, a copyright policy or a financial stabilization policy in general, we recognize that the creator is the cornerstone of the system. Generally, he or she is the one that benefits the least. It is also often the case of workers in manufacturing plants and in many industries.

In my view, Canada is an exceptional country. It is like a well-functioning united nations. Let's take cities such as Toronto, the most multicultural city in the world. We have an exceptional cultural fabric and by nature, Canadians are welcoming. They tend to respect differences and are blessed with a social cohesiveness that we do not find anywhere else in the world. In my view, it is an exceptional value that can and must be reflected in our feature films. The exceptional complexity of our country is partly due to the fact that we are so close to the United States and also to the fact that it is such a huge country with a population that is scattered over a vast territory. It is a complex task to reflect the various regions of such a country.

Our proposal includes many innovative ideas. We should seek ideas that have not yet been put forward. What we are dealing with is an ecosystem where all parts must play a significant role. In this huge ecosystem, there is Telefilm, the CBC, public and private broadcasters, the NFB and the Canada Council. There is a lot of talk about the Canada council, but let's not forget that David Cronenberg and Atom Egoyan have started their career with small grants from the Ontario Arts Council. I was at the Ontario Arts Council when Atom Egoyan was applying for grants of \$2,000 or \$3,000.

So we have this huge ecosystem where all parts must play a significant role. The key to success is a matter of fine tuning. We must find an approach that will promote the creation of Canadian films and allow Canadians to see their own films. We can only love what we know. The biggest problem is that Canadians do not have access to their own films. And when they do, it is in conditions that are not always the best.

I was talking about being innovative. There are large movie theatre complexes, but there are many other means of bringing movies to the public: DVD, pay TV, festivals, the National Film Board. The magnificent film about Mr. Dallaire, entitled *Shaking Hands with the Devil*, was featured in festivals, but Canadians saw it on television. There was almost a sense of reverence. This film had a strong impact on Canadians. The day after it was broadcast, a minute of silence was observed. That film has had a considerable impact. It is a Canadian film that was featured in a festival, but Canadians only had access to it through television.

We are proposing alternative and often innovative ways of giving access to Canadian films, and we recommend an increased funding for the film industry in order for Canadians to be able to see a reflection of themselves in their own films.

● (0930)

[English]

The Chair: Monsieur Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, Madam Chair.

I'll say at the outset, as I've said before in some of our discussions on this industry, my body language might show frustration, but it's only because I really feel that this discussion you two have begun I would prefer to be doing over a bottle of wine, and I'm going to get very upset when my five minutes runs out.

A voice: Canadian wine, I would hope.

Mr. Charlie Angus: Yes, of course.

This discussion on what is culture, to me, is maybe at the heart of part of our ambivalence about a national policy, because on the one hand, culture is identity. My grandmother was the last of the oral tradition of Scottish culture, and culture was so much a part of your carrying on a cohesive story. As you point out, we have culture in Canada today that is very much street level, very diverse, and very fascinating. Yet it seems to me that in Canada our difficulty is a major ambivalence about the other factor of culture, which is mass entertainment, which has been pioneered in the United States.

It seems to me that we are very afraid of or we ghettoize our sense of how we produce our culture in terms of film, not so much in music. I wonder if there's a wariness to embrace the notion of mass entertainment culture.

For example, *The Simpsons* may not be nearly as high culture as Margaret Atwood, but *The Simpsons* define our cultural generation in a way that Margaret Atwood never will, and *The Simpsons* are imbued with Canadian references.

I'm bringing this up because of what came up at our hearings the other day about Canadian films not being allowed to be distributed

by majors. Warner Bros. was the example you brought up. Are we creating this culture and we're afraid that it's going to get swamped, we're afraid it's not going to be able to compete, so we put it in a box so that it can't get out?

I'd like some comments on that and also whether you think opening up our distribution in that to the U.S. majors is going to help or hinder our ability to get our cultural products out.

● (0935)

The Chair: Just for clarification, because I think there was a bit of that discussion at our meeting on Tuesday, I don't think it's that majors are prohibited from distributing. What does happen is that if they invest in a film—and that's where a lot of the investment in film comes from—then it's not eligible for tax credits. I think that's the nub of the problem.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): I think we need more information on this before we make unequivocal statements about it.

Ms. Bev Oda: Madam Chair, I can clarify it.

The Chair: Sure. This is now coming from the...[Inaudible].

Ms. Bev Oda: In order to access, if it's a Canadian distributor, it qualifies for support. If it's a foreign distributor, it does not, and therefore they are prohibited from being the distributor and consequently providing the advances that a distributor would to a Canadian company.

Mr. Charlie Angus: That's what they told me after we spoke.

She said, "If you support film, why will you not allow us to distribute?" That's what she said to me afterwards. She didn't say that in the—

The Chair: But the real, direct question is, "Why will you not allow us to benefit from the same tax credits if we invest in film, which we will then show?"

Mr. Charlie Angus: Yes. So I guess my question is—

The Chair: Okay, you're kind of starting fresh.

Mr. Charlie Angus: Okay, the clock is ticking.

Have we put a box around our ability to compete because we're afraid of being swamped by big bad gauche Hollywood?

Mr. Peter Fleming (Consultant, Canadian Conference of the Arts): You started off talking about the idea of culture, and popular culture as opposed to high culture. Certainly I would hope you wouldn't take any of the remarks we made as trying to say that culture is only essentially playing dead European artists in orchestras.

Mr. Charlie Angus: No. I'm saying, what do we need in terms of cultural policy?

Mr. Peter Fleming: If we need a cultural policy that speaks to all the manifestations of cultural expression—which may be a better term than cultural policy in supporting Canadian expression.... Certainly, the CCA comes from the point of view of supporting creators all the way up the line. Creators go all the way from the scriptwriter to the person who composes the music for the film, to the director of the film and the talent on the screen, and even, in some sense, to the producers, who have a very creative role in bringing it all together. We need to make sure we are able to support all of those teams up the line.

As far as the role of distributors is concerned, one of our problems, to some extent, is that there is some integration between distributors and theatre owners, and in some cases.... We give the example in our report of a film called *Emile*, which was doing very well in a Cineplex—and in fact the filmmaker's report was that it was grossing better than the other films that were on at the time—but there was another film coming down the pipeline from the distributor and it proceeded to be a blockbuster; so it was bye, bye, *Emile*. I think that is a problem we continually run into.

On the one hand, from my observation of the music industry, for example, I would say that the U.S. majors have in many cases been responsible for the success of some Canadian stars. The problem on the other side of the coin is that if you go too far down that line, what happens to the Canadian independent producers who discover those stars and often bring them along to the point that they are snapped up by the Sonys, etc.? So there is a dichotomy there, and hopefully we can find a way to be creative and ride that horse in the direction we want it to go.

The other part of that and the reason for limits on foreign distributors being involved in the film industry is that with many of our filmmakers in the past, there was often the idea that there were always producers out there getting rich on the taxpayers' money. In fact, where many of them have made their money is through the distribution of foreign product, rather than through their production of Canadian product. If we are going to keep that protection, maybe we also want to ask those people what they are doing for production on the other side of it. If they are going to be protected from competition in distribution, maybe we need to make sure they can make the case that they deliver the merchandise. In fact, some of them will make the case that they do—but not always.

● (0940)

Mr. Charlie Angus: The need for a larger framework policy for culture in Canada is paramount, but I'm also wondering if it is time we addressed the fact that we, particularly in English Canada, are sitting in a phenomenal situation beside the American giant, but continually look at the American giant as this colossus that is threatening our culture, as opposed to looking at the opportunity we have to market our culture into the United States, which no other culture can match, except maybe England. Yet our film industry is struggling. I don't see it being affected if it has Canadian place names, because I'll tell you, from writing Canadian songs, that Americans don't give a damn where the place name is, because they all think it's in America anyway. So it's not a big deal to them. In fact, they prefer Canadian place names; they think they're exotic.

We are sitting right beside America, and yet we don't seem to have a long-term plan for marketing our films into America. Is that part of

this discussion? I know we are looking at an internal framework, but we really have to be looking at why we aren't succeeding externally into our biggest market.

The Chair: We'll see if Mr. Malavoy has a comment on that, but that is certainly why I am keen to have our international trade officials here.

Mr. Jean Malavoy: I agree that there's no one solution. It's a wide range of different elements that would help. You need political will at the highest level to make sure Canadians have more access to their stories, their values, their artists, at all levels.

Also, some with a bigger role, such as the CBC, could be a model. It's not easy. We can see now with the *Hockey Night in Canada* issue that they're losing a lot of money. They have movies, and the movies are not Canadian movies; they're more Hollywood kinds of movies.

There's the issue, of course, of getting some publicity. CBC is a good example. We need long-term stable financing or investment from the Canadian government. I think that long-term, the Tomorrow Starts Today program, five years, is a good example to follow, and also having an investment strategy for the private sector.

This is part of the whole. I mentioned the global ecosystem; it's all part of different solutions, because we all agree. Nobody will disagree. Nobody will say they think we should not have any Canadian content. We are all moving forward; we just need to find ways to understand that there is a solution.

Peter will add to that.

Mr. Peter Fleming: The Canadian cultural industries have made many attempts to crash the American market. There are many things that have happened. You wonder, for example, why the Tragically Hip or Blue Rodeo never did well in the States when they're so phenomenal. One could argue that Blue Rodeo is the archetypal Americana band, and yet they have really never made it as a success there.

We have trade shows. We have special showcases for artists at various industry functions. The private sector has contributed a lot to that in many cases, and so have organizations like FACTOR. Telefilm has its marketing arms in various places. At one time, Alliance Atlantis had an office in Hollywood trying to develop business, which they've subsequently closed. That may or may not have been because of the success rate but because they've moved more to the broadcasting side. Nonetheless, there have been multiple attempts to do that.

It seems a hard market to crash. I'm not sure that all American audiences are as open. Certainly in the television area it often happens that it's not American enough in its orientation.

One of the things I think we could miss the boat on is if we overfocus on that market and don't realize the opportunities we have in other markets. We have a multicultural population with people from everywhere in the world and we've had some success in exporting things like *Fire, Bollywood / Hollywood*, *Monsoon Wedding*, and a variety of other things that are Canadian expressions, but are also familiar to people in other parts of the world. Some things that are exotic, such as *The Fast Runner*, are also attractive on an international level.

The problem with focusing on America is that there are a lot of resources that have to go in there—not to say it shouldn't be done, but it needs a sustained effort. There are many other markets that we could also be looking at around the world. It's more difficult to reach all those markets because there are more doors to knock on, but it's something we may want to be considering—not forgetting America, but there are other places to go as well.

● (0945)

The Chair: Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Thank you, Madam Chair.

I found the whole discussion about culture very fascinating, although we all know that this is a very long discussion, and I think many of us would have different opinions on how it should be defined.

However, I was pleased to hear in your presentation that your organization—acting I guess as the umbrella organization for many other organizations—is basically saying that we have a good policy; let's not throw it out. Instead, let's improve this policy and make sure we are able to promote and enhance Canadian content and Canadian films. I think this is very important. I think it's one of the reasons we are reviewing the film policy.

I know that so much of our discussion is preoccupied with how we get ourselves into the American markets. Much of our time is spent constantly comparing ourselves and our industry to the American industry. I would imagine that Americans have no discussion about how they are affected by the Canadian reality or the Canadian industry.

So I think we sometimes miss the boat. There are other markets out there that we should be looking at, as was mentioned. I remember when I studied in France, one of the very popular series in France was *Degrassi High*. It was an extremely popular series that kids just loved to watch. There are a lot of great examples.

But I think really what I want to know—and want to be assured about—is that what we're doing is for Canadians, for Canada to get to know about itself, about its industry. Let's not worry so much about the U.S. market, because we can never compete. It's almost silly to think we're ever going to compete with the Americans. We should be comparing ourselves to a smaller state. We're not on the same scale as the giant U.S. in population or in economics, and yet we keep on constantly wanting to compare ourselves to them. We're not in that particular field.

What we are good at is documentaries. We're very good at telling wonderful stories—not blockbuster stories, but great stories, both in English and in French. We're able to do this extremely well, and that's what we should be focusing on promoting. We realize that

we're not always going to get that big audience, but look at those different niche markets. I think we should be focusing on and enhancing those, and I just wanted to get your opinion on this.

Mr. Jean Malavoy: I think it's an excellent suggestion. I think you'll see in our submission this suggestion to perhaps try to get out of the frame of the United States, the U.K., France, and Quebec for French films and look at other parts of the world that we could access. What about China? What about Africa? What about other ways of creating audiences?

This is, in a sense, a reflection of the country. It's a country with such a diverse population. Let me repeat that it's exciting to have the opportunity to have the world within our reach, and our films could reflect this. They can also be reaching out to other parts of the world. What we are saying is that you have to be innovative in the feature film industry. You also have to be innovative in the way you find and access other markets, and this will also help Canadians to take some ownership of more of that.

Peter, do you have something to add?

Mr. Peter Fleming: Just on your statement that maybe we shouldn't worry too much about the American market, it's quite understandable why producers and creators and marketers of cultural policy look at that market. It's such a rich market. And the constant problem for Canadian cultural industries is that there isn't enough money to go around to meet everybody's needs all the time. Even if we all died and went to heaven and were given all the additional moneys that we've asked you to put into feature film, it probably still wouldn't be enough to be able to do that.

So the natural thing is to start looking for ways to bring revenues from other places too. Obviously the easiest one for us to think about is the United States, so there is a tendency to do so. And in fact, we have some success in niche markets in the United States. The Roméo Dallaire film was well received at the Sundance Festival. There are alternative kinds of distribution methods that are open to some of our products. We shouldn't necessarily throw that baby out with the bathwater. It's rather that we need to think about additional ways to go at things.

If we're going to go to the United States, then we should do it seriously. We need to figure out a strategy of what we can do best and where the available markets are for us. I think to some extent there hasn't been a sustained effort in the past. There have been various individual efforts, well thought out and well intentioned, but there hasn't necessarily been a focused effort.

● (0950)

The Chair: In fairness, given that we have limited time left, I'm going to give a second chance to this side of the table and Monsieur Lemay. There will probably be only one more question.

Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you.

You mentioned stable long-term funding. We hear about that quite a bit. On the Tomorrow Starts Today program in the budget, there's \$178 million or so for the first two years, and then it's depleted by \$20 million a year for the next three years. That means by the fifth year it will be \$60 million less. Do you call that long-term stable funding?

What happens at the end of those five years? Do you feel there should be a time when things are evaluated, and we should always stay five years ahead?

Mr. Jean Malavoy: This is really part of federal cultural policy. All elements are part of the puzzle that should be looked at with a vision.

The Tomorrow Starts Today program is a good example. We were into crisis management before Christmas about that issue. There were so many people who had to stop touring. It was inevitable that we had to look at a long-term vision. Five years is good.

After the cycle of programs, say something is five years, it's different from being an A-base program. I talked to Minister Frulla on the day of the budget, and she assured me that the budget of the TST would be \$172 million, plus \$20 million per year from the budget of the Department of Canadian Heritage. So there will be no cuts. It'll be \$192 million for five years. Hopefully we'll be able to look at the long-term vision six months before the end of the five years.

But long-term stable financing is exactly that, so people know in one sector that you're investing for the long term and for the very short term. I think everybody is benefiting from that—the private sector, the public sector, broadcasters, and artists—because you can plan in advance and you can make some strategic planning.

I was told recently that somebody asked the CBC about strategic planning, and they said it was very difficult when they were unaware of the long-range funding. That's part of a very interesting thing you raised, and that's part of our submission.

Mr. Peter Fleming: One example of why you need some stability in the out years is that broadcasters are given licences for terms of up to seven years. They come before the CRTC and are supposed to present their long-term plans on what they're going to be spending, and their commitment over a period of time.

That's true for both the CBC and private broadcasters. If for example the Canadian Television Fund is not there and they're making commitments to do a certain amount of drama or other kinds of culturally driven programs, it's very difficult for them to make any kind of projections with any kind of assurance, absent knowing that the funding will be there.

Mr. Gary Schellenberger: Did I hear you say there really isn't going to be any cut in funding, that there will be five-year stable funding for Tomorrow Starts Today?

• (0955)

Mr. Jean Malavoy: Yes.

Mr. Gary Schellenberger: So whatever it is for the first year, in the fifth year it will be exactly the same.

Mr. Jean Malavoy: There will be \$192 million per year for five years, with \$172 million in new money, and \$20 million per year from the Department of Canadian Heritage. So it will not be cut.

Mr. Gary Schellenberger: You talk here about maintaining funding and increasing it where possible. You say the CBC should be involved in the process of feature films. They have a fairly large budget and everything, but it just seems everybody says, "Well, I don't care. If you have to do \$2 billion worth, you get \$1.2 billion. This is what we are demanding that you do. This is your mandate". Now we hear that maybe they should be doing more for what they have. Did I hear that right?

Mr. Jean Malavoy: I think they should have stable and increased funding to do their job. They have an instrumental role to play in the feature film business, but they need more stable and increased funding.

We mentioned that they're a big player in the Canadian film industry. That's what we said. We also said the CBC is part of an ecology and that you have to take them into account with the NFB, with Telefilm, and so on.

So I don't want to put too much emphasis on CBC. Maybe your message is that CBC is a part of that ecology, that ecosystem, and they are part of the solution too.

Mr. Gary Schellenberger: Thank you.

The Chair: Thank you.

Ms. Bulte.

Hon. Sarmite Bulte: It's Mr. Simms.

The Chair: Oh, sorry.

Mr. Simms.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Thank you, Madam Chair.

I noticed that in the passage you have here you suggest filmmakers should not have to compete for moneys from official language envelopes, and that the success of films like *The Fast Runner*, *Fire*, and *Bollywood / Hollywood* reaches audiences from a variety of cultural identities. Would that include also many parts of the region? Would you fight for that as well?

The success story I think of is the one that was a joint production between Canada and Ireland, *Random Passage*. It may not have achieved stellar audiences here, but in Ireland it was the most-watched television program they ever had, and it was done right here on the east coast.

I guess what I'm asking is whether when you make the statement, "reach audiences with stories from a variety of cultural identities", those identities are identities east, west, and north.

Mr. Jean Malavoy: I'll answer you, and then afterwards, Peter will respond.

Yes, indeed, it represents all kinds of cultural diversity. I think we mentioned in our submission that there should also be a specific budget allocation to aboriginals to do some films, and there should be what we call a cultural diversity or multicultural approach to a film, reflecting the different parts of the country. That's our objective.

Peter.

Mr. Peter Fleming: What we're trying to get at there is that when you go back and look at the cultural success of film policy.... If all the films are made in Toronto, that's probably not a hugely successful thing and it hasn't done a job of reflecting Canada.

We are not suggesting there be individual regional envelopes and quotas, because frankly, we think that's probably not workable. What we would suggest is that when you look back, ask if the system is open enough that the good ideas that come from anywhere from Inuvik to Come By Chance have a chance to get to the screen and get Canadians' attention.

On the other hand, in the case of aboriginal film and film from multicultural backgrounds, they don't really have an envelope they can go to, so we think in that case, rather than being at the end of the line for the English or French envelopes, they should actually have some money earmarked for them.

Mr. Scott Simms: So you're saying you have French, you have English, and you have multicultural envelopes.

Mr. Peter Fleming: And an aboriginal one.

Mr. Scott Simms: So regional envelopes, really, have no....

Mr. Peter Fleming: I think if you try to do a quota system, certainly over a short period of time, you inevitably then end up making choices you may not have made. For example, maybe there are two films from Newfoundland this year that are great, but the quota is one; or vice versa, there are none this year but there are going to be two down the road.

So I think what you need to look at, when you look in the rearview mirror to see the success, is whether we have been reflecting all of those things, and if we haven't, then you might want to look at prescriptive measures, if you will. But what we're saying is that right now, when you're evaluating, look back and see whether films are diverse. One of the goals of the film policy was to be diverse and high quality, so the element of diversity is where it comes from.

• (1000)

Mr. Scott Simms: Well, I don't know. If you're going to talk about envelopes here and envelopes there and the choices you make, you're going to end up opening a can of worms that you can't just control, certainly.

Mr. Peter Fleming: Agreed. That's why we're not suggesting regional envelopes. But at the same time, if you look back and ask, have we done a good—

Mr. Scott Simms: But you're suggesting other types of envelopes, outside of language.

Mr. Peter Fleming: Yes, I did, because there's a block to those people entering the system that is not there for regional films in the same way. What we're saying is that if all of the films are coming from Toronto and Montreal, then we have a problem and we should

identify that problem. But what we're clearly hearing is that there are blocks in the system, certainly at the Telefilm level, for aboriginal film and for multicultural films.

Mr. Scott Simms: If you do have the third envelope, then you're still going to have that block from Montreal and Toronto. I'd say that's a bad thing.

Mr. Peter Fleming: I don't agree with you. I think Telefilm also has their own drivers to try to make sure they reflect better. They have the regional offices across Canada so they make an effort in that area. I'm not sure that the same effort is made or is as clear for the other types of films.

The Chair: Thank you, Mr. Simms.

I think we have to move on to our next witnesses.

Could I leave you with one question, and if you don't have an answer right now, perhaps you could get it to me. Is more happening within French film production to reflect diversity than within English film production, or are both very bad at it?

Mr. Jean Malavoy: I don't understand your question exactly.

The Chair: You did talk about the importance of films reflecting the diversity of Canada. Is that happening more in French film production than it is in English or vice versa, given that it's not happening enough in either?

Mr. Jean Malavoy: Like multicultural diversity?

The Chair: Yes.

Mr. Jean Malavoy: I think French-speaking films are doing a great job, because the language is a great element and there's a very strong cultural identity about our star system. On cultural diversity, I cannot compare. I think we should bring back an answer to that question and do more measurement. I think you're looking for numbers, not only ideas. Is the Quebec example a good one to follow for cultural diversity? Is that your question?

The Chair: No. I'm saying Quebec is now quite a culturally diverse society, as is all of Canada. Is the French filmmaking reflecting that diversity? Is it doing better or worse than films produced in English?

• (1005)

Mr. Jean Malavoy: I think there are films in Quebec that are terrific. *La Grande séduction* is exceptional, universal. It could be done anywhere. It's like a play of Michel Tremblay. There's always a remote area in the world that needs a doctor, and so in that sense it's really good. Other films like *The Barbarian Invasions* is a typical Quebec film—being a Montrealer myself—although it's international, and it got so many awards.

I think there is a great system in Quebec, but as I mentioned, it's easier because you have the language and culture, which makes it harder in Canada. I should also say that the Quebec market is like a big village. As a francophone outside of Quebec...we have an issue of being dispersed. English Canadian films have that double challenge of a wide country.

I'll ask Peter to be more specific.

Mr. Peter Fleming: I'm not aware of any content analysis that's been done to compare French and English films. However, as a proxy, perhaps you might look at the report of the Canadian Association of Broadcasters' Task Force on Cultural Diversity, which Ms. Oda co-chaired. In fact, CRTC published its response to it this week in a public notice. There are two charts that compress down the presence of visible minorities and aboriginal people in a variety of program categories. It's clear there's work to be done on both sides of the house, although they both are about the same distance—you can correct me if I'm wrong, Ms. Oda—and they both have their strengths and weaknesses in portrayal of people on air. The benchmark is set higher as a percentage because of the difference of populations in English Canada and in French Canada, but nonetheless it seems to be there.

There's progress to be made on both sides, but the situation isn't perhaps as one might envisage going in.

Mr. Jean Malavoy: Could I have one second?

The Chair: Yes.

Mr. Jean Malavoy: It's only to add a great achievement that is also in Quebec. Marc Acito is a vibrant example as a great Quebec actor, along with Dany Laferrière. This is an excellent opening to a new vision for Quebecers about who they are.

The Chair: Bev, we only have a little over half an hour.

We'll have one very fast question from Ms. Oda.

Ms. Bev Oda: Sure.

Mr. Fleming, I only want you to note that in this circumstance when you say both sides of the house, it has a different meaning than I think you intended.

Could I very quickly ask for a written response to one final question? I don't know if this is appropriate. It's only to follow up on what you said, Mr. Malavoy, that the creator is important. I would like a response, a very short one of maybe one page. Is citizenship alone the key criterion to determining what is Canadian or do we get into content? How do we define what is Canadian if you're looking at content?

I know the chair would prefer a written response on that one.

Mr. Jean Malavoy: We will.

Ms. Bev Oda: Thank you.

Mr. Jean Malavoy: Thank you.

I promise we'll do that one-pager for you, Mrs. Oda, and for the committee.

The Chair: Thank you very much for being with us this morning. Thank you for your contribution to our work.

Sam.

Hon. Sarmite Bulte: Madam Chair, I'm going to have to go to speak in the House. For the committee's information, I understand that the department will be tabling its response to the interim report on copyright at 11 o'clock today. That's number one.

Number two, with respect to tickets for the Juno awards, we have all 14 tickets, so we have them for whoever requested the tickets. They will be given to the clerk for distribution in Winnipeg.

The Chair: Thank you very much.

I am pleased to welcome the representatives of ACTRA: the national president of the national ACTRA, Thor Bishopric, and Wendy Crewson.

Thank you for being with us.

Ms. Wendy Crewson (Alliance of Canadian Cinema, Television and Radio Artists): It's a pleasure. Thank you for having us.

Mr. Thor Bishopric (National President, Alliance of Canadian Cinema, Television and Radio Artists): Good morning, Madam Chair and honourable members of the committee.

My name is Thor Bishopric. I am a Montreal actor and national president of ACTRA, the Alliance of Canadian Cinema, Television, and Radio Artists. I have met with many of you in the past and I'm delighted to be here today. ACTRA is a national organization that represents over 21,000 professional performers who work in the English-language recorded media in Canada.

With me today is Wendy Crewson, one of Canada's best known and most distinguished performers. Perhaps you've seen her in *Air Force One* as the wife of the President of the United States, played by Harrison Ford; or with Robin Williams and Sam Neill in *Bicentennial Man*; or with Robert Redford, Helen Mirren, and Willem Dafoe in *The Clearing*; in *Twelve Mile Road* with Tom Selleck; in *The Last Brickmaker in America* with Sidney Poitier; or in *The 6th Day* with Arnold Schwarzenegger, an important co-star.

An hon. member: Oh, I saw that one.

Some hon. members: Oh, oh!

Mr. Thor Bishopric: You may also recognize her from the hit series *24* with Kiefer Sutherland.

All of these productions have two things in common, Wendy Crewson and Hollywood, but Wendy is a proud Canadian performer who has remained committed to building a career and an industry here. For example, Wendy has just finished filming *The Louise Arbour Story*, a co-production filmed in Montreal and the Netherlands, and you may remember Wendy's role as Sue Rodriguez in *The Sue Rodriguez Story* and her roles in *The Many Trials of One Jane Doe* and in *Sex Traffic*, Canadian films with universal themes told from a Canadian perspective.

I'm pleased that Wendy, who just moved back to Canada three years ago, is with me today to help express what the feature film policy means to performers.

First, may I remind you about my organization, ACTRA. Our 21,000 members are self-employed professional performers who have a vital stake in Canada's cultural future. We benefit when work opportunities in the film and television industry are strong. Our members believe passionately that Canada needs a strong Canadian presence wherever entertainment and information products and services are created and distributed. We also believe passionately in Canadian creativity and our capability to tell and perform our own stories. That's why we're very pleased to be here today in this public process to examine the future of Canadian film, television, and other media.

I include television and other media because we believe that these media are very closely entwined for the performer and creators.

● (1010)

Ms. Wendy Crewson: The story of English Canadian feature films is like the boy in the recent Canadian film, *Saint Ralph*. I don't know how many of you have seen that film—anyone? You see, this is very indicative of the state of Canadian English film.

This is the story of a boy who dreams of winning the Boston Marathon. Against all odds, he trains and he competes, and although he doesn't come first, he certainly finds some degree of success. On the face of it, producing a successful feature in Canada seems about as likely as a 12-year-old winning the Boston Marathon. We are competing with the best, the brightest, and the richest in the world. Unfortunately, all too often we don't succeed, but we must keep trying. We keep dreaming and we keep trying, and when we do succeed we must shout this to the heavens.

On Monday night I was at the Genie Awards, which is supposed to be our time to celebrate Canadian films. As Mr. Kotto knows, the French films are doing exceptionally well. They have a phenomenal audience. They are brilliant films that speak to a people. The English Canadian film as a patient is dying. This patient is on life support; it needs more help, and dramatic programs and feature films are the most powerful cultural tool that we have. This is the linchpin of our culture.

When a performer works, what they are doing is holding a mirror up to our society. This is how a society understand who they are. This is how we see ourselves. This is how we recognize our tribe, through these kinds of dramatic programs and movies. What do we see when we go to the movie theatre? What do we see when we turn on the television? Not ourselves. We see our neighbour. What does that mean to the cultural health of this country eventually, down the line? It will be devastating.

This is the principal way that Canadians tell and share their stories. We talk about our heroes, we talk about our villains, our failures, our insecurities, our successes.

Some people argue that market forces alone should determine the productions that survive on the airwaves and in our theatres, but this kind of free market argument does not hold true in Canada. English-language Canadian film, as well as dramatic television programming, is very vulnerable to Hollywood's domination and the dumping of U.S. programming on Canadian airwaves. Government assistance for domestic feature films and television drama production is essential.

But this is not unique to Canada. As you know, countries such as Australia, Great Britain, Germany, and France have all domestically produced feature films that score well in the box office. They have television shows that are among the top 10, and this is because their governments provide direct funding to the industry. France is not going to stand by and watch German programming. It would never happen. And yet here in Canada, we are content with American programming. The United States and India are the only two countries that do not directly fund domestic television and film production, because their own domestic and export markets are large enough to sustain new productions without government assistance. These are the only two countries in the world.

Now, I know you're aware that the Canadian film and television sector generates \$4.93 billion of production activity annually and employs over 133,000 Canadians. Public funding, on average, over the years 1996 to 2003 was about 16% of the total of all Canadian productions certified by the Canadian Audio-Visual Certification Office. This data shows that for every dollar of government support, our industry has leveraged over \$6 in other types of financing. That's a wonderful investment. Even if it was half of that, for the cultural health of our country it's still a good investment.

The recent Speech from the Throne made commitments to foster cultural policies that aspire to excellence, strengthen the country's social foundations, and secure for Canada a place of pride and influence in the world. These goals mentioned in the throne speech will only be achieved if appropriate financial commitment is made to programs that support the creation of film, television, and new media.

The Canadian Television Fund, Telefilm Canada, CBC, and the National Film Board are government-funded agencies with a crucial role in the creation and the exhibition of Canadian productions, particularly Canadian dramas. These agencies must be maintained.

● (1015)

“From Script to Screen”, the feature film policy that was introduced in October 2000, was warmly received by Canadian creators. The policy proposed assistance for screenwriters and emerging filmmakers and programs to encourage alternative distribution circuits and low-budget production, objectives that ACTRA had sought for many years. This was unlike the absolutely disastrous 1999 CRTC television policy, which has proven to have devastating consequences for English-language television drama production.

There has been a modicum of success since 2000 as a result of the feature film policy. However, not all of the recommendations have been carried forth. The feature film policy did not follow through adequately to support promotion and distribution of Canadian films within Canada, nor did the policy recognize that there are distinct market conditions for English-language films and French-language films, and that these two markets must be treated differently.

Increasing audiences for Canadian films is a valid objective, but still Canadians find it very difficult to find a Canadian film to watch. If you don't live in a big Canadian city, you have very little opportunity to see a Canadian film. The joke in Toronto is that if you don't catch it for ten minutes at the Carlton, it will be gone. There is no opportunity to see these films.

The federal government should continue to support a Canadian feature film sector with a diversity of producers from different regions. The policy must ensure that cultural objectives remain in focus. To qualify as a Canadian film eligible for CFFF money—other than for a co-production—it is essential that productions meet the 10 out of 10 point requirements and that they be written, performed, and directed by Canadians. It is simply not acceptable to consider anything less than 10-point productions that are Canadian and worthy of public funds. Canadian films should be made by and for Canadians first, and for foreign markets second.

There are many regional differences that need to be taken into account in a country like Canada. It has been the case that both the federal feature film policy and provincial and municipal policy and programs recognize distinct regional needs. Performers accept that this is the case; however, Canadian feature film policy should provide that there cannot be any interference with a performer's mobility to work in films in any part of the country.

Finally, in terms of governance of the feature film policy, the creative community must have influence on the way policy is interpreted and implemented. It is absolutely crucial that the creative community—the screenwriters, and the directors, and the performers—are represented on the Feature Film Advisory Board, as well as on the board of the Canadian Television Fund. Who better than the creators themselves to ensure that cultural objectives are maintained in the decisions made by these governing bodies and in these committees?

• (1020)

Mr. Thor Bishopric: I want to talk about why government funding is essential to the future of a Canadian film and television industry, and why promoting and distributing Canadian movies also requires government support.

We cannot expect to make movies in Canada without government assistance. Government contributions to the Canadian feature film fund should be increased. We need to ensure that the increase will be used to make better films that not only entertain, but also speak to audiences about themselves, their hopes, and their dreams.

First, there needs to be more support at the development stage, particularly in script development. Although performers bring the words on a page to life, a good film always starts with a good script. A national film policy must continue to support a broad range of films in Canada—including drama, comedy, and long- and short-form films—if our objective of reaching and sustaining a goal of 5%

of the Canadian market is to be achieved. More support will be needed if there's any hope of reaching Wayne Clarkson's goal of 10% market share by 2010. But is 10% really good enough? We believe there ought to be an abundance of excellent Canadian stories available in cinemas all across the country.

Telefilm is an important cultural institution that provides the most significant assistance to the Canadian feature film sector. Telefilm also administers the co-production treaties Canada has signed with over fifty other countries. Co-production treaties are essential and need to be maintained. Particularly, a favourable co-production treaty with the U.K., Canada's largest English-language treaty partner, has to be renegotiated. However, it's imperative to improve Canada's co-production policy so that it's no longer possible to engage non-treaty, third country personnel in co-production films certified as Canadian.

We were disappointed to learn last year that Telefilm had commissioned a report to support a proposal that would weaken Canadian content rules and further facilitate the entry of American elements into Canadian productions. We hope this committee will take a look at the infamous Ogilvy Renault study that purports to review the regulatory constraints on our industry and promotes opening the floodgates. The report suggests that more American stars will cause us to have a vibrant industry.

The Canadian Television Fund is one of the pillars in the complex financing structure of Canadian productions. Our feature film policy is intertwined with dramatic television productions. Without a vibrant television production sector focused on Canadian stories for the small screen, we can't hope to develop our tradition of storytelling for the big screen. TV production provides a training ground for talent, and it must be nurtured. In the fall of each year for the past number of years, our industry held its collective breath in anticipation that there might be a cut to the CTF in the next budget. Our industry needs to know there will be stable, long-term support for the CTF from the government.

Tax credits are an important element in the funding of Canadian films and must be maintained and increased. Of late, there has been good news for the film industry, as some key provinces have raised their provincial tax credits. In ACTRA's view, the Canadian film and video production tax credit should increase to 30%. As well, the production services tax credit, which is meant to apply to foreign productions, should also be increased to 18%.

As we've said earlier, our industry needs more support at the development stage of a film or TV program. A greater investment in this stage of creation leads to stronger scripts and better films. We also recommend a new tax credit for labour engaged at the development stage of the film. Creators such as directors, actors, and designers have a tremendous contribution to make early in story development.

• (1025)

Ms. Wendy Crewson: Funding to produce film is very important, but it is truly only half of the equation. Just to drop a name or two, when I was working with Harrison Ford on *Air Force One*, we were commiserating about the tedium of the promotion of the film before it's released. He would have to fly to Japan and other places and give interviews with people he didn't like and talk about things he didn't want to talk about. I said, "Gee, that must be tough". He said that they don't pay him all that money to do the thing he loves, which is make the film, they pay him all that money to sell the film. That is a crucial element. We must understand that in order to make a film successful, the film must be seen. People have to know about the film to go and see it.

Prior to the adoption of the 2000 feature film policy, two-thirds of Canadian feature films had marketing budgets of less than \$150,000. That's not going to do anything. By comparison, Hollywood-based studio productions had average print and ad expenditure budgets of \$37 million. The feature film policy increased marketing budgets for Telefilm-supported feature films to \$421,000 on average per production, which is something. At least there is the hope that you could get it out there to the public.

Marketing and promotional support must continue to be provided by Telefilm if Canadian films are to find their audience. But marketing is not enough. In an ACTRA press release congratulating the announcement of the feature film policy in October 2000, ACTRA noted that the next step must be to confront the unfortunate fact that Canada's film distribution system is almost fully owned by U.S. majors and integrated into their system of promoting and marketing Hollywood movies.

Canadian firms must be seen in order to be successful. This review of the feature film policy must address the issue of putting Canadian movies on the screens of Canadian theatres and on our television screens. The feature film policy needs to open the broadcast window to Canadian films. Our films should have greater exposure by both the CBC and private broadcasters, as well as on conventional channels and specialty channels.

In the U.K. a recent report recommended that the BBC publish a strategy for promoting U.K. films. This report made the case for a substantial increase in BBC funding for both feature films and short films in the exhibition of modern U.K. films.

CBC is Canada's flagship cultural institution, and the CBC must be provided with long-term, stable, and enhanced funding. Its schedule should continue to be predominantly and distinctly Canadian, featuring Canadian films. In a very embarrassing move recently, *Movie Night in Canada*, which replaced *Hockey Night in Canada*, has been showing dated Hollywood blockbusters rather than Canadian movies.

Films are generally remembered for the great performances and for the actors who give them. The most important promotional tool for a film is its star system. The box office success of French-language films is largely due to the existence of a star system in Quebec that promotes the performers in popular television programs and feature films made for distribution in Quebec.

Unfortunately, there is no similar star system. It has not been allowed to develop in English Canada in the film and television market. English-language media do not seem to celebrate the achievements of performers, and in some ways our own government agencies have in the past worked against a star system. It seems our films are often identified by their producers or directors but almost never by their performers.

The determination of Telefilm to create commercial movies is reflected in the fact that in 2002 it loosened restrictions on the use of foreign actors in Canadian movies. In a deal reached last year, Telefilm paid a substantial retainer to the Creative Artists Agency, CAA, down in the States so that this Hollywood firm could help develop and package Canadian movies. ACTRA was opposed to this policy, naturally. Rather than use an American talent agency—we have a lot of great Canadian talent agencies—the policy should encourage creating a higher profile for performers and other creators in English Canadian films. Needless to say, we are very pleased that this policy will not continue.

• (1030)

Let's get this straight. We are not opposed to commercial films, far from it. Believe me, everybody wants to be in a hit. We're not opposed to foreign productions in Canada, because foreign service production has helped build our infrastructure, but when it comes to Canadian stories for Canadian audiences, we are strongly opposed to importing American performers to be our storytellers.

Mr. Thor Bishopric: There is a great deal of talk about converting our theatres to digital cinemas and how this will create more opportunities to exhibit our own films. Instead of having monolithic distribution systems, we could move forward toward a digital network, an intranet of film theatres. The U.K. Film Council—again we look to the U.K.—is currently investing in the implementation of digital projectors for 250 screens across the country. Their digital screen network, DSN, is envisioned to be a key part of the U.K. Film Council strategy for broadening the range of films available to audiences throughout the U.K., and especially for improving access to specialized, or non-mainstream, film.

This government-funded initiative is important to watch, as the goal is to support domestic British film and specialty programming. An initiative such as this in Canada would have the potential to positively change the landscape of Canadian cinema. A Canadian film policy must encourage technology to work positively for our own cultural objectives. Canada should look to the U.K. example and perhaps emulate this model.

In closing, I would like to review the points we've highlighted for you today. The Feature Film Fund should be maintained with an increased budget. If we're serious about having a film tradition in Canada, we believe the budget should be increased to \$200 million. Tax credits should be increased—the Canadian film and video tax credit to 30%, and the production services tax credit to 18%. More support is needed at the critical stage of development. The feature film policy must direct more funding to promotion and distribution, including the opening of a wider second window for television broadcast.

A strong television industry focused on drama will encourage the development of dramatic feature films. We need to celebrate Canadian performances. We need a star system in English Canada.

Finally, I'd like to leave you with another perspective on Canadian films. Last week the Museum of Modern Art, or MoMA, festival in New York announced that it will repeat next year its highly successful retrospective of Canadian films. The rest of the world loves our movies; we should love them too.

I commend to you our written submission, which expands on all of these points.

Thank you very much for your attention. We'd be happy to answer your questions.

The Chair: Thank you.

I especially want to thank Ms. Crewson for being so restrained in her comments. I kept thinking, why doesn't she tell us how she really feels?

Ms. Wendy Crewson: Yes, how I really feel about it!

The Chair: Thank you.

Which of you will be starting? Ms. Oda.

Ms. Bev Oda: Thank you very much.

Welcome, Mr. Bishopric and Ms. Crewson.

I just want to make a comment to start with. I know that even with the former witness we talked about telling Canadian stories by Canadians, etc., and the comment was that we were competing with the best and the brightest. I would challenge you on that, because I believe we are the best and the brightest. I think the competition we sense has to do more with the industry structure than the talent we have. We have an abundance of talent here. We've exported our talent, unfortunately, to support other nations' industries.

The creator is important. I believe we have the creators here. We have the stories here, obviously. We have the technology and the technical skills here. These are as good or better than anywhere else. There's always support that's required, there's always encouragement, but that's not what we're lacking.

I think you've given us a really good comprehensive...particularly in your written brief here.

We are limited in time. I want to talk about one particular aspect that you've talked about, because this is where the competition comes in. It's the marketing and the promotion dollars. I think that's one place you've pointed out where we are competing. There is no border as far as the promotion market is concerned. We don't have *People, Us, Today* magazines that proliferate that, and those are the vehicles that are used for the promotion.

At the last committee meeting we also talked to foreign distributors, and they said that they weren't able to contribute because, as we talked about earlier, if they provide distribution, then it prohibits the project from accessing other government support.

I want to put this forward to you. If it were a 10 out of 10 project production, in that case opening it up to a foreign distributor who then would utilize their money to promote and market the project, what would your reaction be to that suggestion?

• (1035)

Ms. Wendy Crewson: The technical thing is that we have to allow investment from a foreign—

Ms. Bev Oda: You know right now it's a 10 out of 10 project, right? We have a Canadian distributor, Alliance Atlantis. What I'm suggesting also in this case is that you would have an ability to go to Warner Bros. or any other American distributor for distribution on the project.

Mr. Thor Bishopric: Domestic distribution?

Ms. Bev Oda: Domestic distribution. They probably won't just take Canadian; they'll take North American, or they'll take whatever—

Mr. Thor Bishopric: We will concede that it's a very difficult playing field we're playing on. Alliance Atlantis used to be Canadian actors, a number one employer for private sector production.

Ms. Bev Oda: That's right.

Mr. Thor Bishopric: They got out of producing Canadian drama. It wasn't profitable enough. They were, and I suppose they continue to be, our largest domestic distribution entity. They were sending signals that were pretty clear last year that they would like to get out of the business of distributing Canadian films and concentrate on their lucrative distribution network with American product.

Ms. Bev Oda: That's right.

Mr. Thor Bishopric: This highlights why regulation is so important in Canada.

Many companies, such as Alliance Atlantis, have developed nicely by taking advantage of structural supports, tax credits, and other financing to build up their companies. Then what we see, unfortunately, is an end to the commitment to program. Once the infrastructure is there to exploit the larger distribution opportunities, they move away from what they should be doing, their core business.

Ms. Bev Oda: But I guess, Mr. Bishopric, what I'm suggesting is—we're testing ideas here—to try to make a reluctant entity, by regulation or government edict, maintain a business they're not interested in, I don't know how much energy and commitment there would be to that.

I'm trying to think here. Is there a way we can use foreign money to support our Canadian projects? If it's a 10 out of 10 project, and as you pointed out, that's all the Canadian creative...then if our major Canadian distributor is reluctant to maintain the Canadian projects, what about opening it up to foreign distributors and letting them use their money to market and promote? They're going to promote not only in Canada; they're going to promote the way they promote any one of their projects, on a North American basis.

Ms. Wendy Crewson: But I don't understand. How would you open it up to what their...?

Ms. Bev Oda: They're prohibited right now, because if a project wants to get access to the CTF or any of the other funding, you cannot have a foreign distributor. You must have a Canadian distributor.

Mr. Thor Bishopric: To go back to my regulatory comments, if we take a look at television, these companies have a licence to make money, basically. We give them an exclusive licence to use the public airwaves, and they don't want to spend any of their money on the programming because, as Leonard Asper said at the CAB convention not long ago, we don't produce Canadian programming because it's too expensive. It's that simple. We don't do it. Then why are they given the licences to use our public airwaves? That has to be the question.

If we look at the film distribution business in Canada, which unfortunately was given away decades ago, Americans claimed Canada as part of their domestic market back in the 1930s, and ever since then they have integrated all their distribution throughout our country from coast to coast. At some point, we have to be proud of who we are, we have to stand up for what we believe in, and we have to assert that our distribution entities will distribute our Canadian films.

In this context, you have to provide incentives. It's an unfortunate reality. Other countries have come to terms with this, and as we expressed in our earlier comments, they've enjoyed tremendous success. They have a cultural tradition now.

One of the problems with inviting Hollywood behemoths to the playing table for distribution is the control they will want to assert over the creative process. If you look at some of the breakout films that have come Ireland, from Australia, from New Zealand, they're not huge blockbuster films that are attempting to cater to the American market. They are stories about a transvestite travelling across Australia in a bus. They're stories about a little boy who wants to be ballet dancer. They're stories about women who show themselves in a calendar with their clothes off. They are stories that are special to the people who are telling those stories. They ring true. When those films make it to America and make it to foreign territories, they are picked up by a distributor and they're sold because they're great stories and money can be made.

When we say we need promotion and distribution moneys for Canadian production, we're not saying we should be spending

money promoting a Canadian film in the United States. That will take care of itself. We're saying we need to generate a self-sustaining creative marketplace here where more production happens, there's a greater abundance of scripts, and fewer bad movies and more good movies get made because there's more stimulus for creativity. Then the good pictures, if we distribute them and they find audiences in Canada, will be picked up internationally, and that's the upside for the producers.

• (1040)

The Chair: Thank you very much.

Monsieur Lemay or Monsieur Kotto.

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):

Mr. Bishopric, madam Crewson, thank you for being here. I wouldn't have missed this extraordinary session that has been launched exceptionally well by the people who took the floor before you did, Mr. Malavoy and Mr. Fleming. I believe that we are getting with your appearance today to the very core of our consultation. Mr. Malavoy started us on this path and I believe that we are now getting to the essential part of our undertaking.

Let me start with a small comment. Madam Crewson, I noticed you when you came in and I was wondering where I had seen you before. Was it on television? Was it in a film? I couldn't say. When Mr. Bishopric introduced you, I told myself that unlike Mr. Kotto, you could walk down the street in Ottawa, Toronto, Vancouver or Winnipeg without ever being noticed because there is no star system in your part of the country, in English Canada. We do have one in Quebec and it is very sophisticated. You probably understand where I am coming from.

Maka Kotto starred in a movie, but you can also see him on TV. There has been in Quebec a form of integration that does not exist in English Canada. Here is my question. In your view, why is there no integration? You are representatives of actors. I cannot understand why you are not more well-known. We know our good friend Jim Carrey who is making movies in the United States. Why are you not on TV? Why are you not featured in drama television series in English Canada? But obviously, I know the answer: it is because there is no star system in English Canada. I cannot get my mind around this when I watch television in English. Can you explain this to me?

• (1045)

[*English*]

Ms. Wendy Crewson: Yes, absolutely. I think it's unbelievably simple and sad.

We do not have a television industry anymore. The 1999 CRTC ruling effectively killed Canadian drama on television. It opened it up to the broadcasters. It lifted regulations and allowed the broadcasters to say, not to worry, without regulations they would put Canadian content on television. They do not put Canadian content on television. They put on cooking shows on Monday mornings and consider it to be Canadian content. There are no dramas. We went from having 12 dramatic series in English Canada

[Translation]

Mr. Marc Lemay: Wait a minute. You will have to explain this to me, because I really want to understand. You are saying that in 1999, there was a decision by the CRTC.

[English]

Ms. Wendy Crewson: Yes.

[Translation]

Mr. Marc Lemay: What did it say?

[English]

Ms. Wendy Crewson: It lifted regulations on broadcasters for the amount of broadcasting of Canadian content in prime time hours and for spending requirements because broadcasters felt they were not making enough money.

Ms. Bev Oda: I'm sorry. Can I clarify that?

They did not reduce the amount of Canadian content. They did not reduce the Canadian content requirements. What they did was expand the kinds of programs that could fill that Canadian content.

Ms. Wendy Crewson: Yes, exactly. I meant Canadian drama content. Instead of Canadian drama, it's—

[Translation]

Mr. Marc Lemay: I will ask you to send your speaking notes to us. I would like them to be distributed to committee members, because what you are saying is essential. Since 1999, the situation has been quite difficult. You do not exist anymore. Is that really what you are saying?

[English]

Ms. Wendy Crewson: It's dire.

[Translation]

Mr. Marc Lemay: What is being done now to turn this around?

[English]

Mr. Thor Bishopric: We come to lots of committees in Ottawa to express the disastrous situation we are in. We form coalitions like the Canadian Coalition of Audiovisual Unions. We have provided briefs to the CRTC and we've met with the CRTC.

This is a critical component. It's not strange that we're talking about this in the context of feature films. Basically, we've provided ideas for the CRTC to consider, and we've said that if they're going to introduce any new carrots, any new incentives, they also have to bring back firm regulation. The problem is that they took our idea and introduced a new incentive to provide the broadcasters with more opportunity to generate revenue, but they didn't introduce any of the regulations that are required. This is why we have appealed to Minister Frulla, to Sam, and others to please issue an order in council to instruct the CRTC to take another look at that 1999 decision. It has been disastrous.

We have to remember that it's a fully integrated industry, but not in terms of creators and performers moving effortlessly from television to the big screen. It's integrated in favour of the broadcasters. When the same entities own the media distribution outlet, the newspapers, it's an automatic fit in terms of why and how they would cross-promote productions.

The simple fact is that there is a greater argument that their financial leaders make. That argument says they don't want successful Canadian programming because that will cause them to have to invest more in it and spend more. The longer they can demonstrate that there aren't audiences for Canadian content, the longer they can enjoy all the perks of being a broadcaster without having to produce the stuff.

Ms. Wendy Crewson: With none of the responsibilities.

Mr. Thor Bishopric: With none of the responsibilities.

[Translation]

Mr. Marc Lemay: Thank you.

[English]

The Chair: I'm basically going to put an end to the questioning, if you don't mind, and I'll tell you why. Actors are appearing before us in a number of other cities where we're having hearings, and we do have a couple of business items that we have to take care of.

I will put you first on the speaking list the next time.

Mr. Charlie Angus: I don't know. I object, because—

The Chair: I'll give him one quick question.

● (1050)

Mr. Charlie Angus: It's one quick question, given that I'm cut short—

The Chair: I'm sorry, Charlie. It's just that we're running out of time.

Mr. Charlie Angus: I'll go to the one question then.

The Chair: We have another committee coming in.

Mr. Charlie Angus: We see that this 1999 decision by the CRTC had a major impact on your industry. You bring a distinct voice when compared to all the voices we've heard around this table. You talked about having a presence in these areas, on regulatory boards. When Bill C-18 came up, we tried to pass an amendment because we thought it was very important to have a director or performer on the board. Our committee was of the view that artists couldn't help but have a pecuniary interest when it comes to Canadian production.

As an artist, do you feel you would not be able to sit on a board like that because you couldn't escape your pecuniary interest?

Ms. Wendy Crewson: That's kind of hard, and sort of ridiculous. We should be—

Mr. Thor Bishopric: May I just provide an example? We appealed to the feature film advisory committee to appoint an actor delegate to that committee, and that appeal was refused. Instead, there was a search for someone who was not affiliated with the organization in order to fill that seat.

In our written brief, we appeal to ensure that advisory committees such as that one take advantage of the input of the creative community. Perhaps we would have found solutions to a number of these issues earlier had our briefs been considered and had our voices been heard.

Thank you for acknowledging the importance of our contribution here. We believe we can make a significant contribution on committees such as that.

Mr. Charlie Angus: But on pecuniary interest, do you feel you would—

Mr. Thor Bishopric: Yes, let me address that. Who is there now? In fact, many of the artists who were appointed independently ceased to participate, so what you're left with is—forgive me—a bunch of producers. Who has a pecuniary interest, if not producers who own the copyright, who own the controls for distribution, and who will ultimately make the profit? Actors by and large are not getting rich in this country. I'm sure the people are aware of that.

Mr. Charlie Angus: Thank you.

The Chair: Scott, you were next on the list. Do you want to get one in, or can you wait until we meet with the same people in Toronto?

Mr. Thor Bishopric: Just for clarity, you won't be seeing us again. We'll have other representatives, we hope.

Ms. Wendy Crewson: I'm going to go right across the country. I'm going to see you.

The Chair: I refer Mr. Lemay to the minutes of today's meeting so he'll know why he finds you familiar looking.

Mr. Scott Simms: I just want to touch on the star system that was spoken of earlier. It's an information quest for me more than anything else.

There has been this divide. We are far more successful with French productions in French markets than we are on the English side. As we reach that 5%, most of that is from the French side.

Before coming here I thought that was probably a language thing, but I now realize it is not just a language thing; it's how they handle it. So I'll just throw that in as a comment. If you wish to comment, please do. But I'll save the other issues I want to discuss for the next time.

The Chair: We'll start with you and Mr. Angus the next time we meet ACTRA.

Mr. Scott Simms: Great. Thank you.

The Chair: Thank you very much. We'll be seeing you again, Ms. Crewson.

Ms. Wendy Crewson: Thank you.

[*Translation*]

The Chair: Maka, we must now deal with two proposals.

[*English*]

Excuse me. We have only five minutes left. The conversations are great. That's why I am cutting you off, Charlie, not just because I don't like you—that's not true. Never mind, I'll edit the minutes.

We have to deal with one motion on the professional services of David Black as our consultant on this film study. It's to extend the contract. It can only go until the end of the fiscal year, so we need a new contract from April 1 to June 23.

It is moved by Gary and seconded by Mr. Simms.

(Motion agreed to)

• (1055)

The Chair: Thank you very much.

On our Montreal hearings, I think there is substantial interest that we spend some time at the conference in Montreal. If you will trust me, I will work with our clerk to organize some time for all members of the committee there. There are a number of workshops that I think would be very useful to our study. We can maybe divide up the responsibility and farm ourselves out to different workshops so we cover much of this conference.

Are we agreed to do that for half a day?

Ms. Bev Oda: It's on Wednesday, April 20. I'm just looking over a quick review of the program. I suggest we look at the morning program versus the afternoon program. It would help us in our work.

The Chair: Okay. Thank you.

Mr. Charlie Angus: So that is in the week of April 20.

The Chair: Yes. That's the three days we are in Montreal.

This will focus a lot on new technology. I guess that means we'll be deferring the Auditor General's motion again. Sorry, Ms. Oda.

I would have liked to have some time to talk about our meeting with the minister on estimates. Will you trust me to try to organize something? Do we want to spend one or two meetings on this?

Frankly, I would like to bring in the deputy minister and officials first for a briefing on their estimates before we get the minister here. We'll have a chance to ask some of the more technical questions. If I were a deputy minister and had to appear before a committee or brief my minister without having a chance to give the committee an understanding overall of what the department was doing and where our challenges were, I might refuse to go.

So if you don't mind, I'd like to set up that kind of briefing first so we've got some good solid material to deal with the minister on the policy questions.

Ms. Oda.

Ms. Bev Oda: I understood the minister was to come before the committee on April 12. My schedule was rearranged so I could be here. If the minister appears on April 14, I will not be able to attend committee. I ask that the minister's schedule be checked with all members of the committee before her appearance is finalized.

The Chair: Mr. Lahaie will do that.

Everybody has seen our list of witnesses for the week after the break. Our clerk will distribute it to you. If you have any problems, call the clerk.

[*Translation*]

Mr. Marc Lemay: But we will not be there.

[*English*]

The Chair: I adjourn the meeting of the heritage committee.

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