



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 026 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Monday, April 4, 2005

—
Chair

Ms. Marlene Catterall

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• (1435)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): Welcome, ACTRA. Thank you very much for being with us. I think this is going to be an ongoing saga wherever we hold hearings across the country. ACTRA is going to start building on the first presentation we've heard and tell us new things as we go along. So thank you very much for being here again.

Mr. Burns.

Mr. Michael Burns (Branch Representative, Saskatchewan, Alliance of Canadian Cinema, Television and Radio Artists): Thank you, Madam Chair and committee members, for having us here today. We're quite happy to be here.

We will be referencing the document the national organization has submitted to the committee as the position we are taking. We're going to try to fill it in as best we can with some local information that we're hoping will be helpful to you.

ACTRA Saskatchewan is a small branch, with about 125 full members and fewer than 100 apprentices, which makes us less than 1% of our national organization's membership. So we're very small indeed. Out of that number, only a handful are able to earn a living practising their craft, which has taken many of them most of their lifetimes to hone.

This begs the following questions: why would intelligent and talented people work at a job that regularly has paycheques that are months apart, and why would these same people not take their formidable skills and go to a larger centre where they might have greater opportunities? The answer to those questions really is passion—passion to perform, a passion and devotion to their art form, and a passion to do it in a place they call home, which is Saskatchewan.

The following will help to illustrate the value of that passion to our community as a whole, not just the acting community but the community of Saskatchewan. The story starts in 1974, when Donald Sutherland came to Saskatchewan to make a film called *Alien Thunder*. It's not a particularly good film; it fell apart towards the end, and it didn't have much financing. But in the film, a young Cree actor, born and raised in Saskatchewan, by the name of Gordon Tootoosis had his first screen role. Gordon went on to have a very successful international career, working with stars like Anthony Hopkins and Brad Pitt, the director John Sayles, and Canadian stars like Tantoo Cardinal and Gary Farmer. He was the lead in *Big Bear*, an historical TV epic, for CBC about five years ago. His most memorable character was as the evil or bad guy, Albert Golo, in the *North of 60* TV series.

Flash this forward to 2003, when production began in Regina on a small series for APTN, an aboriginal-themed drama called *Moccasin Flats*. All the actors were cast off the streets of the north-central area of Regina, a very gritty and economically disadvantaged neighbourhood, basically an aboriginal neighbourhood. Four unknown actors were cast: Mathew Strongeagle, Landon Montour, Candy Fox, and Justin Toto. They all received major roles.

Gordon Tootoosis was also cast. He came to the set, not for the money, as the production work was under ACTRA's ultra-low budget CIPIP agreement, but for a chance to work with young actors. Two years later, all of these actors are full members of ACTRA, working regularly inside and outside Saskatchewan, in no small part due to the invaluable mentoring that Gordon Tootoosis was able to bring to them.

Gordon's contribution to our cultural heritage has not gone unnoticed. He recently joined his sister and his father as members of the Order of Canada. I was quite impressed to see three people from one family in the Order of Canada.

So it's important to note that Gordon was able to achieve this remarkable international career from his ranch near Cut Knife, Saskatchewan. He never left Saskatchewan to do it. He had the passion to do it in the place he calls home—Saskatchewan.

• (1440)

We need to foster and develop many more actors and community role models like him in the future. We're hopeful that Matthew Strongeagle or Candace Fox might be the next mentors for some young aboriginal actors or for any actors.

Production in our province, particularly in the Regina area, has been bucking the national trend for the last three or four years and is doing quite well. The community has answered the audition call with quality performances, earning rave reviews from a steady stream of production producers, directors, and casting directors. Our talented members believe that staying in Saskatchewan is starting to pay off. Very few will ever get rich by staying there, but many will have an enriched lifestyle that will bring a local truth to the wide variety of stories that are being told in our province.

At ACTRA Saskatchewan, we believe we have a right to access Canadian productions, large and small. We need the help of our government to make this happen. Through legislative and policy initiatives, you have the ability to do for Canadian film what was done for the Canadian music industry 35 years ago, or just this week with the announcement by Minister Frulla on the pending legislation to deal with music downloading.

The Junos last night demonstrated undeniably the maturity and the vitality of Canadian music. *Corner Gas*, the Saskatchewan TV rating phenomenon featuring last night's host, Brent Butt, is a great example of what can be accomplished on network television even against the odds. With help from you, we can bring Canadian stories to similar success in the world of feature films.

I'd now like to turn the floor over to one of the many talented members who act for Saskatchewan, our national councillor, Wendy Anderson.

Ms. Wendy Anderson (National Councillor, Saskatchewan, Alliance of Canadian Cinema, Television and Radio Artists): Thank you very much.

Except for the number of people in the room, this feels a lot like an audition to me. My hands are sweating and....

Ladies and gentlemen of the Standing Committee on Canadian Heritage, it is my pleasure to speak with you today. You've already heard from Thor Bishopric and that other very talented Wendy of the ACTRA family, Wendy Crewson. They are adept and valued members of ACTRA national, and it's my assumption that they've spoken to you at great length in further support of ACTRA's written submission to the standing committee. Therefore it makes little sense for me to take up your time by reiterating its many sound recommendations.

You may wonder why there will be so many ACTRA members before you—this was mentioned earlier—and why you'll have to spend so much time listening with great pleasure to what they have to say. There's good reason for the multitude of voices. ACTRA has a membership base of 21,000. It's varied and spread throughout this wide nation. Each provincial branch brings with it a valued and unique perspective distinct to that region.

The collective of these voices and their diverse needs provide ACTRA with an excellent understanding of the film and television industry and its impact across this country. It lends a grassroots intelligence to the policies and decisions made by our national council. This is a model that we suggest is emulated when boards and committees are devised to develop and deploy decisions impacting the television and film industry, such as the Feature Film Advisory Committee. Accessing all the players and providing for adequate representation from all regions will ensure that decisions that serve the few while dealing a crushing blow to the many, like the CRTC's 1999 television policy, will be averted.

I'd like to give you a little anecdote here, if I may. A good friend of mine has been teaching screenwriting at the Canadian Film Centre since 1998. It's an incredible institution and we should be very proud of it. Although he's a relentlessly positive booster of Canadian talent, he no longer knows what to tell his students. I quote:

With opportunities for writers of dramashrinking annually in the Canadian film and television industries, you're not sure what to tell them what they are walking into. Writers do not make their living in features—not in Canada, television is where you make your living—primarily drama—most American co-pros won't hire Canadian. In the last few years I haven't known what to tell my students who have an interest in more than sketching in reality TV episodes—except perhaps to try to buck up and persevere against terrible odds here—or find a way to market their talent down south.

Just so you are aware, television provides the proper incubation wherein the entire film industry flourishes. Without it, nobody but the lucky few survive beyond hand to mouth. It is around the long-term shooting schedules of a television series that crews are developed, skills are honed, and vertical industries develop and flourish. We can attest to this through our experience with the *Incredible Story Studio* and the current jewel in our crown, *Corner Gas*. Take away television production and you cripple the industry.

ACTRA's members believe in our own creativity as Canadians; our own capability to tell and perform our own stories. What must occur is for our government to believe in our own creativity; for our government to believe in our capability to tell and perform our own stories. You must urge the CRTC to act as our champion to the various arms of government that can carry that belief forward and make it a reality for all Canadians. If provided with the proper support, we will do the rest, developing more success stories like our very own *Corner Gas*, Toronto's *The Newsroom*, and the gritty *Trailer Park Boys*.

The power of story can change and has changed the cultural fabric around us. To silence your voice and bargain away your culture is clearly unwise. Story after story provide us with an historical foundation for that statement. Protection of our culture and the methods by which it is delivered to the populace should be the number one priority of Canadian Heritage and this government. To act otherwise is to provide the vehicle by which others can pack this country up and haul it away. A loss of culture leads to assimilation, and you cannot protect yourself from what you are destined to become.

● (1445)

Through the ensuing recommendations of this review, the government and Canadian Heritage have an opportunity to ensure that the distinct culture of this country and all of its regions will continue to keep us grounded as to who we are and what's worth preserving.

We need to hear the wily gumboot chatter of our buddies along the east coast. We need to hear it as it flies across the provincial borders and becomes the passionate, well-heeled banter of our counterparts in Quebec, or the clipped granite of Ontario. We want to listen as it widens out into the cracked grin, wide-open side drawl of the prairies. We want to listen in wonder as it seeps into that mysteriously innate throaty rhythm of our aboriginal people. When we can no longer hear our voice, then we can no longer look in the mirror of a story and see reflections that resemble us, and we've lost our identity.

In Saskatchewan, there are stories waiting to be told, stories written by Saskatchewan writers, stories that should be directed by Saskatchewan directors and, most importantly, performed by Saskatchewan actors. We needn't pay homage to someone's arcane idea of what is truly Saskatchewan. There need only be a strong Saskatchewan presence in the creative production of these stories, and they will, without a doubt, be Saskatchewan.

Canadian Heritage, as a national body, has an opportunity in its future considerations regarding the film and television industry to ensure that these regional voices are heard. I believe the Saskatchewan film industry is supportive of all the recommendations made within the ACTRA submission, as long as, foremost, there is a level playing field that provides for the equitable support of all voices.

If the obvious call for protection of our culture is not enough for our government to believe in the film and television industry, and perhaps for some that type of discussion marginalizes the copyright industry, then how about simple economics? The U.S. Census Bureau's numbers for the last year in motion picture and video revenues alone rose 6% over 2002 to \$64 billion. Additional stats show that motion picture and video production and distribution revenues increased 7% to \$48 billion. Revenues from licensing of domestic motion picture films were \$12 billion and revenues from domestic licensing of television programs were \$11 billion. Motion picture theatre revenues increased to \$12 billion, up 6%. Feature film exhibition of domestic films made up 68% of the 2003 estimate at \$8 billion, while food and beverage sales made up 28% of the 2003 estimate at \$3 billion. Integrated record production and distribution revenues maintained a strong \$10 billion.

The combined revenues of the copyright industries in the U.S. of \$78 billion, up 5%, were greater than any other single manufacturing industry. It was greater than auto parts, auto, chemicals, agriculture, and back in 1997 to 1999 it was even greater than defence. Their contribution to the U.S. economy exceeded the GDP of such countries as Australia, Argentina, the Netherlands, and Taiwan. In the U.S., only the film industry has a surplus balance of trade with every country in the world. Clearly, the copyright industries, of which film and television retain a significant role, are salient economic boons.

With these kinds of revenues, and an annual percentage jump of between 5% to 7% over the last year, wouldn't we be wise to get into this market and try to find a domestic market that could capture just a bit of our nation's contribution to that U.S. \$78 billion? Wouldn't now, when the latest stats suggest that Canadian interest in American drama is slipping, be a good time to make that move? Maybe someone should tell this to the broadcasters. Wouldn't a larger chunk of that \$382.1 million spent by broadcasters on foreign drama programs be better spent beefing up the mere \$93.1 million spent on domestic programs? If 580,000 workers were employed nationwide in the U.S. by the film industry alone, wouldn't some adept politicians be pushing for similar growth here?

To date, we recognize that a ratio of \$6 is garnered from every dollar spent in Canadian television and film industry. What are we not understanding here? What are we afraid of? Why are we not tripling the amount of money provided to these industries? Why do we essentially protect the U.S. market?

We are no longer a resource-only economy. It's time to get away from the mindset of that historical engineering. Today, with the proper policies and support in place, Canada can punch above its weight, access the global market, and secure a substantial market back here at home, and then all Canadians can believe in our own capabilities to create, develop, and market our own voice.

• (1450)

In closing, I would like to take a moment to again go over ACTRA's recommendations for developing a sound and prospering film and television industry. The Feature Film Fund should be maintained, with an increased budget. Tax credits should be increased. Support for development is crucial. Feature film policy must direct funding to promotion and distribution. A strong television industry is essential to the development of Canadian dramatic features.

My thanks to the members of the Standing Committee on Canadian Heritage for this chance to discuss these issues with you today. I would like to pass the mike over to our counterpart from Manitoba.

The Chair: Thank you.

Mr. Claude Dorge (Member, Alliance of Canadian Cinema, Television and Radio Artists): I would like to welcome the committee to Winnipeg, this year's "City of the Junos", on behalf of ACTRA Manitoba. I hope you were able to take in the awards last night, an evening that featured many ACTRA members.

[*Translation*]

I hope you'll have the chance, during your stay, to pop over to the other side of the river, to Saint-Boniface.

[*English*]

Our president, Wayne Niklas, is unable to attend. As his replacement, I offer you his excuses. To avoid repetition, I'll skip to page 4 of our presentation and deal more specifically with Manitoba.

ACTRA Manitoba is one of ACTRA's smaller branches, but it's still a branch that has grown dramatically over the last few years. We have slightly more than 200 members and 125 apprentices. Our performers include actors, stunt performers, stunt coordinators, dancers, choreographers, singers, voice specialists, comedians, and puppeteers. And just as a note, some of our funniest members will be appearing at the CBC Winnipeg Comedy Festival later this week.

In all honesty, the film industry in Manitoba has done well over the last few years. More ACTRA Manitoba members are working, and more often. Performers from the rest of Canada come here to work as well. We believe this is thanks to the support the industry receives from all levels of government—the federal government with funding and tax credit programs; the province's equity fund and very generous labour tax credit; and the incredible flexibility and welcoming attitude that the city of Winnipeg demonstrates time and time again. But it does not end there.

Our local production companies, producers, directors, and other talented individuals have worked exceedingly hard to develop and attract many projects in feature film and television. In 2004, our members worked on projects with Original Pictures, Buffalo Gal Pictures, Frantic Films, and Eagle Vision, and I'm positive the performances of our talented members will contribute to each project's success.

• (1455)

[Translation]

Productions Rivard is a production house in Saint-Boniface that is growing and making an excellent reputation for itself. It is celebrating its 10th anniversary this year. These people are of course affiliated with the Union des artistes, and although they mainly produce documentaries, a number of our members have landed contracts with them. This winter, they wrapped up the second season of *Paul et Suzanne* for TFO. It's a puppet show, an introduction to basic French for non-francophone children.

[English]

We are indeed lucky in Manitoba. The local industries support the development of talent in all areas of production. In fact, local directors have been very busy recently. Guy Maddin is internationally recognized and has given us unique, interesting movies like *The Saddest Music in the World* and *Cowards Bend the Knee* in the last few years. Gary Yates has given us *Seven Times Lucky*, which just opened in theatres last week, and *Niagara Motel*. From Jeff Erbach came *The Nature of Nicholas*, and from Sean Garrity, *Inertia* and the yet to be released *Lucid*, filmed this past fall. And there are other home grown directors as well, of course.

An interesting note here is that one of our young apprentices was touring Thailand last year and saw *The Saddest Music in the World* in a Bangkok cinema. It's a small world.

[Translation]

If you don't mind, I'd like to tell you a little anecdote. If you don't know Guy Maddin, I can tell you that he's an exceptional and very talented man, a very likeable, sweet man. I landed what could be called a juicy part in *The Saddest Music in the World*. One day, near the end of the shoot, Guy called me on the phone. We talked about nothing in particular, but it seemed to me that something was bothering him. Finally, he told me he wanted the billboard to read: "Claude Dorge in *The Saddest Music in the World*, a film by Guy Maddin", and, in small letters at the bottom of the billboard, "with Isabella Rossellini", but that it couldn't be done.

I thanked him all the same. He's an exceptional man.

[English]

As I said earlier, our members are working more than ever before, but we have a long way to go. Young members and apprentices still believe they have to go to larger centres like Toronto and Vancouver to get noticed, or just to get more experience. But things are changing. More are getting major roles locally and some are getting work in movies and television in major centres, based on their accumulated work in Manitoba.

In fact, one of our members—Jeff Skinner—appears in *Behind the Camera: Mork & Mindy* tonight on NBC. Jeff secured an audition in Vancouver for this movie based on his roles in Manitoba.

Another member, Aleks Paunovic, was able to do the same a couple of years ago, mostly based on his stunt work in Manitoba.

We just heard that one of our young apprentices, Ryan Kennedy, has secured a starring role in a TV series, *A Student's Life*, in Vancouver.

One of our young actresses, Melissa Elias, who had a major role in *Falcon Beach* and *Tamara* last year, has recently worked on a film in L.A.

These developments are new. Manitoba performers in film are being taken seriously in other centres based on their experience here. We have come a long way.

Productions have also included a TV series through ITV, shot in Manitoba in 2001 and 2002. A number of new young actors came forward, gained good experience, and stayed with acting after the series ended. Many became our members and are continuing to look for new opportunities. Unfortunately, a funding issue with the CTF led to the series ending.

Another production is *Tipi Tales*, an aboriginal TV series for APTN. This show has had two seasons, and more are planned. It has provided good work for a number of aboriginal performers—actors and singers—as well as non-aboriginals.

I do not believe that anyone who resides in Manitoba can earn his or her living solely from performing in film and television in the province. Some are able to earn a living in the broader industry by cobbling together work in related fields, including stage work, teaching, and even writing—anything they can secure that has to do with acting. But so many others, especially our younger members, must find any kind of work they can to make ends meet, and the work has to be flexible enough to allow him or her to go to auditions and hopefully land a role on camera.

Understandably, actors change these jobs with regularity, adding to the general feeling of instability they experience in the industry.

That brings me to the point of my address to you.

We are performers. We want to work. We would like to work in our hometowns. We want to work on Canadian productions. We want to see Manitoba talent developed to its fullest capacity and contribute to the culture of this great country.

You saw last night at the Junos an incredibly vibrant music industry shown bright. We saw Canadian stars loved and supported by the Canadian public. We must aim to duplicate all that enthusiasm and success in the film and television industry.

Feature film and dramatic television production is an important expression of our culture and one for all citizens to enjoy as a uniquely Canadian experience. That's why it is important for the government to continue its support and to increase support for feature films and dramatic film production.

You have seen and heard from other members of ACTRA and have received a written brief from our national organization, and you've just heard from one of our national councillors, Wendy Anderson. We wholeheartedly endorse their recommendations.

Merci.

• (1500)

The Chair: Thank you very much. Merci beaucoup.

Who is first?

Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you very much for coming today.

I am not too far removed from a lot of actors, not necessarily in the movie industry but on the stage. The Festival Theatre in Stratford, Ontario, is in my riding. I know many actors and actresses, including many budding actors and actresses, as I had up until last year a fourplex. I had the units rented out for quite a number of years to actors and actresses.

I know how you have to be transient so many times. Sometimes even at the festival you'll have actors or actresses who will be in the first productions of the year. They might have been in one of my apartments from January or February through until June or July, but then they'd be gone someplace else. I sympathize with people who lead the type of transient lifestyle that does seem to happen in theatre, whether it be on the screen or on the stage.

I also had a former stage director who for 30 years was my neighbour four doors down, and I know he would come to Winnipeg, go to Charlottetown, go back to Stratford, and go all over. I understand some of those things, and I don't know how we get away from the transient part of the business.

With respect to some of the recommendations I've heard here, such as that feature film should be maintained with an increased budget, I think it would be good if we could come up with a policy that helped private investors invest in the industry in partnership with the public, with government funding. It happens so many times that government funding gets clawed back as soon as private industry comes in to help, and I think we have to get by that.

Do you think there's a bigger role, if we can adjust some of the rules and make policy right, for public and private to become better partners in film?

• (1505)

Mr. Michael Burns: I'll take a stab at that.

Yes, I think there is a potential for that. Although I wasn't involved in the film industry in the seventies, I believe the experience of the *Porky's* tax, as we all look back on the rich cultural heritage of the very strange films of the seventies that were made in Canada under that kind of tax regime, gives us caution, however. There are obviously qualitative issues that arise when you put getting a tax credit ahead of the quality of the film. This is the problem with the structure you're suggesting, although it doesn't mean it can't be overcome with prudent public policy.

I'm also very hopeful but somewhat skeptical that you regularly got your rent on time from your tenants. If I know most actors, they probably didn't have the cash all the time.

Mr. Gary Schellenberger: Just in answer to that, I can say I kept my rent low and it was a payroll deduction.

Mr. Michael Burns: That sounds like a good policy there as well.

Mr. Claude Dorge: I assure you a transient actor is a happy actor because a transient actor is acting.

Mr. Gary Schellenberger: I see here that one of the things is that this tax credit could be increased. I know there was a problem previously. I know people previously told us today that money should be advanced sooner to leverage some financing earlier on in the production and stuff. I think this is real; we have to make some real changes here to leverage more private money. I would hope we can do it with some safeguards so it isn't abused.

Ms. Wendy Anderson: I think private money is something the entire industry would be interested in, to see how we could tie that together with public funding. It would be wonderful. The fact is private investors don't get involved in places where they can't make a buck or they can't write it off.

I recall hearing a story last week about the CCRA clawing back the deductions that were done in 1999-2000. I can't remember exactly. It was a capital cost allowance type of set-up, which I know is different from the structure you're suggesting. But there have been so many faulty starts and scares over the years that we'd really have to make sure it was clear that they weren't going to end up holding the bag at the end of it. We've had two big scares about investing in film in Canada.

I'd also have to say that people aren't going to invest in something that nobody can see. Unless we resolve the issue on how to get Canadian film distributed and exhibited to Canadians, nobody wants to finance something that no one can see.

I agree. I'm sure the film industry is 100% behind the concept of private investment, yes.

Mr. Gary Schellenberger: I have one more comment.

Last week I was at a place to do a ribbon-cutting on a senior's home that was all done with private money. As soon as you get government involved, the government might put 10% into something and then they tell you 100% how you have to do it.

That's one thing we have to watch. When you go into a partnership like that, the partnerships have to be done in the right way. That's why I don't think private people want to get involved in some of those things, because then, all of a sudden, they have certain rules they have to go by. If you're done with all private funding, you have no rules.

• (1510)

The Chair: Monsieur Kotto.

[Translation]

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

I'll start by saying that you can't make music without musicians. You can't make an omelette without eggs either. And cinema, basically, is actors acting, but the fact is, whether you are here or in the east, these people, young or less young, live in a precarious situation.

I'd like to know what the actual situation is here as compared to Quebec, for example, where around 60 per cent of actors live below the poverty line.

Mr. Claude Dorge:

Like in Quebec, the situation is very precarious. As I said in my presentation, it's virtually impossible to make a living here just from acting. A few actors manage to do so, but the vast majority wait tables and work in shops. In terms of precariousness, we have nothing to tell you, because an actor is always at the mercy of the market.

We find what's going on in Quebec wonderful. You have a thriving film industry. We get your television. You have all these television shows that reflect Quebec life and you have a star system. You have stars in Quebec. Correct me if I'm mistaken, but I believe that the situation in Quebec is unique: you are a francophone population on an anglophone continent, so you have taken charge and made your way. You have created your own cinema and television.

I always wonder why the same thing hasn't happened in English Canada. You, francophones, had this problem with anglophones, whereas we, Canadians, have it with the United States.

How is it that we have been unable to create a Canadian system like the one you have in Quebec? I ask the question, but I certainly don't have the answer.

Mr. Maka Kotto: That's a good question; it will probably give rise to further discussion. Compared to the French model, for example, the Quebec model is pitiful. But in the Canadian context, it remains a reference.

Ms. Anderson referred earlier to realities that we would not have known were it not for this willingness to show images with Canadian content. It is true that in this field, if you don't make the necessary effort, you head straight for cultural alienation, even acculturation. Don't forget that cinema has an unparalleled effect on the collective unconscious, especially when it comes to the very young. In the personality development stage, they look for models they can identify with.

At the start, Mr. Burns referred to Gordon Tootoosis. It is true that these communities are a very good example. If there are no role models they can identify with, their young people will never find any and will turn to the limited selection in their immediate surroundings, which is not always ideal.

I wanted to highlight the importance of actors in the community, both small and full scale. People aren't always aware of it. In Canada, when it comes to selling and distributing films or setting up festivals, priority is generally given to production, distribution and marketing. In my opinion, the essential basic tool that is used is not valued. I wanted to mention to you that we are more or less on the same wavelength when it comes to that. That has been put before the committee nationally, with the arguments you have raised here today. That is one part of the cause that will be championed. I think that the committee is sensitive to that. I won't ask you any other questions because that would be redundant.

Thank you.

• (1515)

[English]

The Chair: Thank you.

Mr. Angus.

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

I will begin this afternoon by doing what I've done with each of the people we've talked to today. I'll start with a music metaphor, as it's the day after the Junos. One of the biggest lies or misperceptions in music is that you can't keep a good song down. It speaks to the sense of divine talent, that the dying song will always be heard, and that's a crock. Lots of great bands disappeared and nobody ever heard of them. A lot of fantastic songs never heard radio and lots of crappy songs became legend.

I'll start with John Candy, for example. I was driving to Toronto the other day and I heard a guy from *Coronation Street*—I don't know his name. He's big, he's famous, I guess, he's from Britain.... He said his most favourite actor in the world was John Candy. He was shocked to find out that John Candy was Canadian and he had no idea that Mr. John Candy was *Second City TV*.

I'm going to put out a series of "what ifs". If John Candy hadn't had years of incubation with a relatively low-budget television production, would John Candy have ever been an international star? I wouldn't have bet 10¢ on it. If John Candy was an actor here in an independent film and we were going to try to get it modelled to our marketing system, would John Candy have ever honed his skills? I don't think it's possible.

So we cease what *Second City TV* did, and I think *Second City TV* might be a better model for us to look at than *Corner Gas*. I have nothing against *Corner Gas*, but we've had this one-off success. When we look at what *Second City TV* did, where they took a very low-budget television show over a number of years, where a number of comedians honed their talents.... Would Mike Meyers have become an international star today if *Second City TV* hadn't established those connections in New York City? Basically we had already built a star system out of what the *Second City TV* team did.

My question to you is on this issue of incubation. If we do not have our television creating the half-hour show, creating the opportunities for the phenomenal comedians and actors who are out there.... What you get on stage is nothing compared to honing your craft before film, as you would know much more than me. How much do we have to look at television in terms of scripting and enforcing through legislation, if we have to, some kind of regimen to ensure that we have that incubator of television to create some stars? How much of that is connected together?

Ms. Wendy Anderson: It's paramount; it has to be there. It's much like the argument I made that if you don't have a television industry that's Canadian, the industry itself is going to cave. You have to have television, and not just for performers. On the creative side—writers, directors, performers—it's integral: we have to have that in order to get anywhere, and the crew as well, and the vertical industries. We can't survive on feature films alone, unless you people and Canadian Heritage move forward to make sure we can find a way to create a valid film industry. Those are our recommendations; we hope we can find some way to make that happen.

But it would have to go hand in hand with television because of the length of time, the immersion, the development that occurs, for instance, in the story department over a season: the way those writers develop; the way they begin to understand how to write a good joke, how to move forward with the plot and the story and develop characters and draw them through. It is the same for actors: it's a deeper understanding. You can work through the arc in a film, but in an entire series it's deep work; it's much different, and it grounds you, in a way. It's the same for crew: for a grip to do "a movie" and wait a couple of months and do "a movie" is a completely different thing from getting up every single day and doing 12 hours on a set. You learn so much more.

I believe in the past probably television has done more to create a valid.... You can point to the centres, as much as we hate to do that in the regions. Toronto and Vancouver would have fairly significantly adept crews, and that's probably because they do more television work and they work longer around the season through a series. It is valuable.

• (1520)

Mr. Charlie Angus: I'm very concerned because of the phenomenal cost of putting a film together. How do you get your chops together, when you can actually do fairly low-budget television compared with film, and you build up that expertise of knowing what works and what doesn't, and you have a wider margin of error? It's a series. It's 28 episodes; it's not one shot, where if it doesn't make it in that one shot, well, you've sunk the *Titanic*.

Ms. Wendy Anderson: That's true. I would caution that nobody likes to make mistakes on anybody's buck; that's why it makes a lot of sense to support more money toward development. The idea of labs, where you can bring the writers and performers together, along with the creative side, and make sure you're not going to step out the door and make big mistakes that cost big money.... If it's solid in the development, and you're ready to go and you know you're ready to go, it's a much cleaner, much cheaper way to go at it than to scrimp on the development side of it and then hope like heck that in the production it comes through. We have this saying in film and television that if it's not on the page, it's not on the screen. This is

where it has to happen. It has to happen there, and it has to happen through workshops with actors.

I can't think of a director out there who wouldn't say that if they had their druthers they would love to be able to have time to sit down with the story department and the talent and make sure that is solid first. This just doesn't exist, though, not in Canada.

The Chair: Thank you, Mr. Angus.

I'm going to call on Ms. Bulte for her first round.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Thank you for coming.

Let me begin my words by saying that this group of people you see here are very committed to the arts. You suggest in your paper that your question at starting was "Wouldn't some adept politicians be pushing for similar growth here?" Actually, it was this government that created a Canadian Feature Film Fund in 2000. We are now reviewing it. We were the ones who decided as a committee to try to make things better, so that the Canadian Television Fund that was created would continue to remain sustainable. You've lobbied to have Tomorrow Starts Today renewed. It was renewed.

So I think, with all due respect, there are a lot of things that we have done. We worked with your organization, and quite frankly, I take serious exception to that statement in your presentation. I think it's wrong. We're here to try to make solutions, but by saying that we haven't acted in any way whatsoever is not fair to any of these members who are sitting around this table and who are devoted to helping your industry.

Having said that, I guess I need a bit of a clarification on what "copyright industries" is as well. I've been a major champion of copyright, and I don't understand what that term means, so perhaps you could help me.

Ms. Wendy Anderson: First of all, I apologize if I offended you with that statement. I was asking a question. I'm very new to national, and probably wasn't around back in those lobbying days. Of course we're very thankful for the CTF, we're very pleased about the reinstatement of those funds, and we thank you for your hard work in those areas.

Again, I apologize if I offended you. I didn't mean to offend anybody. I simply meant to ask the question in a general sense, that wouldn't there be politicians out there, not just in one party but all over.

Hon. Sarmite Bulte: You were speaking about all over.

Ms. Wendy Anderson: Right. I'm sorry if I offended anybody, I really am.

And your second question was on...?

Hon. Sarmite Bulte: The copyright industries.

Ms. Wendy Anderson: Right. It's a U.S. term.

• (1525)

Hon. Sarmite Bulte: I'm interested in learning what that means.

Ms. Wendy Anderson: The U.S. Census Bureau has a really great site that discusses all of these numbers. They refer to them as the copyright industries, and they include sound recording, they include film, motion picture, and video sectors, and they also include publishing.

Hon. Sarmite Bulte: One of the things you haven't raised...and I know I've spoken to your counterparts in Toronto, but maybe it's not an issue here. When we were speaking about concerns that are important to ACTRA, certainly there's the whole Customs and Revenue Agency ruling, or rulings, regarding the independent contractor status versus employee status. I think certainly when we talk about how difficult it is, as Mr. Burns did...

You know, actors do the work they do because they're passionate about what they're doing. Many of us work for the things we're passionate about without being reimbursed properly.

I wonder if you'd address that a little bit, because I think that's sort of a sleeping giant. I know there's an arts summit coalition that's working on it, but is this an issue here in both Manitoba and Alberta? I'd be interested in knowing.

Mr. Michael Burns: There's deep concern in Manitoba and Saskatchewan—

Hon. Sarmite Bulte: Saskatchewan, right.

Mr. Michael Burns:—about the tax implications. Recent rulings in Thunder Bay have given us hope that the department will allow the status quo to continue, and actors will be able to keep their independent status. To make actors employees would put a very onerous tax regime on income that's very meagre at times.

You're right, it is a sleeping giant. Our national organization has had many meetings with Mr. Goodale's office. He's our local representative in Regina. We try that as well, especially around election time...and we had quite a bit of success, at least in that period.

So we are concerned, but we are hopeful, with the recent ruling, that the department's going to back off in that area.

Also, in Saskatchewan we're currently engaged in status of the artist discussions. The government is currently coming out with that, so the issue has been raised in that context as well.

Hon. Sarmite Bulte: Perhaps I can ask you a specific question here. This morning we heard from people about why they thought some of the feature film policy guidelines needed to be reviewed, or different criteria put in place. Does your association have any specific recommendations on that? We were told that in Saskatchewan they were not eligible, I guess, for the performance part of the Canadian Feature Film Fund.

Do you have any specific comments on that?

Mr. Michael Burns: We saw the recommendations from our good friends at SaskFilm, and certainly it would be a step away from what ACTRA has supported in the past. We don't believe the star system

can be built by saying let's just let as many Americans as we want come up here. That just goes against our basic policy of creating a star system. You're not going to do it that way.

ACTRA is flexible, understanding that there are box office requirements for service-type films, but we expect films to be Canadian productions—"all-Canadian" productions, as we call them. We want to have as many Canadians working in them as possible.

Hon. Sarmite Bulte: One of the things I'm interested in is what was said this morning with regard to this new concept of Canadians being worked up by the CFTPA. Are you participating in that?

Mr. Michael Burns: Yes.

• (1530)

Ms. Wendy Anderson: We haven't at national dealt with that yet. I believe this Friday we have a meeting to discuss it.

Hon. Sarmite Bulte: But you've at least been engaged in the process.

Ms. Wendy Anderson: I'm not sure. I can't respond to that. But I could let you know as soon as I find out.

Hon. Sarmite Bulte: I just think it's important that everybody is happy with what is being proposed. I know you can't please everybody all of the time, but you can certainly have some kind of consensus within the industry.

Ms. Wendy Anderson: We thank you very much for those intentions because we feel the same way.

Mr. Rob Macklin (Member, Manitoba Branch, Alliance of Canadian Cinema, Television and Radio Artists): We just heard about it today.

Hon. Sarmite Bulte: I just heard about it this morning. That was brand new.

Mr. Rob Macklin: Sometimes there is a lag in information between Toronto and Ottawa and maybe Winnipeg and Regina. I'm sure we're going to be given the details soon.

I'd like to go back to some of the things you were saying and the presentations that were made this morning by the industry in Saskatchewan and Manitoba. One of the things that is crucial to us as performers is that Canadian production be and remain uniquely Canadian. That's what we're worried about in terms of opening the doors too far.

Hon. Sarmite Bulte: Could you give me a specific example? It's important that we come up with concrete things we can make better, if at all possible.

Mr. Rob Macklin: I was just thinking about the situation if the doors were opened to performers travelling back and forth many times with no problem. You referred earlier to the regulations about content. If the performance was taken out, how do we create or maintain our uniquely Canadian industry and our culture? I think that's what you were saying. It seems to me we have to be very careful about giving up our cultural sovereignty here. We're one-tenth the size of the United States, and our economy is one-tenth the size of theirs.

Maybe there are other successes we should be looking at in Europe, in the smaller countries that are side by side with the big countries, and see what they do to maintain a viable indigenous culture and a thriving industry.

Government can't do everything, and I don't think we're suggesting that. We don't want to see government do everything. We want to see talent developed in many ways. We would love to see private investors developed in this country. That would be one of the best things possible for the industry. But I do think we have to be very careful about our cultural sovereignty.

Hon. Sarmite Bulte: Through you, Madam Chairman, to Mr. Macklin, if you have examples of other countries, perhaps you could forward them to the clerk. Any research you could share with us would be important.

Mr. Rob Macklin: I would be happy to do that. I will do research on it from our notes.

Hon. Sarmite Bulte: I would urge you as an industry to try to find some consensus to help the policy-makers come up with the right decision, one that is fitted to you.

Mr. Michael Burns: I would like to add to that. Obviously, when we talk about the CFTPA and ACTRA, we're talking about two different constituencies. We're talking about a business constituency and an artists' constituency. ACTRA is there for Canadian artists, and we stand up for Canadian culture. The CFTPA is a producers' group. We agree with the CFTPA on many things. We agree on an agreement every three years, and it's a very important agreement. But we don't agree on everything. If the CFTPA sees a way they can make more money and Canadian culture isn't necessarily at the heart of their argument, I think that would be okay with them. But it's not okay with us. We want Canadian actors to work because we believe that's the best way to get Canadian culture on the map.

• (1535)

The Chair: Thank you.

That was very generous, but I just wanted to add to the comments Ms. Bulte made. Everything leading up to the comments that she found offensive—and I reacted to them as well—is about the American market. And you, Robert, are talking about preserving our own Canadian identity and Canadian sovereignty. I think it's fair to say, on behalf of all the members of this committee, we're not doing this study for economic reasons. While I know in some context it's important to give the economic argument for that—better for Canadian instead of American—that's not why all the members of this committee unanimously agreed this should be our priority.

Go ahead, please, Ms. Oda.

Ms. Bev Oda (Durham, CPC): Thank you. I will endorse that. However, I want to make sure that we fully utilize the process that was in.

I know you've given us some information and added more context to the particular experience in the eastern provinces, but part of the process is, hopefully, that we will get some ideas we can explore as we're conducting our consultations across the country. Even though you come from Manitoba or Saskatchewan, as we heard from your national representative, we're hoping that you would be able to build on what had originally been said at our first consultation.

If I could ask you to do one thing, it would be to act as a messenger back to your national organization so that hopefully as we proceed—because I know we're going to be hearing again from ACTRA in other regions of the country—it's not only to hear about the context within each of the regions. Each of those presentations helps us build on specific ideas. In light of the fact that this will be monitored by the producers and other people who are interested in this effort, we're also able to build reactions to proposals we're looking at. So at the end of the day, as I said earlier, we don't want to have just a list of things that we have to look at. Hopefully, through this process, we will have a look at them, and we will be able to come up with some specific recommendations, not just a list of what we should review. If you could just pass on that message to your national organization, I know there will be some coordination that has to be done on that.

The proposals or recommendations put forward by ACTRA at our last meeting with them were industry-wide general proposals. What I would like to do is find out from you and ACTRA overall whether there are specific ideas, specific changes, specific challenges that ACTRA faces on behalf of the people you represent. For instance, the tax credit system helps some elements, but it's not specifically targeted at ACTRA. I totally endorse that if we don't have ACTRA, we don't have a voice in the States, and that's critical. Am I to read from the proposal by ACTRA that your association has no specific recommendations other than industry-wide recommendations? That's fundamentally my question to your association.

Second, I would like to know if you have any more contribution to make within this context of the status of the artist legislation, particularly because I think your primary target is the star system. Here's our opportunity to discuss it from your point of view, because it's also tied in to where we are going to get the dollars in order to invest in the marketing and promotion, in order to create first, because that's how a star system is built—more exposure, more familiarity, etc.

We've talked about foreign distribution, and I'm going to put a hypothetical question—and it's a loaded question—that I'd like you to argue, if in fact there is an argument. If you would like to have the multi-million dollars that you've told us about that American studios and distributors put behind distribution and marketing—and if we were to open that door up, and, Ms. Anderson, if you knew that you had that kind of promotional power behind you, not only on *eTalk* but on *Entertainment Tonight*, and not just in North America but internationally you could be promoted.... We have regulations right now that prohibit that kind of opportunity. May I have your comments, as ACTRA, on what the benefits are of considering opening it up to foreign distribution? What are the challenges or precautions we should look at, that maybe it's not such a good thing?

• (1540)

Ms. Wendy Anderson: That's a very good question. Maybe I'll start with a story.

I was here, actually, in Winnipeg, I believe it was 1998 or 1999, at Local Heroes, a small film festival. A picture I worked on was premiering there. I thought I would take in much of the conference, which I did. I remember sitting in the audience with maybe about another 150 hopefuls who all had scripts in hand and were hoping to get a picture made.

The panel was moderated by a woman, and it was a group from the studios in the United States. They were all readers. The moderator was a lovely person. She stood up and said to this group, "You Canadians, you make such beautiful films, such excellent stories, that no one will ever see because we won't let them". There was this audible gasp in the room. It was like everybody was collectively punched in the stomach at the same time.

So there seemed to be this kind of will. Maybe it no longer exists, I don't know—that was a long time ago. I think the fear is that if we open it up, the likelihood is that they just won't do it, that there won't be a will to distribute Canadian film, other than farm stuff that's already successful. It's already making a successful dent on the festival circuit, or it has a cult following of some kind. So it makes sense to perhaps pick this up and distribute it.

I think collectively the fear is, and my fear is, it just wouldn't happen. Also, I think we're hoping to create our own industry, and we're hoping to create a distribution arm of our own.

Ms. Bev Oda: I want to follow up. The fear that it wouldn't happen, is it because they're Canadians? We all know, and we all agree, we have great stories. We have great writers. We have talent. They move to L.A. They're being sought after to move to L.A. So why wouldn't these projects be appealing, so that they would get behind them if they had the ability to do that?

Ms. Wendy Anderson: There are a lot of myths in the film industry world and a lot of them tend to be believed. I think there could be many reasons. I'll just mention one, and it would be that Americans don't think other Americans are going to be interested in Canadian stories, in Canadian films.

I've been on sets where I've heard people say, "We can't do that because Americans would never buy that, they'd never believe that", or whatever. So that could be part of it. There is a way they do things in how they make films, and we don't follow those sorts of rules. The way they develop things in the United States is so different from what we do here. They tend to have a bevy of writers. Or if you come with a great story....

There was another moment, a beautiful, brilliant moment at Local Heroes. I was at a breakout session with the shooting gallery, and the guy said, "Here's how it works. You bring me a great script. It's wonderful. I love it. I love it. I take you out. I wine and dine you. I get you to sign a deal that's crap and then I fire your ass. Then I hire someone else to write it the way I want it."

• (1545)

Ms. Bev Oda: You may have misunderstood me, because we were talking about the participation of a foreign distributor only in the role of distribution, not as producer.

Mr. Rob Macklin: I would like to address that a little bit as well. The distributors have a lot to say about what goes into a production, often because they're putting up money, and money talks—and if it's American money, American money talks.

I would just like to follow up on what Wendy said. I've heard from more than one producer here who has created an excellent local production and cannot sell it in the United States because he or she is told point-blank that the production is too Canadian. Producers cannot get these productions distributed in the United States. Sometimes in Australia or Britain or other countries they can get distributions; they can't get distributions in the United States. This sounds very odd to me in the sense that we're so close to the United States; nevertheless, it seems to be the case.

If we allow Americans to distribute within Canada, you have to remember that they are still going to be thinking about the global market and about getting as many sales as they possibly can. They have the money to put up front. There is no question that they will influence what the content is as they think about how to secure as many markets as possible.

Ms. Bev Oda: But shouldn't a Canadian distributor be thinking about that as well?

Mr. Rob Macklin: But at what expense?

Ms. Bev Oda: If Canadian distributors are the only ones who can participate in a Canadian project, and they're only thinking about the Canadian market, then are we maximizing the exposure and the international potential for success that these projects have as well?

Mr. Rob Macklin: I don't believe Canadian distributors are only thinking of the Canadian market.

Ms. Bev Oda: Do they have the same imperatives to think about the potential in the international marketplace as well?

Mr. Rob Macklin: I think they do think about the international market, but I think the system within Canada compromises the creative part of the production less than what we see with an American-financed distribution.

The Chair: Thank you.

We have time for a few more questions from one person.

Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): I do have a question. But before I get to it, if I have some time, I want just to elaborate further on this whole issue of distribution.

When I was in France, the most popular show—at least for young people—was *Degrassi Junior High*. *The Littlest Hobo* is also very famous internationally. There's another one I can think of—*Due South*, I think it was called—that is also very popular.

Frankly, in the European context, and maybe also in the Asian context, they don't know the difference between American and Canadian. The shows are dubbed anyway, so it's not a big factor. Are we beating ourselves up too much by trying to get into the U.S. market when there are all these other markets out there who frankly wouldn't care where it comes from? If it's a good production, it's a good production, and they'll gladly take it and dub it into their own language.

Mr. Rob Macklin: I think you're right. That does happen. *Trailer Park Boys* comes to mind. The last time I heard the number of countries it's being distributed in, I was astounded. It's all over the world. Obviously somebody is doing a good job there.

Mr. Mario Silva: I do have other questions, but I think there are some other members who wish to ask questions.

Do I have time, Madam Chair?

The Chair: I'll give you one more question and then one more to Mr. Kotto.

Mr. Mario Silva: We talked about this earlier—and the chair also mentioned why we're here, which is to talk about the importance of culture and not just economics, and I agree with that totally.

But I must say, when I sat on the film liaison committee as a city councillor in Toronto for ten years, we didn't have to worry about cultural issues—that tended to be more of a concern for the federal government—but we did focus on economics. We did talk about why the film industry was so vital for the city's economy. It was a \$1 billion industry, and we really hammered that point and had all the different departments cooperating and working very hard on that.

So sometimes I wonder, because we're worried about talking about economics, whether we're shortchanging the film industry in this country. I just want to have your comments on that.

• (1550)

Mr. Michael Burns: I just think you can have both, and we're proving it. *Trailer Park Boys* and *Corner Gas* show that not only can we make culture that makes money, but the rest of the world will enjoy it. That's the good news of the equation. The bad news is that we don't have a sustainable way to implement that in the long term.

For instance, *Corner Gas* is more or less a fluke of nature—it's successful. It came about because CTV was required by their licensing agreement to spend some money on Canadian programming. They said, "Okay, we'll take that one, *Corner Gas*, whatever that is, and we'll spend money". They put money into that for two years. It's the only show CTV made with their own money in that period. They fully financed it, and lo and behold, the show is a hit and makes lots of money for them, much to their surprise, frankly. That doesn't take away from the excellent production team that was in place to make it happen.

Now we've come to the point where CTV no longer has a commitment to put their own money into *Corner Gas*. Now *Corner Gas* is back in the world with all the other shows in Canada that are

fighting over the scraps, the very small amount of money, to make half a dozen or a dozen shows in Canada this year. Several shows that were made locally in Saskatchewan or in other areas will be gone because *Corner Gas* will be grabbing that money. It will eliminate their chances of being successful next year.

The Chair: Thank you.

Mr. Kotto is next for one question.

[*Translation*]

Mr. Maka Kotto: Thank you, Madam Chair.

I'd like to come back to the desire to penetrate the US market. There's a bit of a caricature in the Americans wanting to penetrate the Indian market. It's a very tough market. The French tried to do it in the United States, where they spent millions and millions of dollars. A festival was put on in that very market, and it never worked. The French who were integrated into the American production and distribution machine were subordinated to American reality, imagery and perception. They certainly weren't going to do anything French in the US. There's strong cultural protectionism there. It's not written down on paper, but it's there, it's a fact.

I think you should point us to some other means, like, for example, the idea of developing digital networks, which would in turn reduce production costs. Perhaps you have other solutions too. However, I would be quite surprised if the Americans started caring about people from up high in their multinational corporations.

[*English*]

Ms. Wendy Anderson: I agree. I think we're clear on that.

The Chair: Mr. Angus.

Mr. Charlie Angus: One of the things I've been getting out of our film study...I haven't really decided if we're afraid our neighbours will build higher walls just for money. I haven't heard anybody yet come forward and say, "This is what we do, we're damn good at it, and we're going to tell it to the whole world". There doesn't seem to be that sense of assuredness.

I want to put it back to the question of...[*Inaudible—Editor*. They won't crack the American market...[*Inaudible—Editor*]...American niche markets love what we do, and we could sell a lot...[*Inaudible—Editor*] Why aren't we doing that in film? America's not a monster. There's the eastern seaboard, where 60 million people live...[*Inaudible—Editor*] We talk about allowing the Americans in internationally or allowing them in distribution, but it seems at the end of the day, if we can't go into those niche markets in the U.S., no matter how much money we throw...[*Inaudible—Editor*]

I don't know, it's just a sense I have. How do you guys see yourselves?

•(1555)

Ms. Wendy Anderson: Yes, we can. I think we'll have the product. I think we have the talent. Definitely, we can do it. I don't know just what kinds of structures there are in place for us to do that. That would be my question.

The Americans are very protective of this number one industry of theirs. It's hit us in many other places over the years. I recall having lunch with Wayne Clarkson just a little while ago, and he said right out that there was no political will to put quotas on screens in Canada. It's just not going to happen. The Americans have that market and they tend to fight back in other ways. This is what we're led to believe.

I'm sure there's an answer to the question of how we make those inroads. I know that *Trailer Park Boys* is now being shown in the States. They have made some changes to their creative...in order to make it more palatable to people in the States. They've been asked to and they have done so. Shows from the U.K., like *The Office*, are big hits. But the Americans tend to take the model and then create an American version of it, rather than show foreign products.

Mr. Rob Macklin: *The Saddest Music in the World*, made by Guy Maddin, secured a U.S. distributor at the Toronto Film Festival, which is really good news. But there's a sense that it will be for a niche market. I forget the name of the distribution company. Nevertheless, it has access to all of the United States, certainly all of the major cities. So one of the ways we market is through festivals. That's how we get our product out.

The Chair: Thank you very much.

We will be meeting ACTRA again in different cities.

Mr. Burns, I was particularly interested in your comments about bringing Canadian stories to larger audiences, as we have done with our music, our musicians and our songs. I'd like to hear a bit more about how to do that, from a practical point of view.

Similarly, there's the matter of increased funding. It's not just a matter of two times as much, five times as much, a hundred times as much. It's not just a question of how much. It's a question of how it's spent. Your summary goes on to discuss how much, for what purpose, in what way. Support for development is crucial, more important than support for promotion and distribution. I think we need a more concrete sense of what's going to be required.

When you, the Canadian Film and Television Producers, can't come to a consensus on some of these issues, you leave it to us politicians to decide who the baby belongs to. We may not always be as wise as King Solomon.

Thank you all very much for your time and your contribution here today.

•(1600)

_____ (Pause) _____

•(1613)

•(1615)

The Chair: Sorry for the delay.

It has been suggested that I make an announcement that I made earlier today. I think we'll try to be a little more consistent about this.

In addition to the people who are here as witnesses, I would be very interested in knowing who are here as observers. If you've come in since this morning and you're not a witness, you won't have signed in. But as observers, if you would leave us contact information, it would be very nice to know who has been keeping an eye on our hearings. That would be very interesting for us.

Thank you very much.

Welcome now to our next set of witnesses from the Alberta film industry, the National Screen Institute and the Alberta Motion Picture Industries Association. Thank you very much for being here.

Who's going to start off? I guess the National Screen Institute is first, and that gives the Alberta Motion Picture Industries Association the opportunity for the last word.

Ms. Susan Millican (Chief Executive Officer, National Screen Institute): Thank you.

My name is Susan Millican; I'm the CEO of the National Screen Institute. With me is my colleague Marci Elliott, senior director of business development. We'd like to thank you for the opportunity today that has been presented to us.

The Canadian film policy has been instrumental and nurturing in developing the Canadian film industry in this country. They've also done a great job developing an audience, growing the audience here and internationally. For that we are very grateful. But as with any set of regulations that have been in existence for a while, there is perhaps some room for improvement and change.

The National Screen Institute of Canada is the oldest federally funded training school for writers, producers, and directors in film, television, and new media. We are experts in training. Eighty percent of our graduates are working in the industry. Nine out of the last eighteen of our feature films went into production. We are profoundly affected by the Canadian feature film policy, and in turn so are our participants.

NSI maintains our nationally and internationally recognized success by constantly consulting with key industry professionals. Our board of directors, if you have an opportunity to look in our annual report, is a who's who of the Canadian film and television industry—and our alumni have helped provide us with a vision for the evolution of the Canadian film policy.

We have the following four recommendations.

First, there needs to be reliable, sustainable funding directed towards the national training schools. The funding should be shared by both private industry and government sources. Only through reliable, sustained funding and research can all the national training schools focus on the important tasks of refining curriculums and budgets and providing world-class, market-driven training. We must continue to graduate Canadian filmmakers who are capable of working in a national and global industry, graduates who can tell Canadian stories and contribute to the Canadian economy. In order to do this we have to know that we are going to have ongoing funding.

One of our colleagues made the analogy that being at a national training school was almost like being in political office, except that we're in an election every year. We spend a great deal of time raising the funds to keep going. It might be a better use of our time if we had the opportunity to concentrate on the training opportunities that need to be addressed in this country. I think that would be one of our number one concerns.

Currently the training funds are also divided among smaller institutions and groups as well as all the national training schools. We've been working very closely with these training schools, with INIS and the Canadian Film Centre, and we all feel that consolidating the funding and training to all the national training schools would not only be more effective and efficient, but it would also save dollars per student.

When new training initiatives arise that aren't already being addressed by the national training schools, the national training schools should be asked to put in a bid. That training school would then be awarded the training opportunity—much like what happened in the last couple of months with the Spark Plug program at Telefilm. They put out a call, all the national training schools applied, and we fortunately were granted the opportunity to take over the Spark Plug training.

We feel this offers a competitive, healthy sense of play and work between the national training schools. It also sharpens the budgeting procedures, and it also keeps the program excellence bar very high.

Unfortunately, all the national training schools are facing the end of the benefit packages. Since broadcasters are also often the benefactors of the Canadian production, whether it's film or television or new media, we suggest there be a mechanism put in place so that all the broadcasters provide a small amount of annual contribution to the national training schools. This contribution would not have to be as big as the benefit package, but in a small way it would help continue the training programs that we all feel are so necessary for this industry to continue.

I say that as a CEO of a training institute, but also as a former broadcaster. In my role as a vice-president of a woman's television network in the past, I know how much money is spent on development and on Canadian expenditure. If just a small percentage of that expenditure could be sent to the national schools it would make a huge difference to us and very little difference to the bottom line of the broadcasters.

● (1620)

Continued funding would also give us the opportunity to research the global market as well as training needs. Longer-term funding would allow us to compile the information we all need to prove to Canadian Heritage that the Canadian film industry makes good sense in this country and really contributes to our economy.

Our second recommendation is that there needs to be greater emphasis placed on the marketing of Canadian feature film. This is something we have all said, and I think it's like motherhood and apple pie: we all believe. We've been trying to think of different ways to do that. It seems the higher-budget Canadian films are now starting to receive a larger marketing, apart from just distributors, and the lower-budget films are still facing a deeper challenge.

We suggest there might be a more forgiving recruitment formula for prints and advertising that would encourage distributors to invest in and help all-Canadian films.

Also, if there was a higher licence fee for Canadian broadcasters, who eventually have the opportunity to air these films, that would help the distributors and encourage them to take on Canadian films.

Canadian films also need to play longer in Canadian theatres. How do we expect Canadians to become familiar with our films if they play for a day and a half?

Third, we need to have a stronger focus on market-driven training without excluding the development of art house films. It is a focus now that the films we produce actually draw an audience; that's something the national training schools have become experts at. In our training we not only offer the creative end of the business, we offer the business part of the business, how in fact you actually make a movie and how you write a script for a movie people want to see. That's something that has to be focused on without our losing sight of the emerging art house filmmakers who are the source of all the new talent and creativity in this country. We like those young, creative guys.

Fourth, we need to focus on and commit to developing the emerging media artists, the film producers in this country. They are the future of this industry and we believe in them.

I think an indication of how much we believe in them is our FilmExchange Canadian Film Festival, which happens in Winnipeg every March. We have a number of programs at the NSI. FilmExchange is often just a whole bunch of work, but we get a whole bunch of reward from it. This year our attendance was up 41%; we had 5,000 people at our festival.

We're the only 100% Canadian film festival in the country, and it's not just for the screening of Canadian films. It not only gives an opportunity for these young Canadian filmmakers to have their work shown—we had six feature films and over 45 short films—we also offer a whole slew of master classes, which have been standing room only. Based on the number of people who were there, we know there's a need for it. It's an opportunity for the young and emerging talent to meet the existing successful talent in this country.

We're committed to this. Our main challenge is knowing we have ongoing funding, and I'm not talking about ten years. Even if we knew we had funding for three years instead of having to ask every year for continued funding, it would make a huge difference to the national training schools, and in particular to the NSI.

Thank you.

•(1625)

The Chair: Ms. Elliott, do you have anything to add or do you want to wait for questions?

Ms. Marci Elliott (Senior Director, Marketing and Development, National Screen Institute): No, I'll wait for questions.

The Chair: And which of you are we going to hear from, or will it be both?

Ms. Shirley Vercruysse (Alberta Motion Picture Industries Association): It's from both of us.

Thank you.

Good afternoon, honourable committee members.

My name is Shirley Vercruysse. I'm here today in the capacity of a board member of the Alberta Motion Picture Industries Association, known as AMPA, as a member of its feature film committee, and as an independent feature film producer myself.

Presenting with me today is independent feature film producer and fellow Albertan, George Baptist. Together we wish to present AMPA's position on the national feature film policy.

AMPA is an association comprised of 245 members representing a cross-section of more than 3,000 industry professionals, including producers, directors, performers, writers, craftspeople, distributors, broadcasters, suppliers, and exhibitors. It is these members who drive the association and direct its mandate to ensure the growth of Alberta's indigenous film industry at all levels. For 30 years AMPA has diligently worked to maintain an environment where feature films can be developed and produced and Albertans can retain creative and financial control of their projects.

AMPA agrees with our colleagues who have presented today that the four stated objectives of the 2000 feature film policy are relevant and provide a useful framework for examining potential improvements in how feature films are made, distributed, and exhibited in Canada. AMPA's written brief, submitted to the committee, contains specific points in this regard. In today's presentation we will emphasize the overarching principles AMPA believes must inform revisions to the current policy.

Mr. George Baptist (Alberta Motion Picture Industries Association): The feature film industry in Canada is an essential cultural industry. It gives Canadian audiences opportunity to see films made from a Canadian perspective. It's the vanguard against overwhelming foreign cultural influence. For our industry to be relevant and continue to grow and flourish, our films must be seen by Canadians, whether they are theatre-goers, renting DVDs, or watching the films on television.

Currently, English language feature films are not attracting the audiences they deserve, as I believe you've heard several times. To succeed at the box office we must have exceptional writers,

producers, directors, cinematographers, actors, and craftspeople. We need a comprehensive set of programs and initiatives from all levels of government and the private sector that will support the full potential of our industry. Canadian filmmakers must be able to produce high-budget films with first-class production values and recognizable market elements, but we must also make those low-budget, fly-by-the-seat-of-your-pants features and everything in between. We have to encourage and promote our films, so that our filmmakers can grow and move up the system. Our talent base must be well-trained and have the opportunity to work on all levels of film.

Ms. Shirley Vercruysse: The primary instrument for fulfilling the national feature film policy is Telefilm Canada. AMPA strongly supports strengthening and growing Telefilm offices in all of the regions. Our western office provides essential services to Albertans.

In our written brief, we have made specific recommendations regarding the Canada Feature Film Fund, including the inclusion of feature-length documentaries among the projects eligible for funding, increased funding for regional projects, a better balancing of performance and selective-envelope allocations, preferential recruitment for producers, and increased resources for Telefilm to hire and train market specialists. Each of these recommendations will help create a more inclusive and effective feature film policy.

Telefilm's support of feature film must continue the concept of rewarding successful filmmakers, yet it must be recognized that great films come from a variety of sources. Success at the box office is only one indicator. Allocations of funds between performance and selective, between national and regional, must be balanced.

Mr. George Baptist: The key element to any determination of success has, once again, to do with the audience. Why are English language Canadian films having such difficulty in attracting audiences? AMPA believes that to answer this question, the entire distribution and exhibition model must be reviewed and analyzed. In our written brief, we discuss a number of possible points to examine, and some potential solutions.

AMPA believes that all stakeholders in the industry must play a more aggressive role in marketing, promotion, and exhibition of Canadian films. If Telefilm is going to analyze and authorize a distributors' marketing plan, then Telefilm must hold distributors accountable for the plans they develop. Broadcasters should be provided with incentives to encourage the overall promotion of Canadian films, and producers should be provided with access to funds that will assist them in marketing their films both domestically and internationally.

•(1630)

Ms. Shirley Vercauteren: The majority of recommendations and suggestions we've raised can only be met through increased sources of financing. AMPIA recognizes that public funds for filmmaking are limited and that traditional private funds have little incentive to substantially increase their allocations to the development and production of feature film. We must therefore look to alternative methods of financing in order to grow our industry. AMPIA strongly recommends that the lack of incentive for private investment in film projects be reviewed. We feel strongly that a mechanism must be developed that will encourage private investment to work along with public funding.

We feel that the Canadian film industry now has an operating system of checks and balances that would allow for substantial private investment without jeopardizing the value of the public funds. Issues related to tax shelter programs of the past could be avoided, but the method of introducing private financing cannot become a hodge-podge of complex tax structures in bizarre shelter schemes. It must be clear, focused, efficient, and work in concert with the federal tax credit program.

The main objective must be to encourage the production of Canadian films, and not to employ a battalion of tax lawyers, accountants, and venture capital specialists. It must be an all-embracing system that doesn't prejudice lower-budget films and smaller producers. It must be consolidated with the myriad of regional funding mechanisms. Methods of financing a film should complement each other, not consistently cancel each other out.

In conclusion, a feature film policy must employ a holistic vision of the feature film industry in Canada. It must encourage and promote filmmakers at all levels and work to ensure that audiences, both at home and internationally, have the opportunity to see the films we create. To achieve these goals, we must expand the system we have in place and look to new methods of financing distribution and exhibition.

As a nation, we can be proud of the films we've created—very proud. We must ensure that one of our important cultural industries has a bright future.

On behalf of AMPIA, I thank you very much for this opportunity to speak to you in person. We look forward to discussing this with you.

The Chair: Thank you very much.

Mr. Brown, are you going to start? Perfect.

Mr. Gord Brown (Leeds—Grenville, CPC): I am. Thank you, Madam Chair.

We've heard from two distinct groups here, so I'll jump around a bit. First is the National Screen Institute. I think probably one of the biggest issues is getting young people interested in the industry. My nephew is about 12 years old; he's in Toronto, and he's studying and spending a lot of time learning about the feature film industry. In fact, our hearings are in Toronto later this week, so I may drag him away from school for a little bit of time to hear what we're doing. I would suggest that outside of Toronto and the larger centres, maybe it's not something the educational system would put a lot of interest in, especially maybe even starting at the elementary level and

moving on to the secondary and post-secondary levels. Outside of a few centres in Canada, it's not something we would be encouraging young people to get involved in.

How could we improve that and make it more part of the curriculum in schools across Canada?

Ms. Susan Millican: That's an interesting thought. We used to have a program called Movie Camp, which was started in 1986. The whole focus of Movie Camp was to train kids. In the summer we offered a training program on how to do a film. We found, right across the country, excluding the north and very small cities, that so many of the kids were learning those skills within their schools that our Movie Camp was sort of redundant.

I think it might be a falsehood to say places like Winnipeg and Saskatoon and Regina aren't training kids in film production or video production. They really are. We found the need was to train other groups of young people, and what we have developed to replace the Movie Camp is an aboriginal youth training program.

We have two aboriginal projects. One is ongoing right now; we have selected 12 young aboriginal writers, producers, and directors, and we have developed a world-class training opportunity for them—they get a month of straight training and then a three-month job placement, and they're paid for the four months. At the National Screen Institute, we thought that area was being missed; just the regular kids in school were getting the services.

The other aboriginal project we developed was for established Canadian aboriginal writers, producers, and directors—people who had had some success in Canada but had never had the opportunity to have their work go international. We selected a group of them, and they went to Australia and New Zealand to do a global marketing trip, in order to do co-production. Marci went with them. A great number of them have done co-productions as a result of that mission.

At our film festival I was speaking to you about earlier, just last month we brought the aboriginal, aborigine, and Maori delegates back to Winnipeg, and we had a huge success. People like Cliff Curtis, the star of *Whale Rider*, *Blow*, and *Collateral Damage*, came to our festival, and there was this whole aboriginal buzz happening. It really was a wonderful experience.

But I understand why you think that, because when I started at the NSI, I thought there would be all these kids needing training—and I have children who are older than yours now. When I look back at their careers, these kids all grew up with video cameras on them. They're the ones we now want in our Drama Prize program. Once they've graduated from high school, like your nephew, and know how to turn on a camera, we then take them and train them on how to do a short film.

Another program we had at the film festival is called National Exposure. It's for kids like your nephew, or anybody—you don't have to be a kid—who has never made a film. We had I think over 500 entries this year, of people from across the country who entered these small local—

•(1635)

Ms. Marci Elliott: The point behind it is that we are trying to go into the educational system to let them know what opportunities are available there. We've actually done research to find out what schools in Canada at the post-secondary level as well as at the late high school level.... But that's less of a concern of ours right now because it's not so much our mandate the way we are right now.

We have contacted several of these colleges and universities to find out who's running film programs and who's running creative arts programs. When accessibility has allowed us, we've actually physically gone in and delivered educational understanding of what the NSI offers and then asked them for submissions for things like our National Exposure and/or Drama Prize. What we've actually done is close the loop. This could be done on a much greater scale, for example, if funding were available to us.

We've contacted these educational institutions. They actually had students submit to our National Exposure, which is a contest for a five-minute video program. It's usually done by an audience; there's an audience favourite and you win an award, but originally all the final selections are reduced to a short list. You have 12 finalists, and once the finalists have done this short amateur film, it actually provides stepping stones for them to go on to short film at the National Screen Institute. They also have a calling card.

They understand how to make a film. There's training on our website. It's really basic introductory stuff, but it's one way of tying it together.

I would suggest that with the educational mechanisms, the institutions that are out there, certainly there must be some way we can weave that together to provide consistent flow from these pools into national training schools. There you'd get hands-on experience and walk away with a calling card, whether it's a short film or a project that's ready to go into development.

•(1640)

Mr. Gord Brown: I'm interested in the private sector support because currently it is how you might encourage more of....

Ms. Susan Millican: Our board of directors, as I said, is a stellar group, and it has been very active in helping us procure funding. At this point, 50% of our funding comes from the private sector. We are funded by CanWest Global, the CBC—which I know isn't really private sector—CTV, Alliance Atlantis, Warner Brothers, Lions Gate...and it goes on, but our funding has been in large chunks from the benefit package.

We received a great, generous amount of money from CanWest Global when the WIC deal happened. Then they came back this year and very generously gave us money again, but we went from \$250,000 a year to \$30,000 a year.

Those kinds of amounts can really affect the training we can deliver. That's why one of our suggestions is that if there's some other way the broadcasters—and my friends in the broadcasting industry would be hitting me over the head with a cast iron frying pan if they heard me say this—could in turn give to the national training schools some of the expenditure they have to make on Canadian production, because they have to spend x millions of dollars.... If they could, instead of just spending it all on production,

give a small percentage of that to all the national training schools, it would help make up the difference in the benefit packages, because realistically, as generous as they are, they are not going to give us as much money if they don't have to.

And we are looking at new areas. Marci has been working very hard in new media, looking at other opportunities, and trying to think outside the box for where we can get money.

Mr. Gord Brown: Thank you.

Someone else will have to ask our friends from Alberta this question.

Ms. Susan Millican: Thank you for your questions. Those were good questions.

[*Translation*]

The Chair: Mr. Kotto.

Mr. Maka Kotto: Thank you, Madam Chair.

Ms. Millican referred earlier to marketing in relation to distribution. Distribution has to be encouraged in various ways, essentially financial. You have to find an audience and get it to see this film that is no longer showing after one or two weeks if it hasn't brought in the expected box office. We have been hearing from people in this industry for some time now, but no one has focused on the audience.

As far as I can see, the anglophone audience is already sold on American productions because those productions have shaped the psyche of a number of generations. The children have inherited the references of their own parents. Meanwhile, there hasn't been much to introduce into the imagination of the next generation.

Wouldn't it be a good idea to expose children to Canadian imagery beginning in pre-school? If so, what can you suggest along those lines? Because an audience is something that is developed. It takes time. It's a bit like a rare tree in a forest today, given how hard it is to compete with the Americans. So is it far-fetched to think of moulding an audience starting at kindergarten, for example?

[*English*]

Ms. Marci Elliott: Yes, I think they should be. There are two or three things that I need to say. First, I think very good research in Quebec has shown that it's actually my generation, my age, that has the American bias. It is not the adolescents or the young adults. It is something we grew up with—the explosion of America and American film—so we are tremendously biased. The younger adults do not have that bias, so they represent a tremendous opportunity for us to mould in Canadian film, television, and Canadian culture. That's a great opportunity.

The other thing is that Quebec has been very successful at maintaining their culture. They pass their culture down. They immerse their young people in it right from birth on through. There's a tremendous respect for the French Canadian culture, and English Canada needs to think about how we can replicate that model.

Coming from the private sector, I'm going to use an analogy that we're all familiar with, and that's a McDonald's Happy Meal. The reason McDonald's introduced the Happy Meal was so very young children would learn to love McDonald's, and they would grow up to be very heavy users of McDonald's products or foods, and they would pass that along down to their children. You create that self-sustaining cycle.

We must do that with Canadian culture in English Canada, and we will not be able to do that until we start to pay attention to it. You can't expect it to occur when you're halfway through your life. You have to start at a very young age. That needs to be nurtured from day one, so that goes right from kindergarten to grade one, grade five, and grade seven. In schools where that does take place, even using Winnipeg as an example, we notice that we get tremendous response to our festivals and our amateur films from those young people who have been nurtured along the way through the school system. We just need to do more of it.

We need to take a look at our educational system and how we can use it to facilitate the growth of culture, because we certainly know that culture pays us back in many ways, both economically and intellectually. It's what Canada uses to retain intellectual capital, but also to showcase to the world who we are and what we represent; to show that we are cutting edge, distinct, and a creative force.

• (1645)

[Translation]

Mr. Maka Kotto: I'm new to this. The exercise we're doing today has probably already been done before.

How fast do you see this kind of consultation happening, given the instability of cultural issues in the world today? I say this in light, for example, of what's going on at UNESCO with the preliminary draft international Convention on the Protection of the Diversity of Cultural Contents and Artistic Expressions.

Do you think that this kind of consultation should occur frequently, and how frequently? It's about contact with the industry.

[English]

Ms. Marci Elliott: Yes, I think we need to constantly be there. It's not realistic to...

I have to make sure I understand what you're asking me, but I think you're asking me whether we—

[Translation]

Mr. Maka Kotto: My question is based on a shifting, unstable situation in which Hollywood dominates, with 85 per cent of world box office and music receipts. They want more.

I mention that because the convention, if there ever is one, will enter into force in October 2005 to protect cultural and national expression within nations and between nations. That is going to lead us to another configuration of the situation, where everything that is said today may be revisited. That's why I asked the question.

Given this instability, is it necessary to meet often to update and adapt our approach, our vision?

[English]

Ms. Susan Millican: I think the issue is not just to legislate that people watch Canadian films. I think we have to make people want to watch Canadian films, so if you're a young Canadian, you have a sense of pride that the film you're watching is produced by a Canadian, that it is telling your story. I don't think you can make and force that issue.

Mr. George Baptist: An interesting example is to look at a film perhaps many of us haven't seen, but it was produced out of Alberta. The name is *Fubar*. It's a film that didn't come through the system. It was developed and produced and shot independently by three young men. It was taken to a distributor and purchased and taken on for national distribution. It certainly resonated a great deal with the youth of this country. They identified with the subject matter and the story being told. They identified with what they were seeing. Whether it was Canadian or not was, I'm sure, of secondary importance to them.

I think it's essential for both children and youth not only to be educated in understanding film, understanding the language of film, but also to have an opportunity for the films we are making to reach them naturally, the way they expect to see them. I don't expect we'll ever see a day when they will go out and purposely search out Canadian film, but it's a great attribute to say "I liked that film, it's Canadian, that was great"—but first and foremost, "I liked the film".

• (1650)

Ms. Susan Millican: You said it much more eloquently than I did, but we see this in our training role, when we take these talented young people, help them, work with them on their scripts, and get them right through to development—Shirley used to be the manager of one of our feature film programs, and she did a brilliant job doing it—and we had, and still do have, great success. Our last big hit was *Seven Times Lucky*, one developed through our Features First program. Last year it was voted one of the ten best films at the Sundance Festival. It just opened here; it's a really good film, and it's a Canadian film.

I don't think that can continue, unless we continue to invest in this young talent. They are going to be competing always; we are always going to be competing with the Americans, so we have to spend the time and the energy between these Canadians here, so they can continue to succeed and contribute to our economy.

The Chair: I think, to be fair, I will go to Mr. Angus.

[Translation]

Mr. Maka Kotto: Yes, but I didn't get an answer to my question.

[English]

The Chair: I'll come back to you, Maka.

Mr. Angus.

Mr. Charlie Angus: Thank you.

These were both excellent presentations. I only have five minutes. I'm going to focus on AMPIA's recommendations, which I find very interesting and provocative.

My question is on quality objective 3 that says Telefilm must have the resources to hire and train market-savvy staff involved in marketing. I'm looking at the western Canadian allocation for marketing—zero dollars. It has to be one hell of a lot of savvy in order to market films with zero dollars.

Ms. Shirley Vercruysse: What we mean by that is, we're always in the position when we're selling our film, when we first go in, in order to get Telefilm equity financing for a film that is asking for more than a million dollars from Telefilm, because they have four or five.... I'm right in the middle of preproduction on an \$8 million film. What we need to be able to do is provide a marketing plan from our distributor that says with this script, this combination of elements all put together, we believe can do a million dollars at the box office in Canada. Then that goes off to Telefilm and Telefilm assesses it.

With all due respect, I know the people at Telefilm, I respect them, I've worked with them quite a lot, but I must say they are overworked, for one thing. They are so busy and are expected to be up to speed and to analyze those marketing plans and give us a thumbs up, thumbs down, and whatnot on these. I honestly don't believe they have the skills, nor are there enough people within the organization who actually have the skills. You have one guy in Toronto who used to work for a distribution company who's the primary go-to guy for Telefilm to assess these marketing plans. You have two women in the country, who both used to work for distributors, who now provide services as marketing experts. There may be more people, but there are two that I know. They don't work for Telefilm. They work on an ad hoc basis. As a producer, you can turn around and hire them to do your marketing plan as well.

Our point is that Telefilm, if they're going to be there to assess the plan and be part of it, need the ability to do it well.

Mr. Charlie Angus: My concern here is that I'm looking for a mechanism that should allow for private investment in feature films. Does that mean it doesn't exist now?

•(1655)

Mr. George Baptist: There is a mechanism—well, there's not a mechanism, there's private investment. There's no restriction or refusal of private investment in film. You can bring private investment into a Canadian feature film. It used to be that it precluded you from going to the federal tax credit. That has recently been removed so that we can bring private investment in. But there is no additional incentive in place to bring in money from private investors in what is a very expensive and incredibly high-risk industry.

We've created mechanisms in the oil and gas industry and in other industries to help facilitate investors getting over the hump—looking at the experience of the Canadian film industry and saying why on earth would we invest in this one? Only 30% of American films actually make money, even though we would assume it's more than that. Canadians just make that many fewer films. Our chances of having a box office hit and recouping our investment are lower. We have to have an opportunity, whether it comes through some sort of sheltering component, some way for investors to look at the project and see an incentive to investing in it....

Mr. Charlie Angus: Looking at this, if I were a private investor on an \$8 million film—I don't know, maybe you'd want \$2 million or

\$3 million investment from me—I'd have to be nuts to invest in a Canadian film. If we have to go to one person at Telefilm who maybe will be looking at a marketing plan, and then, as we heard earlier today in hearings elsewhere, distributors who don't have a marketing plan for getting that movie out there..... Without a private sector strategy for marketing that film.... If I put \$3 million into the music industry, I could buy Billy Talent wholesale and hire Shania Twain as the backup singer for them and tour them around the world for five years and make phenomenal returns. How would I ever make a return if there's not a serious marketing plan already in place? Do we need the private sector to open this up so they can do that?

Ms. Shirley Vercruysse: In terms of the marketing plans, if Telefilm actually just had the ability, and had some staff who were up to speed, it would be a workable thing.

In terms of private investment, right now we can go to gap financiers—which in fact we have done. American gap financiers are there; they make their money out of our budgets, based on the interest. They're there; they loan us the money; it's all secured six ways from Sunday. They're there, and they're doing it because they see a return on their investment.

Now, I'm not at all close to up to speed on this, but FIDEC has gap finance in Quebec, from my understanding. My understanding now is they're going to branch out, outside of Quebec. If we can have gap financiers in Canada, I think it will be helpful for us, because they understand the system we're working in.

I have to say working with an American company in the business of putting money into feature film...it's a huge learning curve for them. They're asking how this Telefilm thing works.

And they're here; they're working in Canada. The guys we're working with have been on one or two other films so far already this year. They see that opportunity and they're taking it. We're not forced, but we go there because that's how we can close our financing. Then it takes money off our screen, which hurts all of us, right? We're like, more lawyers, more this, more that. But that's where it is.

So I think if FIDEC is moving outside of Quebec and we can start to work with them, that's fantastic. I don't know if that's one way and if there's another way.

Mr. Charlie Angus: But I guess it's also a question of—where is that outside expertise? To me the idea of going to a federal agency to help the marketing—

Ms. Shirley Vercruysse: I couldn't agree more—if we can do that.

What we were trying to do by putting some of our things in here was not just to be provocative, but to try to say we have a good system, and it is helping us, and it's helping us leverage, but we've got some problems here, so let's not try to keep fixing it the way we have before, and let's look beyond that. Regardless of whether it's Telefilm or Telefilm access, Telefilm needs more support, whether they're going to go hire the market specialist or have that person anyhow.

• (1700)

Mr. Charlie Angus: Thank you.

Ms. Shirley Vercruysse: You're welcome. Thank you.

The Chair: Thank you.

Ms. Bulte.

Hon. Sarmite Bulte: Thank you all for coming this afternoon.

Let me begin by asking the National Screen Institute.... You said you get your money—no, you didn't say where you get your money. You said you're a national training school. Does your money come from HRSDC, or does it come from Canadian Heritage, or a combination of both? It doesn't come from the Canadian Feature Film Fund.

Ms. Marci Elliott: We get money from Telefilm. We run four core programs. Each is a separate “ask”, for each particular sum to flow out of the Feature Film Fund. Some come out of their international marketing fund, because we do have, and run, an international marketing program. As well, our festival is funded through the Feature Film Fund. Of our showcase and four core programs, two come out of the Feature Film Fund—so three, in total.

Hon. Sarmite Bulte: Why don't you get funding from the national training fund, as the National Ballet School does?

Ms. Marci Elliott: We do get some core funding from there as well. We also apply separately—and now this is going to start to touch on the paperwork we go through—for the HRSDC to fund the youth outreach component of our festival, which is about \$60,000. Again, it is a tremendous amount of work to request this. We have to ask every year. We never ever know from one year to the next whether or not we're going to get it. We always have to play Russian roulette on whether a program is going to run or whether a program isn't going to run.

Some of our international cultural trade initiatives, for example, trade routes, would be with Canadian Heritage, but another HRSDC project is the aboriginal youth pilot program, which we did through the aboriginal single window. The money for this from HRSDC was a little over \$100,000. Again, it's always a separate ask and it's a whole new flow of paper, a whole new thing over and over again. Every time we run that program—if we want to run it more than once a year—we have to do that all over again. If there's somebody new on the case—and in my experience, it's been the third year for the youth outreach festival and it's the third different person we've had. And while we got our ask in early, we had to completely educate this person all over again. Everything is in the file, but let's face it, unless the person has to read it, the person won't read it, which is fair. We all know it's a load of work.

There has to be a better way than recreating this paperwork over and over again and educating the new person who sits in the chair at the other end to try to help him or her understand. We just finished trying to get somebody else to understand the last time we ran the program. It's not that the program has changed that much, it's that the person at the other end has changed and that we're asking again. It's really an amazing process.

Hon. Sarmite Bulte: Again, my question is, why don't you get core funding for the national training school?

Ms. Marci Elliott: We get core funding, but it only accounts for part of the budget.

Ms. Susan Millican: Over \$2 million a year is what we spend on training.

Ms. Marci Elliott: We get 45% of that through core funding.

Hon. Sarmite Bulte: I have another question. You talked about enhancing your public-private sector relationship for sponsorship. When you say you get money from the private sector, do you also have individual donors? Do you go into that market at all, or is it just corporate?

Ms. Susan Millican: At this point it has been corporate, but next year is the 20th anniversary of NSI and we're looking, beginning now, to set up an endowment program.

Hon. Sarmite Bulte: Under the Tomorrow Starts Today program, there are endowment funds. I was going to ask you that question. Have you been able to access those funds, those matching funds? I know there was some problem with the National Ballet School trying to get the matching funding as they were already getting funding through the training schools program.

• (1705)

Ms. Marci Elliott: We're trying to. Actually, we are in the closing days. We are moving in on a private donor that we hope will come forward with a substantial sum of money that we can actually start to build and grow from, but there are no guarantees. Once again, we're rolling the dice hoping we get lucky. It's not that we don't present a really good case, but there are a lot of really good, needy cases out there.

As a matter of fact, I even approached a professional fundraising corporation just for the heck of it. We see the benefit packages ending, which are hundreds of thousands of dollars that we use right now that we won't have tomorrow, so to speak. They actually turned us down, the National Screen Institute, and they said—I'm condensing it—we don't have a heart string. We don't need a kidney or we don't have a child who's dying of cancer, so we don't have a heart string. All we can do is go forward with, do you want to support Canadian culture?

Hon. Sarmite Bulte: One of the recommendations you mentioned was about the four training schools and consolidated funding. How is that? Could you elaborate on that.

Ms. Susan Millican: I guess I wasn't explaining it very well, and I apologize, but there are different ways we can do it. I think for all of the training that goes on that Telefilm supports, the money should be given to the national training schools. I think we would save money if we standardized the training, if all the training that was being delivered to the writers, producers, and directors went to the national training school. I think if there's a need for new training, the national training school should be asked to put in a bid and the best bid gets the training, as I said, like our Spark Plug program. I think the broadcasters should have to chip in a bit of money for the training that's going to continue to happen.

Ms. Marci Elliott: They're saying it goes on outside of the national training schools, with independent individuals or companies. While I'm sure that training is very good, it splinters the single pot of money that all of us have to share. The more people who come to the table to say, "Hey, we do this now".... I'm sure they do, but you can't fund them all.

If we actually have national training schools that are supposed to have the expertise, if we can show, through our data and through our alumni, that 80% of our grads have jobs in the industry, and if we can do the math and show you how that contributes to the economy through these economic impact studies, then why wouldn't you fund all that through the national training schools?

If somebody out there says they're a good trainer, then they should go to a national training school and offer their services rather than pitching Telefilm to say they can do this training, with Telefilm then channeling some money off that should have or could have gone through to a national training school. So it's not so much the amount of money, but perhaps how that money is being spent.

Ms. Susan Millican: Actually, I just look at the National Ballet. I don't believe any of the training school lump of money is given to other little ballet schools across the country. There's not somebody in Regina who is saying they could train some young ballerinas, and who can then apply to that fund and get money to do it. But that's what happens in the film and television industry: the money is splintered. There are a lot of people receiving the money. It's not going to the national training schools.

I think this happens because people—and I don't mean you people, but people generally—don't really understand what the national training schools are in film and television. When people ask, my family included, I say the National Screen Institute is like the National Ballet or the National Theatre School, but it's for film and television writers, producers, and directors. They then say they now know what I do every day.

At the National Screen Institute, we have been hugely successful, but we have been negligent in the past about blowing our own horn. Because our budgets have always been so tight, we spend all the money on training. We're just like the film industry. We don't have the money for marketing. And we're at a bit of a disadvantage. It's like the double-edged sword, good news, bad news.

The good news about the Canadian Film Centre is that they have that gorgeous building and they have a wonderful barbecue. The bad

news for Wayne has always been that while he has that beautiful building and that barbecue, he has to raise \$9 million to keep the organization running. The National Screen Institute runs out of an office on Arthur Street in Winnipeg, but our training happens across the country, unless it's in Toronto, where Shirley would have them, or in Vancouver. The Drama Prize happens here, but we don't have a building. While there's a virtual school, we don't have the big barbecue. The good news is that we don't have to raise as much money, but the bad news is that people say, "The national what?"

• (1710)

Hon. Sarmite Bulte: Yes, but I'm one of those people. Of course, I've heard of the theatre school in Montreal, and the National Ballet School in Toronto is something very near and dear to my heart, but I had no idea what the National Screen Institute was. As I said, it actually took an American, Shelley Blaine Goodman, of Arts & Entertainment, to tell me how wonderful you are.

Ms. Susan Millican: All I can say is not to feel bad. I've worked in the television industry since I was 20 years old, and I didn't know what it was either before I took this job as the CEO. That was almost three years ago. They were trying to talk me into the job, and I was saying, "Wait a minute. The National Screen Institute? What is that?"

Hon. Sarmite Bulte: So you're changing.

Ms. Susan Millican: We're changing. Now we have a presence. Now people are beginning to know who we are because we have been so successful—and because Marci and I are quite mouthy.

Hon. Sarmite Bulte: I think both of your presentations talked about how you could get the broadcasters involved. I'm thinking out loud. When the Canadian Television Fund was developed, that's where broadcasters and cable companies contributed, and then there was that public-private involvement with the federal government. Maybe you could think about this, but is there some way that something similar to that could be used to address your needs?

I know that within the Canadian Television Fund there is a little bit for film, but is there some way, either within that CTF or through a new component to it, to address these needs? We already have a group of broadcasters committed. That was ongoing...well, we don't know that it's ongoing, because it's subject to their discretion. But the federal government does play a role in there, and it would seem to be a great success story.

Ms. Susan Millican: Good point.

Ms. Marci Elliott: As Susan mentioned, establish a percentage—I don't care whether it's 0.5% or 1%, or whatever it is—of development budgets for broadcasters that would be assigned to it, and flow that funding through Telefilm. Now, it must go directly through to training. It can't be used for admin in Telefilm or anything, but flow those dollars through. In turn, when our graduates leave....

Using television as an example, four of our last five graduates from our Totally Television program have gotten development deals. So what is wrong with the broadcasters? They are going to reap the benefits of being able to air those pilots once they go out there and they are successful. There are a few out there that have been successful already, like *Tipi Tales*, *Wapos Bay*.

Ms. Susan Millican: In our Totally Television program, we take emerging Canadian producers—between emerging and established—who have done something in Canada but have never done a 13-week series, and we train them on how to do a 13-week series.

All of our last batch had development deals before they went to Banff. They were supposed to go to Banff and pitch; they all had development deals. One has a development deal with CBC, APTN—it's been incredibly successful.

Ms. Marci Elliott: So why shouldn't they be able to contribute to the training? Why shouldn't it be something they would have to do? They're not going to like it; none of us do, right? But the bottom line is if they reap the benefit at the end—

Hon. Sarmite Bulte: And if you see television as the medium or the feeder into this, you can almost.... I am trying to think of all the things we've been saying, working together.

The Chair: You're over ten minutes. Can I move on a bit? I know this is really frustrating; there were so many questions to ask, but we have Ms. Oda, and Maka wanted to come back to his question, which I agree was misinterpreted somewhat, and we are running out of time.

Ms. Bev Oda: Okay. I'd give you some of my time, but I'm going to be a little selfish.

Hon. Sarmite Bulte: You can always ask the questions afterward.

Ms. Bev Oda: I'm just wondering, because you said to recognize the four national training schools—in fact, I was on the board of NSI, way back, when we did have the challenge of not being recognized as a national training school. Have you ever considered forming yourself together as an association, coming up with your own criteria of minimum training standards, and so on, and presenting it as a done deal sort of thing?

Ms. Susan Millican: We're doing that. We have met a number of times now—maybe three or four times—and we are going to go to Ottawa as a group with an ask and a standardization of what a national training school is and how it should be delivered. I think this is really a very important inroad—

Ms. Bev Oda: It's difficult for us to have to talk to four different people, and you're the experts; you wouldn't want us to establish what the minimum criteria and training should be. It should also maybe be open, or considered in such a way that if other organizations or groups are willing to meet those standards, they may become part of it. That's just a suggestion on my part.

• (1715)

Ms. Susan Millican: We actually did a national—

Ms. Marci Elliott: Yes, we did an environmental scan of training in Canada. Initially it started as an internal document, because obviously we wanted to see where the redundancies were and where the gaps were—if short film was already covered, we'd work on the gaps.

Ms. Bev Oda: I'm very conscious of my time here, so I just want to make sure I've covered....

The other interesting thing is the loss of the benefit money and how that would flow across the four national schools in the.... We were just told today one of your benefit packages reduced you from \$250,000 to \$30,000. Could we have a grasp of the impact of the loss of the benefits packages?

I would also ask you—you may fill us in later with the information—what kind of strategic plan you have, other than coming to government to say you need a means of replacing this money. You know, even my farmers have had to look at getting into another business to supplement what they see as a decrease in the revenue stream; they get into bed-and-breakfast, or making cheese, or whatever.

But there are private sector people; you see them all the time. You know, sign up at this broadcast school, or this thing. What other strategic plans do you have as a revenue generator to start...? It may never be able to replace some of the major benefit packages presented earlier, but going on in the future, maybe.... I'm going to ask you to respond to that in writing, because I do have one question here to AMPIA.

We've been talking a lot in the marketing area, but I really want to thank AMPIA for their comprehensive written brief, and the number of suggestions you've made in your written brief. Just to give you an opportunity, the last recommendation was about...the CTF and the eligibility of the Feature Film Fund should be reviewed. When I go to that section and look for the suggestions you've made regarding CTF and eligibility of feature film, in the written brief, I don't know if I'm missing it or something, but I'm sort of looking for something...concrete. Can you point me to something?

Mr. George Baptist: No. The eligibility of feature films to access the licence fee top-up program, which is a program established under the CTF to add on to—

Ms. Bev Oda: I'd like you to refer me to the paragraph in your written brief that might describe what you're saying.

Ms. Shirley Vercruyse: I think what we're saying is that it was an omission. It's not in there, to explain it to you, but we can write it back to you.

Ms. Bev Oda: If you wouldn't mind, that would be helpful.

Ms. Shirley Vercruyse: Absolutely, in a really quick nutshell, it is this. If you're asking for less than a million dollars from Telefilm, you cannot go to the Canadian Television Fund for a top-up, which is hugely problematic for lower-budget films to get made. We'll send that to you.

Ms. Bev Oda: In accessing these funds, in the assessment, if you have a broadcast licensing letter, that qualifies you for consideration by the various funds, etc.

When Telefilm makes a requirement to look at your marketing plans—and we were just talking with Mr. Angus about the lack of resources and expertise to do that—why is it necessary that assessment of marketing plans and scrutiny of marketing plans be an integral part of Telefilm's consideration or assessment in the first place?

Ms. Shirley Vercautse: That would be a question that we would all love to have answered.

Ms. Bev Oda: What would your recommendation be? Is it necessary or unnecessary?

Ms. Shirley Vercautse: I think it's viewed as necessary so that there is something to go back against later. What were your plans? What were you thinking? Here's a film that you want us to invest \$2 million, \$3 million, \$4 million into. Who is this film for? How are you going to sell it?

I think those are valid and good questions to be asking us and asking our distributor. What the heck are you people doing with this money? Where is this film going?

It's just that—

• (1720)

Ms. Bev Oda: My analogy is if they don't bring the broadcaster before them and say what hour, what day, what week, of the fall launch or rating period time are you going to broadcast this program.... So if on the one side for television programs a broadcaster knows if it's marketable or not, we're going to give a licence to you according to.... And I used to do it. I'd have a project before me. I'd phone the sales department and say I have this project before me; what's its attractiveness for advertisers? Even if it was a break-even.... Then we'd know we'd have to go and argue the case for some other reasons, not just the financial reasons.

Why would Telefilm require, on the feature film side, a full discussion on marketing plans—where's it going to be shown—when it doesn't do the same thing for broadcasters? And what would be your recommendation? There is, to me, an inequitable assessment.

Mr. George Baptist: There is at a very minimal level a requirement, when you have broadcaster licences, that the broadcasters do make undertakings on when they will show a program—in prime time, how many times. Yes, it's weak. It's certainly not to the same level that they ask of feature film distributors. You don't necessarily have to have a broadcast licence to go to Telefilm to get feature film financing. For the CTF, yes, absolutely, you do, to access the television fund, so it behooves you, of course, to have those broadcast licences in place. That used to be right across the board. Now it only applies to the projects that go to the national comparative of over a million dollars.

So these big marketing plans that are presented are often looked at by the broadcasters as a means of doing their marketing for them—no, the broadcasters. The broadcasters are looking at.... They require the theatrical release in five cities across the country—

Ms. Bev Oda: What I'm hearing from you then is it's not a Telefilm requirement, but it's the broadcaster requirement to get the broadcast letter?

Mr. George Baptist: Yes, and the CTF requirement—

Ms. Bev Oda: Then why do we need to have the experienced, skilled people at Telefilm to assess the marketing? I'm trying to find the consistency here in what you're saying.

Ms. Shirley Vercautse: Right now, in order to go to the CTF, you have to be one of the bigger projects that is getting more than a million dollars. In order to get the million dollars, you have to present a marketing plan that will drive the box office, that Telefilm signs off on. Then, once Telefilm says okay, we're investing this money, as the project is asking for more than a million bucks, Telefilm just basically sends your file to the CTF, as long as you have your broadcast licences in place, and then you get your CTF. You don't even file directly to them any more. So that's where we need some assistance, or getting rid of those lovely marketing plans.

Ms. Bev Oda: Given her background, Ms. Millican might be able to contribute something to that.

Ms. Susan Millican: I think what happens in broadcasting is you have to air Canadian programming. You have a licence that says you're 60% Canadian or you're 80% Canadian, so you have to buy as much Canadian as you can. A good broadcaster—and there are good broadcasters—tries to buy the very best Canadian content they can get their hands on. You can't rely on just American content to get your ratings if you're only allowed to air it for 10%, 20%, or 30% of your time, so you're looking for good Canadian programming and you have to buy it. Sometimes they're not willing to spend as much money on it as maybe they should because they save their money for the big American films.

If there was a way to encourage Canadian broadcasters to increase their licence fees for Canadian films—

Ms. Bev Oda: But my question was about the marketing, about the assessment of the marketing plan by the funding agents. My experience is that the scrutiny of the broadcasters' marketing and promotion plans is virtually non-existent. From what I'm hearing on the film side, there is an assessment and a scrutiny of their market. Why is there this difference?

Ms. Susan Millican: Well, maybe it's because the marketing plan is not in the hands of the producer of the Canadian broadcast product. If it's a television show, you're screaming and crying that the broadcaster isn't spending enough money marketing your program; they're spending all their time advertising a big American movie that's coming up.

The Chair: I'm going to have to cut you off there, if you don't mind. This is something we have to explore further.

One rationale I can see is that one of the objectives of the policy is not just to get films made but to get them seen by Canadians. If you're funding a film, you want to make sure there's a plan to get it seen. That's the only rationale I can think of, but I think we'll go—

• (1725)

Ms. Bev Oda: That puts the confidence in the broadcaster. Why don't we put the same confidence in the Canadian distributors or have more thorough discussions with Canadian distributors?

The Chair: I think we'll have that discussion again, maybe over a glass of wine after this hearing.

Mr. Kotto.

[Translation]

Mr. Maka Kotto: Thank you, Madam Chair.

I'd like to come back to my earlier question, because I don't think it was clear. There's a context. Are you familiar with the draft Convention on the Protection of the Diversity of Cultural Contents and Artistic Expressions that is currently being considered by UNESCO?

At the same time, there is debate at the WTO, especially about the tendency to treat culture like a service, the American goal in this connection being to deregulate culture so that it is treated like any other commodity. Are you familiar with that?

That was the basis for my question, because there is a debate about the draft convention. However, in view of the information and discussion around that draft convention, it looks to me like there won't be a solid convention to protect national identity or the diversity of cultural expression within nations and in their interaction, and that will weaken the cultural sovereignty of Canada and of Quebec.

That's why I asked you whether in the future, like the meeting we're having here today, it would be a good idea to get together again. If so, how often should we get together to make adjustments to or confirm or do away with government support for culture? Do you follow me?

[English]

Ms. Susan Millican: I think I should—

[Translation]

Mr. Maka Kotto: It doesn't just involve you. Is it a good idea for the entire community to have the Standing Committee on Canadian Heritage hold this kind of meeting without go-betweens, without direct contact with the community? Would it be wise, assuming we're entering a period of uncertainty in terms of the management of culture?

[English]

Ms. Susan Millican: Both personally and as the CEO of the NSI, I think it's a wonderful opportunity.

One of the challenges we face is being able to explain why we think it's so important that money is spent on training the talent that exists in this country. Deep in my heart I believe that without this sustained training opportunity for the emerging talent—the Canadian writers, producers, and directors within this country—we will, as you say, become a weakened force and be more susceptible to the strong American influence. The only thing that's going to help make a difference in sustaining Canadian culture is this training of the young people in this country and making sure they stay in Canada and not go to L.A. and not go to New York to work. We all know

people who have, and we all have children who aren't living here any more because they're working in the arts in another country.

So any opportunity we have at the National Screen Institute, and I'm sure my colleagues feel the same way, to present our case and plead for our needs is greatly appreciated. We don't come to these things thinking, oh, geez, we have to present. We come here saying, okay, we have to sell our story, as you probably noticed.

The Chair: Ms. Bulte, would you like to take one last minute or two?

Hon. Sarmite Bulte: I want to follow on what Mr. Angus talked about, the gap financing.

I think Mr. Angus' question was we wouldn't use a government agency to do something like that. But we do it with EDC, the Export Development Corporation. We insure people's receivables. We help people export. I'm just wondering what the needs are of your gap financing. I'm trying to think of how to make sure it's Canadian and not... This may be a business opportunity for the government to actually make some money, just as EDC and BDC now work.

• (1730)

Ms. Shirley Vercruysse: If I was clear, you were talking not so much about the gap financing, but about market savvy in government organizations.

Mr. Charlie Angus: Yes, talk to marketing. Look in the record business. We don't look to FACTOR to market the records; we look to FACTOR to help create the records and develop the product that can be taken, and then we have phenomenal expertise out there who know how to get it in.

That's what I keep saying—we need a review process. Obviously, I think Telefilm has to look at a project and see if it's actually going to get out there, but it seems to me there's a gap of market-savvy people in private investor structures—

Hon. Sarmite Bulte: But I'm interested in the gap financing and talking about that.

You go to the U.S. to get gap financing, and your suggestion was it would be great if we could give that kind of business to Canadians. So how do we...? What is the need? What are your needs?

Ms. Shirley Vercruysse: The need is that typically, depending on the project, you're probably going to a gap financier for somewhere around 20% of your budget. Every project is different, but let's say that's what it is. They are just people who have so much money and who have chosen this as the business they want to go into. So they're making money from loaning us money, and they do well at it.

Who in Canada is doing that? Right now, I'm not aware of anyone or any company, unless... Well, Rogers, yes, but they're not going to give us a couple of million dollars, as far as I understand. I could be wrong. But that's why there's potential for the organization that's been operating in Quebec, FIDEC, for them to move outside of Quebec, because they too... I've met consultants who consult to FIDEC—Americans. They've been driving this system and creating it for a while. It was actually a tax lawyer who told me about this as a possibility.

So, yes, if there was a large group of people or an individual who wanted to start a gap financing of feature films in this country in English Canada, I think it could be a brilliant opportunity.

Mr. George Baptist: I'm not sure if there's a confusion here—gap financing is not investment. Gap financing is really an element of interim financing, and Rogers does interim financing, and yes, we could interim that gap, which is basically all we're talking about doing. Banks in Canada won't do it because it's so high risk. So gap financiers only lend against perceived future sales. It's a very high-risk, strange kind of creature that—

Hon. Sarmite Bulte: I guess I'm trying to find what the characteristics are of a gap fund, and you're giving me a lot of—

The Chair: Why are Americans doing it and there are no Canadians doing it?

Mr. George Baptist: Because they get to charge so much money for it.

The Chair: Yes, but surely Canadians will want to make that kind of money too.

Ms. Shirley Vercauysse: They have an amount of money behind them. They're in the business of doing this. In terms of the people we're dealing with, they're very attracted to certain kinds of projects as well. You can't even attract a gap financier unless you have a substantial...a foreign sales estimate that is going to support their lending against that gap.

Mr. George Baptist: Alliance Atlantis was in the gap financing business for quite a long time, but it was bought out.

Ms. Bev Oda: May I just ask a question?

I'm sorry, Chair. This morning we had a discussion, and there was one proposal that I think would address interim financing, not necessarily gap, which was an advancement on the payment of the tax credit. Do you have any comments on that?

Ms. Shirley Vercauysse: By all means, it's a brilliant idea. The bank is already lending against them so they're secured in that fashion. That would be an extreme help, because so much of what we are faced with are cashflow situations too. We spend so much—it's a disproportionate amount—of our money, every investor's money, on the financing costs, the bond costs, the legal costs. They

are just driven out of the sky. Anything that can help us to reduce that and to increase our cashflow up front is great. And by the way, the feature film policy that revised the drawdown has been extremely helpful to producers. We get much more of our funds up front, and it's so fabulous.

Ms. Susan Millican: I just want to say one thing. One of the ways we try to help the producers with their financing is at the NSI we don't take any back end on anything that is produced through the National Screen Institute—the Drama Prize, Totally Television, Global Marketing, Features First—none of our aboriginal projects. We don't take anything back. Anything the producers, writers, and directors make they get to keep, which is different from the other training schools. If you produce a film through the Canadian Film Centre, the Canadian Film Centre owns that film. It's just our way of trying to ensure that everyone in the business gets to stay in the business and not end up being a waiter or a waitress their whole life long.

● (1735)

The Chair: I think it's a sign of interest in what you've all had to say that we've gone beyond the time we were scheduled to adjourn. So I thank you very much.

I know this can be a frustrating process for you, as well as for us, in that there's never quite enough time to explore everything and to fully understand everything. And I certainly encourage you, if you think of things that you would like to clarify or add to after this meeting, please do so. We'd be delighted to hear from you.

Ms. Marci Elliott: We are sending in a written reply. I think we have some replies to send to Ms. Oda. Who do we send that through to?

The Chair: Would you send it to the clerk so all members of the committee will get it?

Ms. Marci Elliott: The same process we did for the brief, okay.

Thank you very much.

The Chair: Thank you very much.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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