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Thursday, April 21, 2005

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Chair

Ms. Marlene Catterall

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• (0835)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I am going to call to order this meeting of the Standing Committee on Heritage and our study of the Canadian feature film industry and see if there are any familiar faces back before us this morning.

We have our first two witnesses: Cinémathèque québécoise and the Association nationale des doubleurs professionnels.

First is Cinémathèque québécoise. Who will be your main speaker? Madame Racine.

• (0840)

[Translation]

Ms. Yolande Racine (Chief Executive Officer, Cinematheque quebecoise): The Cinémathèque québécoise, which was founded in 1963, is unique in Canada. It is unique in terms of the size of its collection, which contains nearly 100,000 items, of which half are Canadian. It is also unique because of its ultra-modern and very large facilities, with professional and technical staff who work there and its very rigorous conservation requirements. Moreover, no private, non-profit archive can compare with our institution and its international scope. The Cinémathèque québécoise is the only non-governmental institution that meets all the standards and conditions recommended by the International Federation of Film Archives.

Although Canada's film policy highlights the role of film libraries in preserving Canada's heritage, no financial support has been forthcoming for our operating budget since the policy was implemented. In our opinion, that is a shortcoming that needs to be corrected. Furthermore, given the variety of Canada's film heritage—animation, documentaries, feature films, etc.—we find it hard to understand why the conservation policy should be limited to fiction feature films. The Cinémathèque québécoise wants to be able to shift from survival mode to development mode. Since our institution is well known across the country and abroad, we feel that the federal government has a responsibility to match the funding provided by the Quebec government. This assistance will enable us to undertake an exhaustive review of our collection, to continue the cataloguing process so as to make them more accessible to the public and to enhance our resources to disseminate it.

As you have seen from our brief, we have an important mission to fulfill in conserving and disseminating Canada's film heritage, and we need adequate financial resources, to which we fervently hope that the federal government will contribute.

Thank you for your attention. We will be pleased to answer your questions at your convenience.

The Chair: Would anyone like to add something? No?

[English]

We'll go to our next witness, then. Guylaine.

[Translation]

Ms. Guylaine Chénier (Director, Dubbing, Technicolor, Association nationale des doubleurs professionnels): I represent the Association nationale des doubleurs professionnels. Ms. Pagé was supposed to be here with me but was unable to do so.

I will begin by giving you some context for the brief that we submitted to the committee. It is part of a much broader effort we are undertaking regarding the rules governing dubbing in Quebec and Canada, including for television. Today we are looking only at the aspects involving films. In February 2005, we submitted a document to the Canadian Heritage Department urging recognition for the contribution of the dubbing industry to film and television production in Canada, in particular for the promotion of Canadian works in both official languages. The brief that we have presented to this committee is not really excerpted from that document, but some of the information is from there.

It is very unfortunate that Canadian films are not all available in the other official language, despite their potential role as cultural ambassadors. A great many Canadian feature films are dubbed abroad, even though these productions were originally funded by Canadian public funds. This is unacceptable, in our opinion. The Canadian dubbing industry should have full access to its own market.

The situation is basically as follows. The versioning assistance programs administered by Telefilm Canada are the only financial support provided by the government of Canada. The funding for dubbing exceeded \$6 million in 1994-1995, while the 2004-2005 budget is less than \$1.5 million. The funding provided by the Versioning Assistance Fund has dropped by 73 per cent since the fund was established.

Since 2001-2002, the versioning assistance programs have been funded by the Canada Feature Film Fund and the Canadian Television Fund. Productions from regions other than Quebec that received funding from the Versioning Assistance Fund are dropping steadily, accounting for only about 20 per cent of all feature films dubbed with assistance from this fund.

Dubbing makes it possible to reach a larger audience in Canada, as shown by the success of Canadian English-Language series that have been dubbed for francophones viewers.

The cost of dubbing is a small fraction of the cost of producing a film. So dubbing provides value added for film productions by, among other things, making Canadian films more accessible, better reflecting the values of Canadian society and the country's linguistic duality, maximizing the use of public funds, fostering mutual understanding between our two founding peoples, increasing the commercial potential of Canadian productions here and abroad, increasing the number of Canadian programs and increasing the level of Canadian content on the airwaves.

Films produced in Quebec are almost all dubbed here, into either English or French. This was noted in the 2002-2003 annual report of Telefilm Canada. The number of feature films from Quebec that are dubbed is four times greater than the number of films dubbed from all the other provinces in Canada combined. Table 1 in our brief shows this very clearly. So only a small number of films from other provinces are dubbed in Canada.

Coproductions are a valuable tool for penetrating new markets. A significant portion of these coproductions, many of them filmed in English, are lost to the Canadian dubbing industry and are picked up instead by France and Belgium. Sales for television, French or French Canadian, and the DVD market often lead to the dubbing of these films. There are no regulations encouraging or requiring Canadian co-producers or their distributors to produce dubbed versions in Canada regardless of the financial contribution received from government agencies.,

It must be admitted that the Canadian Feature Film Fund and Telefilm Canada do not really achieve their objectives and that the operating methods should be reviewed, since the French version of these films distributed in Canada is often dubbed abroad. Imagine if the distributor of *Invasions barbares* decided to have the film dubbed in England or the United States and then showed it in English on the CBC. Why should it be anymore acceptable for the distributor of an English-Language Canadian Film to have it dubbed in France and then shown on Radio Canada or TVA?

• (0845)

In its 2003-2006 Action Plan for Official Languages, the federal government stressed the importance of linguistic duality in a modern Canada and stated that the federal political culture and our broadcasting system must be improved to give Canadians access to quality programming in both official languages.

Here are a few avenues to explore in order to achieve this objective: Recognize the contribution of the dubbing industry to Canadian film and television production, specially as regards the promotion of Canadian productions in both official languages; undertake a review of the regulations in order to encourage dubbing in Canada and develop an overall plan to correct the situation as quickly as possible; create a committee to analyze and measure the long-term structuring effects of creating a federal tax credit for dubbing.; establish more flexible eligibility and funding conditions for Telefilm Canada's Versioning Assistance Fund; develop a strategy to increase the number of projects from the various regions of Canada, especially films and dramas intended for television, which

reach a much larger number of Canadians and enable them to see the culture of both founding peoples from one side of the country to the other; raise the awareness of Canadian producers, distributors and broadcasters regarding the issues facing the local dubbing industries; tighten up the application of Telefilm Canada and Canadian Television Fund policies in order to achieve greater compliance with current regulations and to encourage the dubbing of Canadian productions and coproductions in Canada.

Coproductions with a francophone country should have to be dubbed into English in Canada. Coproductions with countries whose language is not French should have to be dubbed into French in Canada.

We consider it essential to promote the expertise of Canadian dubbing companies, their ability to produce both English and French versions, and the talent of local artists, in order to protect and encourage an industry that is constantly facing competition from its European counterparts.

In fact, this is increasingly the case, if we look at the day-and-date worldwide approach used for the release of new American feature films; what this means is that the film premieres at the same time around the world. If we do not make sure that we get our share of the market, we will obviously lose out to France and Belgium.

The issues involved in dubbing are both cultural and economic. We hope the Department of Canadian Heritage will recognize the great contribution the dubbing industry makes to the Canadian film production. There is every reason to believe that our industry is not sufficiently protected and supported. A complete review of the regulations of both Telefilm Canada, the Canadian Feature Films Fund and the CRTC's Canadian Television Fund is necessary. We advocate the development of innovative and effective measures that would truly provide for solid growth and expansion of the Canadian dubbing industry. The Canadian film industry will, of course, be the first to benefit from this.

Our brief is not very long, but it does contain some tables and additional data.

• (0850)

The Chair: Thank you very much.

We will now go to questions and comments.

Mr. Schellenberger, you may go first.

[English]

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

Thank you again. I see some familiar faces again from yesterday, so welcome back.

One thing that intrigues me a little from what I've heard here is the dubbing. Who do you have to appeal to when it comes to dubbing, the filmmakers or the distributors—or do they come to you? It would be my idea that it could make a difference between success or failure or profit for a film, because the more markets you can get it into...it would seem sensible. If I were a distributor, I would ask how many countries I could get it into, how many languages it should be in, and whether it should be dubbed.

I know that years ago you just didn't watch films on television or wherever if you couldn't understand the language, but there are films from all over coming here that are dubbed. I would feel that if I were a distributor, that's what I would like to do.

Again, I understand: why shouldn't it be done here? I guess they shop around to see where they can get it done the cheapest. But do they come to you or do you go to the people?

[*Translation*]

Ms. Guylaine Chénier: It works both ways. We seek out markets and try to develop them. We do everything we can to attract business. Of course, there are cultural, economic and commercial reasons that explain why, especially outside Quebec, people are less receptive to the idea of making films from elsewhere available. « Elsewhere » can mean a province, Canada or North America.

In Quebec, we have been bringing films in for a very long time. There are historical reasons for this that are a bit too long to get into, but it is also because we are francophones surrounded by anglophones and we want to give the majority that does not necessarily speak another language access to a different culture. Outside Quebec, we also deal with producers, but that is more difficult.

Everyone thinks that films destined for foreign markets, such as France, Belgium and other francophone countries, must absolutely be dubbed in France or Belgium. There is a kind of myth that people in France can only understand the kind of French they hear everyday. I believe that that is a huge myth in which economic realities play a large part but cultural factors play little or no role. Of course, some of the words used are different, but people in France can understand. The reasons are economic, for sure. They want to have the dubbing business, they want to control it, etc.

Technicolor, like other dubbing companies, has managed to sell dubbing to France that has been done here without any additional costs. Obviously, if France refuses to accept the French dubbing done here, the distributor or producer-distributor loses that market. So we do dubbing for Quebec for films to be shown across the country on television, and that is all.

However, there is a market to be developed, and it can be developed. If we do not want to continue being invaded by dubbing done in France, for example, we will need to assert our cultural distinctiveness here in Canada, which exist for both francophones and anglophones. After all, one could look at the anglophone market and decide that Americans and English Canadians will never accept dubbing in English. That is what we have been hearing for years and years.

The few attempts that have been carried out with films have generally given quite good results. The box-office appeal is not necessarily huge, but these films are not necessarily destined to attract a

huge following. We are not talking about the latest James Bond film. This is Canada. However, this brings us to another myth. The few times that dubbed films have been shown on television, they have been slotted in on Monday night at midnight. And then people say that films dubbed into English do not work in Canada. I think that they have never been given a chance to succeed and there has never been a real effort to take an open-minded approach and see that there are productions being made that can be of interest to everyone.

This is Canada. Whether we are talking about anglophones or francophones, it is a question of culture and economics. We need to take a good look at our place in the world. If we want to continue to serve as a market for American films and make Canadian films that look like American ones and we want to continue to receive cultural products from France based on our Canadian productions paid for with our own money, we are well on our way. We are here this morning to say that it is perhaps time for us to wake up and actively protect our culture.

I am afraid that my answer was somewhat long.

● (0855)

[*English*]

Mr. Gary Schellenberger: Thank you. I have a tendency to go on too sometimes.

I did have one quick question I'd like to ask the other group here. With *cinémathèques*, are we talking like archival-type things? Could you explain it just a little wee bit more to me? I read your brief, but you say you have a great library of various things, so could you just explain that to me, please?

[*Translation*]

Mr. Pierre Jutras (Director, Conservation and programming, Cinémathèque québécoise): The Cinémathèque québécoise is a private corporation composed of members from the film and television industry. It was created in 1963 and has a rather unusual structure. The members elect the board of directors, which has 15 members, of whom 3 are appointed by the Government of Quebec.

Since its establishment, the Cinémathèque québécoise has conserved productions, film and video material, that were initially provided by the Cinémathèque's members. Our activities grew over the years to the point that we had to increase the size of our storage facilities, which meant that we could adhere here to strict conservation standards. We are now nearly overflowing because production has increased and also because the film industry has become aware of the value of film material, which was not necessarily the case some years ago. We know, for instance, that many early films have disappeared because film material is very fragile. It is not carved in marble. So it can very easily be destroyed. Film libraries were created specifically to conserve this type of material.

The Cinémathèque québécoise is unique in that it is a private corporation. Our work covers the whole of Canada. The material in our facilities is mainly from Quebec, but some of it comes from English Canada.

[English]

The Chair: One last question.

Mr. Gary Schellenberger: I have one last one.

I know one of my colleagues earlier made mention of a series that I can remember, *The Plouffe Family*, and apparently there was nothing left from that series.

So you have collected things that don't get lost, like that particular series, and then you release them back out again? Is that part of your mandate?

How do people see these things, through your theatres?

● (0900)

[Translation]

Mr. Pierre Jutras: The television series *The Plouffe Family* was produced by Radio-Canada, which is a crown corporation that should have conserved its film productions. That did not happen for reasons that can be explained but would a bit long to go into here.

It is important to understand that film libraries were also created to compensate for the low level of interest in audiovisual production. It was considered amateur art, something for public amusement. It was not considered real art. Little effort was made to conserve the material, especially in the early days of film and television. We have tried to make up for that.

Of course, what happened in the 1950s, with the disappearance of television series such as *The Plouffe Family* and *Le Survenant* would be out of the question today. There are archivists and organizations now that look after these things.

With respect to dissemination, our main mandate is to preserve the material. Of course, if we could obtain the necessary funding, we would certainly undertake the digitization of the material that we conserve. That is a very expensive process. Doing a digital transfer of a feature film can cost up to \$20,000, using high definition technology. Then you need to do the DVD production.

You also need to work with the rights holders. We do not have the rights to the material that we conserve. We are often in possession of the material itself, but the rights still belong to the producers or directors in most cases. For example, we have a collection of work done by the late Joyce Wieland, an English-Canadian experimental filmmaker. The rights to these works were bequeathed to us. So we are managing the collection and we will have to reinvest the revenues in promoting the fund. However, in most cases, we do not have the film rights. We have to work with producers.

Our goal was to conserve the material with a view to making it available to people who would want to disseminate it. That is our main objective.

[English]

The Chair: Thank you.

Monsieur Lemay.

[Translation]

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

You do not need to explain the Cinémathèque québécoise to me. I am not very old, but what I learned in the Abitibi region about films I learned thanks to the Cinémathèque québécoise. You are an integral part of what is going on and the work you do is important and essential, to the point that I do not understand why you do not receive more assistance from the federal government. I consider you to be our living memory. It is thanks to you that we still have Arthur Lamothe films. If my colleague Maka Kotto were here this morning, he would probably say, as I am about to, that we will do everything to make sure that you get the support you need. That goes without saying.

You disseminate this material. How can the various regions and schools in Quebec get in touch with you? For example, if a film instructor is giving a course about Jutra—you have all of his material because you are the depository for it—how can he get in touch with you? Can he go pick up a film? That is my first question.

I was not here yesterday and so I have some catching up to do. On the subject of dubbing, all the evidence that we have heard over the past few weeks leads me to believe—I am speaking now to Ms. Chénier—that you have work to do and that you need to take strong action. I would like to hear what you have to say to this. I find it unacceptable that films funded by Telefilm Canada, screened at the NFB, put on television by Radio-Canada, the CBC or someone else, are not being dubbed in Canada. I cannot understand that. I have tried, but it is beyond me. Why does this happen?

I have travelled a bit and I know that co-production agreements are made at the international level. I was involved in sport and I understand that the Germans are given television rights. In a co-production agreement between France and Canada, for example, is there any clause that pertains to dubbing?

I would like you to come back to the idea of a federal tax credit for dubbing. Do you mean that you would be entitled to a tax credit if your film was dubbed in Canada? But how can we get around co-productions? What I am worried about is that co-productions between France and Canada, Italy and Canada or some other combination will end up being dubbed in Paris. What can we do to insist that television programs be dubbed in Canada? I find it unfortunate that English Canada does not have a star system like Quebec does. Our stars—like Gilbert Sicotte or Maka Kotto—appear on television and they are dubbed into English. But it does not work the other way. What can be done about that? Can requirements be imposed? Have you looked at this? You are here before the right committee to make some breakthroughs, I can tell you that.

So those are my questions. I am sorry to have asked them all at once.

● (0905)

Ms. Guylaine Chénier: I have noted them all down.

Mr. Pierre Jutras: I will start off, and Yolande and Kevin will then make their comments.

The Cinémathèque québécoise used to have what was known as a circulating collection. These were film copies that could be loaned to teachers in cases where we had more or less negotiated the rights.

We are not able to distribute the foreign films that we have. We can only show them on our own screens.

It is difficult these days even to disseminate Quebec films in schools and to send them to film teachers and into the regions. It is increasingly difficult to circulate films on reels because film copies are increasingly expensive. Moreover, the schools no longer have decent equipment and projectors and people that know how to use them. It would be too risky to send a film to a school if it might come back completely destroyed.

We need—and this is part of what we are asking for—money to be able to transfer the Quebec and Canadian productions that we have to high-quality digital format, so that we can circulate the material once an agreement has been worked out with the producers. It would be circulated on a non-commercial basis for educational purposes in schools, to film professors in CEGEPs, because the main complaint that these people have is that they do not have adequate material to teach students about Quebec and Canadian films.

That is one of the reasons that we are here: we want to have adequate funding to be able to do that work.

Ms. Yolande Racine: I would just like to add that our mission is to preserve films, disseminate Canadian film heritage and educate the public.

It's important to understand that the first part of our mission is very important and comes before the rest. In order to preserve material, you have to be able to process the material so that it can be disseminated. It is fragile material, and you have to keep up with the evolution of technology and the film industry.

That is why Pierre Jutras referred to digitization. That is fundamental for the conversion of film heritage throughout the entire world today.

• (0910)

[English]

Mr. Kevin Tierney (President, Cinémathèque québécoise): I'd just like to add my two cents to that.

There are, arguably, ten of the best films made in this country for which we have all the original material. They're not available on DVD or on any other support—*Les bons débarras*, *Les ordres*—any number of them. Our mission is not only to preserve this material but to diffuse it and to educate young generations.

We cannot leave this up to the marketplace. There is no financial imperative for the marketplace to deal with it. You have producers who are perhaps no longer in business, or distributors.... You know, we talked yesterday about that whole situation with Cinéma Libre, for example, the distribution company, a very important one, that went under. We took that material, but what do we do with it? It's one thing to have it; it's another thing to make it available.

We have to preserve it, obviously. We have to preserve it in the best possible condition, but it's irresponsible of us, in a way, to just lock it up in a vault and not let anybody see it. That's really what distinguishes the Cinémathèque québécoise from the National Archives, for example. Obviously the National Archives are very important for preserving material, but try to get access to it. That's a very different situation.

Whereas in this particular situation, because it's member-driven and user-friendly and because we present 35 millimetre, video, animation, etc.—we try to, at least—on three different screens, it becomes a dynamic where people.... Obviously it is only in Montreal for the time being, unfortunately, but when Yolande spoke about development, one of the things we are trying to do is to create through technology ways and means for the population at large, both Québécois and English Canada, to have access to our material.

The fact of the matter is—and you'll remember what I said yesterday—if you want to find information about a Quebec filmmaker on the Internet, you will find more from International Movie Database homepage, IMDb, the American-based network, than you will find from any source in Canada. Go google Claude Jutra, and you will find virtually nothing in French. Now, that is ridiculous, but it's because we have basically succumbed to a kind of imperialism that we've just resigned ourselves to. So here we are trying to survive, and the Cinémathèque québécoise is part of the success. We're victims of the success of Quebec cinema.

What you heard yesterday from the filmmakers was that, with all of the success, there are more films being made. There is more demand on our resources, and we have less and less funding. We've created a situation where we get provincial government funding, but we've never fit through the right door at the federal level, which is what we're here today to try to change. We are always at the Conseil des Arts, the Canada Council, with projects, but you know and I know that this is not the way for an institution to develop and to evolve—and to meet demands that are greater now than they have been in the past 40 years.

Thank you.

The Chair: Thank you.

Madame Chénier.

[Translation]

Ms. Guylaine Chénier: Good morning. I'd like to deal with a number of questions. Like you, I too hope that we are knocking on the right door this morning. We share that hope with the Cinémathèque québécoise.

Let's talk about Canadian productions, and more specifically films produced here, in English or French. Some English films are dubbed in France, broadcast by other government bodies and publicly funded for their production and distribution. You are right, that's unacceptable. Why is it so? It comes back to what I was explaining earlier.

Our culture needs to be supported in both languages. It doesn't happen automatically. The cost of dubbing is negligible compared to the cost of production, but that cost may become too great for a distributor if that distributor is convinced that in order to sell it elsewhere, it will have to be redubbed in France. That may or may not happen, but there is never any guarantee that France will accept dubbing done entirely here.

However, we must never lose sight of the fact that there is no restriction on having feature films, which are considered Canadian because of the majority of the funding and investment, shown in France. There is agreement on that. There is a restriction for any dubbing of a production that is not Canadian, but is dubbed here. There are restrictions. It is not a law, it's a regulation adopted in France just after the war, which prevents the airing of Quebec dubbing in France when the production is not Canadian.

I explained that a bit earlier. I think it's unacceptable and that all Canadians should find it unacceptable. If the dubbing is done elsewhere—be it in French or in English—and the film is rebroadcast... That's not the case for all films. Not all films get direct assistance from Telefilm Canada or another institution, but still, there are a lot that do.

If you look at television, which is not what I'm here for, you see what to us is another huge battle. We saw that with the Union des artistes au Québec, which published data about children's shows in Quebec. There is almost nothing that is produced or dubbed in Quebec. Some Canadian productions get quite substantial capital funding from Canadian institutions, and the dubbing of productions for children and young people is often done in France. And we're talking about culture! We speak another language. Sometimes, you can go quite far in another language. I think that increasingly, we can do feature films, given the work we have done with the Union des artistes to reach an agreement on our film productions. In that case, the productions were American. Teletoon, for example, told us that when a series for young people was dubbed in Quebec, it got better ratings. They have numbers to back that up, but they can't always afford the cost of dubbing, even if we cut back our budgets to bare minimum, and we do that every year.

As a result, financial support is needed in order for distributors and broadcasters to buy Quebec products produced and hopefully dubbed here. That is possible, especially when the production is Canadian. Support is therefore required. That is why we are talking about the federal tax credit. We have been knocking on doors for a long time. The federal tax credit would then apply Canada-wide, in both languages. That would help dubbing houses to reduce the cost to distributors.

As for the tax credit, it is important to point out that we are requesting that for dubbing houses. We are not requesting it for producers and distributors. We feel that dubbing houses need to be supported. There could be a debate on that, but we have seen the disappearance of funding for production budgets. I'm not in any way questioning what producers are doing. That's not the point. However, I think that to start with, we need to support dubbing houses, the market for which, for now, is above all the U.S. market. There should be no mistake about that.

● (0915)

We are surviving because there's something in it for the Americans. They want their feature films dubbed here. That enables us to make a living and survive, and that's the way it will be as long as Europe and France, in particular, don't catch up to us, technologically speaking. It's in their interest to systematically launch films here the same day as in the United States, which France cannot do.

We see this happening more and more worldwide, as I was saying a bit earlier, for very beautiful films, occasionally. In those cases, the dubbing is done by the French. We then automatically fall off the map. We don't do any Quebec dubbing in those cases, when the launch is worldwide.

[English]

The Chair: I'd like to ask both our members and our witnesses to keep things a little shorter, because I know everybody would like to get in at least one question or comment, and we do have limited time.

Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): I'm going to ask both groups some questions, because I think this is a very interesting discussion we're having.

I want to ask Cinémathèque two questions, because as I get older I start to realize the value of a public memory.

When I started out as a young musician, I got a letter one day from the National Library of Canada demanding five copies of my album. I thought what the heck's this, and I threw it out. Then I got another letter, and another, and I thought they are like traffic cops, they're not going to let me go. I had no idea why they wanted it, and I don't even know where I sent it to, but every time I put out an album, or CD now, I have to provide copies for the federal government.

So I'm wondering how you get your collection. Do you have to pay for that product, or do people add it to your collection when they make a film or make a print? Because it would seem to me very difficult to cover costs. I'd like to know that.

Secondly, if you're not getting any federal funding, how do you manage to financially run your operation?

The first part of the question would be to you.

● (0920)

Mr. Kevin Tierney: For about 40 years, the material was voluntarily generated by filmmakers themselves. We were sort of a depot where people could keep their stuff and preserve it.

The distributors used it as well for when the prints were out of circulation after the film had run its course. People used it as a kind of storage place where the material could be kept in excellent condition.

With that came boxes and boxes, way more material than.... And it wasn't done methodically, either, so you had material from Radio-Canada, and the Film Board, and then the private producers started to give. We also, once upon a time, believe it or not, even had an acquisitions budget, and we went looking for things to preserve. Animation, for example, is one of our specialties. We had silent films.

It was always done in that informal way. We also had the capacity to give tax receipts. We have just recently, for example, concluded an agreement with Moses Znaimer of MuchMusic for an incredible collection of his televisions that we hope to now be able to display. All of the materials have come to us in that way. And wherever we have had the opportunity, since we were given the mandate by the Quebec government to do the same with television, then the other networks, the private networks other than Radio-Canada.... We had the TVA collection, for example.

With that comes the incredible burden of financially carrying that load. I will have to touch on your second question, which is about funding. We have received funding from the provincial government over the years as sort of the major contribution, but we have also had to go after various projects and various kinds of funding mechanisms. We just recently created a foundation. Last year we raised \$100,000 through an auction that the board of directors had organized with Famous Players.

Like all other cultural institutions, we are in a process of out-reaching and trying to gather a kind of a triangular paradigm of support: the provincial government, the private sector, and the federal government. So that is how we have been living, but we have been living kind of on welfare, and that has to stop, because there has been a financial crisis at Cinémathèque. There is an incredibly dedicated staff of over 40 people who, last year when our doors almost had to close, took a pay cut of 20% for three months, then 10% for the rest of the year. It is chronically underfunded, and at the same time the demands on our resources have never been greater.

I must say that we have had meetings with the federal government. We happen to be very pleased to have a minister who knows us well, understands our situation, and I think is quite willing to see our status change, but we have to get out of that going to the arts council every year and saying, "Hey, what is the project you would like us to send you this year in order to get \$160,000?" It is just not a way of going about running an institution.

I would like to

- (0925)

[Translation]

thank Mr. Lemay for what he said about the Cinémathèque québécoise. He is very well-acquainted with our institution, he comes from the region and is aware of everything we are doing. It's nice to hear politicians, cultured men and women, who are aware of the importance of this institution, the likes of which can be found in no other country.

[English]

That is why it gets people like me involved way beyond perhaps the time that they have allotted to try to not only keep it alive but to actually see it take its rightful place in preserving our cultural history.

Thank you.

[Translation]

Ms. Yolande Racine: Could I just add something? I'd just like to say that in raising the whole problem of funding for the Cinémathèque québécoise, we are not questioning the financial integrity of the institution. The Cinémathèque québécoise raises over 40 per cent of its revenue independently. That shows how hard the Cinémathèque québécoise works to finance itself. That is an extremely high percentage, if you compare it to the sources of independent revenue of other cultural organizations.

It's more a lack of core funding, of chronic underfunding, in fact, that causes us to lose money every time we distribute our film heritage. In other words, this type of organization cannot finance itself through activities directly related to its mission. We have to seek external funding too, by turning to the federal and provincial governments and to the private sector.

The Chair: Thank you very much.

[English]

Mr. Angus, I am going to pass it on to Mr. Silva now, but I think we will have time for a second round.

[Translation]

Mr. Mario Silva (Davenport, Lib.): Thank you. I'd like to know something. What's the most lucrative market for French-Canadian films, after Canada? Is it France, the United States, Germany or other European countries?

Ms. Yolande Racine: Are you talking about broadcasting?

Mr. Mario Silva: Yes, I'm talking about broadcasting.

[English]

Mr. Kevin Tierney: Well, I am sorry, but I don't think that is the expertise of the Cinémathèque. I would assume that it would be France—but I don't have any statistics on that.

[Translation]

Mr. Mario Silva: I asked that question because you talked about the problems of dubbing French-Canadian films and dubbing done in France. I thought that might be the case because after the Canadian market, the French market is the more lucrative for franco-phone films. I don't know whether you have that information.

Ms. Guylaine Chénier: There is no lucrative market for French-Canadian films outside Canada. Our productions are however screened in French cinemas. I do not know exactly how many copies of the *Barbarian Invasions* were screened in France, but there are at least a couple and there was some assistance.

It may be possible to develop the market for DVD versions of feature films and television if we push further. However, no such market exists per se.

We are here this morning from the dubbing industry to talk about our market, that is the Canadian market, which does not belong to us either in English or in French. As I explained a little earlier, the most frequent type of dubbing is that of films from big American studios into French. This is done far more in Quebec than anywhere else, and the figures in our brief reflect this. So we agree on that. We do not receive any real assistance from the federal government, whether it be political or financial, to develop French-language and English-language dubbing markets in Canada. We get some assistance from the Quebec government via tax credits. In fact, this is what has really enabled our television sector to survive. Without it, I do not think that there would be anything left at all, given that there was very little to start with.

So it is not a market. We have to be very clear about that. The only market that we can develop is television and DVD, etc. When it comes to this market, the Canadians are supposedly able to see themselves and hear themselves in both of Canada's official languages, which the government and its public structures and institutions continually and extensively promote. In our opinion, these languages are not respected in the area of culture, in terms of the rules that apply to dubbing and to the support that English-language and French-language cinema should be getting Canada-wide.

We are not necessarily targeting very big markets. But the more we try to take on, the better. Obviously a film has a greater chance of being successful in a foreign market if it is in English. This does not mean that the original version necessarily has to be in English. Films can be dubbed into English and then screened. This does not necessarily mean that the version screened in Italy, Germany or Japan will be the English version or the French version for that matter. The film will be dubbed into that country's language. Nevertheless, in those countries, they often ask for at least one English version that they can screen at festivals like MipTV and other festivals throughout the world.

We are talking about a sales tool. We are lucky here to be able to produce in both French and English. Our industry has all the tools and the structure needed to produce in both languages. All it is lacking is financial assistance.

● (0930)

Mr. Mario Silva: Thank you.

[English]

The Chair: Sarmite, we have a little time left on that side of the table.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Just to follow up on Mr. Silva's question, why would Denys Arcand have his film dubbed in the U.K.? Is it a cost factor here, or a business factor?

Ms. Guylaine Chénier: It was just for one film, I think.

[Translation]

There was a film that was co-produced... In fact, I do not know if it is a film that was produced in England.

[English]

Mr. Kevin Tierney: I have an opinion on everything.

It was a co-production. Because of the costs related to co-productions, you have to try to hit the mark. So it's not something he would prefer to do by design; it was just a cost that was allocated to the British side.

Hon. Sarmite Bulte: I see.

[Translation]

Ms. Guylaine Chénier: Denys Arcand's film *Love and Human Remains* was filmed in English, in Vancouver. The film was dubbed into French in Quebec, in close collaboration with him. If I'm not mistaken, films have also been dubbed into English in Quebec.

Indeed, this occurs in the case of a co-production. In some ways it's related to investment. In the case of the United Kingdom, for example, including dubbing may be a way of attracting investment.

Dubbing is very often considered to be a very secondary issue. It is given scant attention, especially when it comes to the important matter of getting contracts.

I'm not casting any judgment on the way contracts are negotiated, because I'm not present at negotiations. That's not what I do. Nevertheless, dubbing is of secondary importance. Very often, agreements entered into when production or co-production contracts are signed, which may benefit us, don't appear in distribution and screening contracts which are signed at a later stage. So, the initial agreements never see the light of day.

Often, distributors are not aware that Telefilm has invested money and that we have obtained tax credits in Quebec for dubbing here during the production period. But the dubbing has to be done in France, and then the film comes back to Canada. There is no oversight to ensure that rules are enforced right up until distribution.

This isn't a matter of good or bad faith, it's a structural problem. We've never sat down together at a table to develop an overarching vision. We often say that we need to sit down and look at the issue from all angles to make sure things hold together right up until the last step. But it is clear that currently, we are neglecting some key things as we go along.

[English]

Hon. Sarmite Bulte: Madam Chair, I have a very quick question for Cinémathèque.

I'm very surprised that you don't get any federal funding. I think it's a crime that you don't get any federal funding. I understand what Mr. Jutras said about the digitizing, and that you have to make sure you have the copyright before you can digitize. But there is the digital program under the Department of Canadian Heritage. I know it's just another pocketful of money, but does Cinémathèque not get money from them to digitize? Or have you never asked?

● (0935)

[Translation]

Mr. Pierre Jutras: We know that that program is managed by Telefilm Canada and by the Canadian Film Board. Federal agencies handle this money. From what I know, these funds are not available to private institutions such as ours.

Mr. Marc Lemay: I think that Telefilm Canada, or even the National Film Board, when financing a film, digitizes it. I don't think that this is available to the public. When I refer to the public, I mean a private company like yours. It would be important to push harder on that issue.

So are we to understand that you don't have any films converted into digital format? So, Arthur Lamothe's films can no longer be screened anywhere in Quebec. There are no schools left that...

Mr. Pierre Jutras: Arthur Lamothe himself plans on digitizing his work. He has lodged grant applications to work on getting his films screened in digital format. We want to act as the go-between. We have the original material that Arthur Lamothe—or any other producer—may want to work with and this material has been kept in good condition.

It is available, however, Quebec's digital screening market is not profitable. The same is true for film overall. If there's no political will to finance them, there'll be no feature films produced in Canada.

The same is true when it comes to accessibility. Currently, there are gaps in terms of accessibility to Canada's film heritage. Public funds must make this heritage accessible because distributors and producers aren't getting satisfaction. They can't pay for the costs associated with digitization for screening on DVD because it costs too much and isn't cost-effective as the market is too small.

This is very important. Let me backtrack a little by saying that preserving film is very expensive. We have estimated that it costs \$60 per year to preserve a feature film at -5°C in quality warehouses like we have. You can imagine the cost associated with thousands and thousands of films. What's more, this is the cost for any one copy. There is also often the duplicate negative and the final recording, so there can be up to six components which take up as much space as the go-to-screen copy. There's also the matter of processing. Right from the outset, a film's processing costs about \$130, which includes inspection, preparation and computerization.

Preservation work which is required year after year is extremely expensive. But that is our mission. We want to make the material that we have preserved so well available, but this leads to the problem of helping rights holders make their material accessible. If quality digital master tapes were produced, then perhaps they could be marketed thereafter.

[English]

The Chair: Mr. Tierney, I want to pass on to Ms. Oda.

Mr. Kevin Tierney: Very quickly, my understanding is that the program is accessible to museums. It has to be a federally recognized museum. That is exactly what our problem is. We don't fit in to this exactly.

Hon. Sarmite Bulte: You are falling through the cracks.

Mr. Kevin Tierney: Exactly. We can't go to Telefilm for that money because they're doing it for films they are presently investing in and making, and we're talking about the past. We're not recognized as a museum, and the money didn't go to the Canada Council, so we fall through the cracks.

• (0940)

Hon. Sarmite Bulte: What is the audio video trust?

Mr. Kevin Tierney: That's the Sandra Macdonald AV Trust.

Hon. Sarmite Bulte: But the money still went there. Why would it go there?

Mr. Kevin Tierney: The moneys went there for a select number of films that the board would choose each year—a feature film, a television program, a radio show, and music as well.

I think it's a great idea, but it's like a great idea that has never gone to completion. They have this really nice dinner in Ottawa, and everybody congratulates themselves, but it has no impact on the public at large. For example, do we know that this year it was *J.A. Martin photographe*? No, we don't, but \$600,000 went to that.

I'm not dissing them. I think it's a great idea. We are on the board of CinemaTech. It's a good idea, and it's a good initiative, but they too are going through their own *crise d'identité*. They want to find out what they're going to be when they grow up.

Are they going to have a television show that celebrates these things and takes that to the public, so we actually know that *The Apprenticeship of Duddy Kravitz* is the movie of the year? Nobody knows. It's kind of like a private party.

The Chair: Ms. Oda, welcome back.

Ms. Bev Oda (Durham, CPC): Thank you for being here this morning. I have questions for both areas.

What I'm hearing is there is no overall strategy or plan for preservation of Canada's video and film, whether it's in the French language or the English language. We have museums and archives; we have NFB.

Something, though, caused you to be created. Your industry or sector felt that there was a need here, and if you didn't act something would be lost.

I'm familiar with Cinémathèque. It has been with us for 40 years. What's the struggle here? It would seem to me that over 40 years you would have earned a commitment. You are renowned. Your reputation is known all over. I just don't understand why you are still knocking outside the door every year.

[Translation]

Mr. Pierre Jutras: We don't understand either why we still don't enjoy greater recognition. The Canada Council for the Arts used to have a program exclusively for film libraries which enabled us to offset the ongoing costs associated with our work. Less than 10 years ago, the program was changed and now we only receive funding to screen Canadian independent films and not to preserve films.

Since that time, we have deplored the absence of federal government funding for heritage preservation. For several years, we have attempted to make representations to the government, but we have always had to make do with using the Canadian Heritage program for small projects in which we also must invest. This effectively prevents us from developing.

[English]

Ms. Bev Oda: I am going to take a very practical approach. It would seem to me that we have duplication happening. You are preserving certain films. Other people are preserving film. You have collections. There is duplication.

If you are accountable, if you are willing to report, if you are willing to be transparent, is there any reason why it would be a challenge for you to become a partner with the government? Of course, you might lose a little bit of your independence. What I am hearing is that your independence may be causing a difficulty. NFB, Telefilm, Canada Council—they are all programs of the government and receive annual support.

• (0945)

Mr. Kevin Tierney: I think, you know, in the 40 years the institution has evolved enormously, as has Quebec society. And there was a time it was called the Cinémathèque canadienne.

So without going into all of that, the thing is we did create a viable partnership with the provincial government, and that has taken us to where we are today. But that is no longer sufficient, so what we're trying to do is duplicate it.

It's not a question of independence, although certainly the initiative, the impetus for the Cinémathèque québécoise was to not have everything go to the National Archives, where they kind of get locked up in a vault. It was to have a more ingoing and outgoing... And it was very independent. I mean, this is where the independent cinema.... I know that question came up yesterday.

But in those days, 40 years ago, it was people who did not work for the ONF. There was no Telefilm. There was no organization. It was like a cooperative. It began that way and evolved that way, and it's still very much run by its members, which we all, the board of directors, are elected from.

So it's—

Ms. Bev Oda: Sometimes member driven or privately driven, as long as it's accountable might be.... There's nothing wrong with—

M. Kevin Tierney: You don't get money out of the government without being accountable.

Ms. Bev Oda: I think how you see yourselves and your mandate is very consistent with what government policy should be and has been. But it's the means by which you're accessing it. If your challenge is core funding, and it's available to you only as project-based funding.... And even at that, Canada Council is also not sure of its funding on more than an annual basis, so this really becomes a challenge here.

Mr. Kevin Tierney: That's it in a nutshell.

Ms. Bev Oda: I just wanted to make sure, because I think the thing is, it's just trying to grasp. Because regardless of all the other arguments surrounding it—and I'm sure there are many others—fundamentally it's the preservation and the dissemination of that, and those are our mandates, causes that I think....

Mr. Kevin Tierney: Exactly.

The Chair: I'm sorry, we have to move on.

Mr. Kotto.

[Translation]

Mr. Maka Kotto (Saint-Lambert, BQ): Hello. I'm sorry that I was a little late. I was caught on the other side of the river.

My question is directed to all of you. I would like to know if you are familiar with the draft convention on the protection of diversity of cultural content and artistic expression currently under debate at UNESCO, including clauses 19 and 24 and associated issues.

Clause 19 is about whether or not the convention—should it be signed next October—will be subject to WTO trade agreements. If this convention is indeed subject to trade agreements governed by the WTO, then it won't be worth anything. As a result, we will be on a slippery slope towards culture becoming a commodity just like any other, thereby excluding any support to the film industry whatsoever, which would probably lead to small countries' decline in this field.

I'm asking this question because there is reason to expect this sort of disaster. I have travelled throughout Quebec and I can tell you that this draft convention is not known. Right as we speak, countries are grouping off. The United States, Australia, England and other countries that are following in their footsteps intend to deregulate, thereby liberalizing the market and making culture a commodity just like any other. They're well-positioned. The Americans control 85 per cent of film and music industry revenues, among others, and they still want more.

Regardless of whether you are very familiar with this convention and its most salient clauses, what will happen, as the Americans would have it, should the film industry no longer enjoy the support it gets today?

• (0950)

Ms. Guylaine Chénier: It would be very damaging and not only for us, it would obviously be so for a lot of smaller countries than us in the world. The lack of support will most probably trigger the demise of the dubbing sector given that people do the same work that we do across the Atlantic for a lot less; which, incidentally, is part of our problem.

Now, as for Canadian film—which is supported both on the English and French side—it's a sure bid that it will disappear. I'm sure everybody would say this. The major American studios get very little state-sponsored support, which in any case they don't really need because they have a global market and an influx of revenues which, incidentally, are extremely substantial.

Mr. Maka Kotto: That's what I expected to hear, however the cultural community in general—and more specifically the film industry—still hasn't reacted because the government hasn't got a clear stance on the two most relevant clauses.

So from what I can gather, you believe that culture in general should not be governed by trade regulations in the strict sense of the term. That's what I wanted to know.

I have a fairly good idea of the other points that you have made here today, especially on dubbing and preservation.

Thank you.

[English]

The Chair: Thank you.

I understand, Ms. Bulte, you're quite happy if we go back to Ms. Oda for a few minutes.

Hon. Sarmite Bulte: That's fine.

Ms. Bev Oda: Thank you.

As I said, I did have some questions regarding your presentation on the dubbing. I'm particularly interested in the recommendations you've made.

You've suggested tightening up the application of Telefilm Canada and Canadian Television Fund policies in order to achieve greater compliance with current regulations. Where could those improvements come?

I'm trying to find out the meaning behind "greater compliance". What does that reflect, that phrasing?

[Translation]

Ms. Guylaine Chénier: The comprehensive enforcement of rules governing the allocation of funds. As I explained earlier, these rules aren't upheld.

[English]

Ms. Bev Oda: Can you give me examples of where they are not respected? Greater compliance implies non-compliance. So can you give me specifics?

[Translation]

Ms. Guylaine Chénier: Let me give you the example I used earlier: at times we obtain funds from Telefilm Canada to produce a film or a television program. We can sometimes obtain some of the funds required for dubbing through that. When we produce the film we can also include a part of that subsidy in our production budget. A film is produced—sometimes it isn't—then it is sold to a distributor; it may then be resold to another distributor who will then sell it to a broadcaster. Along the way, the clause that was part of the initial contract may not resurface, in fact it may never resurface.

Thus the distributors may believe they can sell that film in France if, for example, France 2 has expressed an interest in it. The French claim to be very demanding in terms of language criteria but in fact—once again for economic reasons—they want to be in charge of their own dubbing and have it done in their own dubbing firms. So the film is then dubbed in France. Because sales to our French-language television stations are done at a later date, they end up buying the dubbing—which has already been paid for—that was done in France. Alliance Atlantis Communications Inc. purchases the product that was dubbed in France from another distributor and sells it here, to *Séries+* or to *Radio-Canada*, for example, and the film that ends up being broadcast will have been dubbed in France.

The original contract does in fact contain a clause and funds will have been allocated for doing the dubbing here. But that clause disappears along the way. Full enforcement of the rules means enforcing the policies of all government bodies, such as Telefilm Canada, which provide funds for the production of feature films or television programs. When a certain amount of public money is invest-

ed—that amount has to be determined—then we should be able to track the production from beginning to end so that the product is broadcast in both languages. The objectives are bicultural.

● (0955)

[English]

Ms. Bev Oda: I'm just going to ask, because I know my time's very short here. From what I understand, you're telling me it's the chain of events. You feel it's not following the intent or the philosophy, but is a specific regulation being broken? Because when you say non-compliance—

[Translation]

Ms. Guylaine Chénier: We're in a grey zone. We're supposed to count on people's bad faith, which is something we refuse to do. We're saying that the rules are not clear enough.

We have to review certain decisions that were made a long time ago. The context has changed. We have to look at what is being done within the WTO and what is being done at an international level. If we are not fully in control now, then tomorrow we will no longer have any control. I think that the rules have to be brought up to date because they aren't clear.

[English]

Ms. Bev Oda: I agree that to make sure the funding is being used properly, maybe we have to look at it again to make sure we're more specific and that we accurately understand the steps in the processes.

There's another. I would suggest it is a myth. I have heard that in the international market, Quebec-dubbed versions are not as acceptable as those dubbed in France. Is that a myth?

[Translation]

Ms. Guylaine Chénier: Is it a myth? That depends. Dubbing done in Quebec is sometimes rejected and sometimes accepted.

We make every effort. I'll give you some examples of what we did with Technicolor. A Montreal distributor produced a film in English in Quebec. At first, the film was supposed to be sold in France but not here. We dubbed the film in French for France. We used the French spoken in the heart of France, true French, Parisian French, how shall I put it. Our actors sang the way the French sing when they're speaking, and they used their words.

We make every effort when we do this. The film came back here and *Radio-Canada* purchased it without knowing that it had been dubbed here; they thought it had been dubbed in France. I'm not sure I'm happy that we did this. That having been said, we need money.

We're currently working on a production with two versions. In order to avoid it being too costly for the producers and the distributors, we're not doing two complete French versions. There's a broadcaster here who wants it to sound like it comes from Quebec without it being *joual*.

You may not realize this but when there is a program here whose main character's name is Cathy, you don't say "Cati", but rather "Cathy". You don't say "hamburger" the way the French do, but rather "hamburger". That's all Radio-Canada wanted, but it's the first thing the French do not want. They especially don't want us to say "hambourgeois"; they want us to pronounce the word "hamburger" in the way they would pronounce it themselves.

We try to remove any local references. We tape small parts with a French accent and other parts with a Quebec accent. We end up with two versions. We have one version for France, which is a slightly watered-down version, but perfectly appropriate, and another version for Quebec which is also somewhat watered-down but retains some local colour.

We're very good at jumping through hoops in order to reach the broadest possible market. I think that the dubbers, both in French and English, the local artists, put a lot of work into using real accents. If there is an Italian character in a film, then a real Italian is used, with a real Italian accent. We try not to make mistakes. I think that we've been very creative in trying to match the market, which is an extremely complex one and can easily slip through our fingers.

• (1000)

[English]

The Chair: I know we all have other questions. Monsieur Kotto promises me *une question très brève*.

[Translation]

I would also like the reply to be very brief.

Mr. Maka Kotto: I have a comment. I absolutely agree with you but I would add one point in order to explain why there are reservations about dubbing films here for the French market. There is an enormous amount of pressure coming from the unions in France. Dubbing in France is a source of income for many people.

Ms. Guylaine Chénier: It's a myth that is not cultural. They're capable of hearing us.

[English]

The Chair: Okay, we're going to be pausing for five minutes while we change our panel of witnesses, and for those of you who have frantic phone calls or other pit stops to make.

• (1002)

(Pause)

• (1017)

The Chair: We are resuming now with La Société des auteurs de radio, télévision et cinéma

[Translation]

And the Association des réalisateurs et des réalisatrices du Québec.

Mr. Mario Bolduc (Vice-President, Société des auteurs de radio, télévision et cinéma): I think that the directors will follow suit.

The Chair: You may begin. I would encourage you to keep your comments brief and allow more time for questions and comments from the committee members. The discussion is always the most

interesting and important part of our hearings. Thank you very much.

Mr. Mario Bolduc: Very well. I'll begin by thanking you for having invited the SARTEC to participate in this study on the Canadian feature film industry. I'd like to introduce to you Joanne Arseneau, who is a member of the SARTEC's board of directors and who is also a screenwriter for made-for-TV feature films.

My name is Mario Bolduc and I am the Vice-President of the Société des auteurs de radio, télévision et cinéma. I am also a television and film screenwriter.

As you know, the SARTEC was founded in 1949 and represents more than 1,000 writers and screenwriters who work in the film and television industry in French. Our brief focuses mainly on development and production issues, including performance envelopes, rather than on distribution or exhibition issues, that affect us less.

Our brief makes the following points. First, in terms of development, producing a film without a solid script can mean wasting several millions of dollars. Therefore, investment in script-writing is essential, and our filmmaking policy has recognized this. We feel that the injection of funds into development has contributed to increasing the quality of our scripts. This policy has also allowed us to diversify our development locations by funding not only the producers but also the writers themselves through the Screenwriting Assistance Program.

This program has served as a sort of incubator that encourages, among other things, television screenwriters to write scripts for films, which was one of the objectives of the program. It has also increased a number of projects available to producers, distributors and funding organizations.

We think that the program works well but we don't think that the current level of funding is attracting as many writers as we would like to see, particularly writers who work regularly for television and who have considerable experience with that medium.

Ms. Joanne Arseneau (Secretary, Board of Directors, Société des auteurs de radio, télévision et cinéma): Let's continue on the issue of production. The success of Quebec filmmaking over the past few years can be attributed not only to the quality of the films but also to the fact that, as with television, there is a desire to see films that are made here.

This is a fragile success, however. Given the increase in production costs, less films will be produced if the funding level remains the same. Our filmmaking industry must not be a victim of its own success. We have to maintain production budgets at an appropriate level and produce enough films.

Settling for lower budgets would be an unfortunate step backwards and producing less films would amount to giving up our domestic market. It is therefore essential that the current volume of production in French be maintained and that adequate funding be provided.

In terms of the performance envelopes, the SARTEC does not necessarily want to retain them, however, if this part of the policy is retained then the parameters should be changed such that, on the one hand, the envelope pertaining to performance never be higher than 50 per cent of the funds available for production and, on the other hand, the creator of a work also benefit significantly from being associated with the success of that work. The performance envelope could take the shape of an investment in their next work in progress, for example.

Allow me to now speak about the advisory committee. We would like creators and artists to be involved in it. However, we think it would be appropriate for these representatives to be sent by the associations involved or chosen within their boards of directors. In many areas this sector's stakeholders have learned to work together and they could be putting their respective knowledge together for the benefit of the department.

• (1020)

Mr. Mario Bolduc: We believe that investments in culture should serve to create works that reflect our creativity, our identity. That is the very reason for these resources in the first place. A culture is that much more vibrant when it is shared by the greatest possible number of people and when it is made accessible.

The main merit of the Canadian feature film policy lies in the importance it puts on cultural objectives. Yet we feel that since its implementation, support measures to the industry have become more important than support measures for culture.

We still feel, however, that this feature film policy has contributed significantly to improving the quality, diversity and accessibility of our films, and to extending their audience. This policy has undeniably been successful and in some regards has even surpassed our expectations. We therefore think that this policy should be renewed.

In conclusion, our main recommendations are: to retain the Screenwriting Assistance Program and increase the amount provided per project; increase funding in order to maintain a critical volume of French-language films; ensure that no more than 50 per cent of available funds are allocated to performance envelopes; and retain the advisory committee but provide for its representatives to be chosen by the associations involved or chosen within their board of directors. Thank you.

The Chair: Thank you.

I will begin this time with M. Kotto.

Mr. Maka Kotto: Good morning. I would like to return briefly to the issue of performance envelopes. I would like to see a picture of whom exactly they benefit, to the detriment of whom and why.

Mr. Mario Bolduc: Performance envelopes are a new phenomenon: They were not previously a part of the Canadian feature film policy. This is money that is given to producers and distributors whose films have enjoyed a certain box office success.

The problem with these envelopes is that producers who submit projects for selective grants are in fact deprived of these amounts. The risk is that performance envelopes will end up overtaking the selective grants. We will then end up with an industry driven solely by performance. In our opinion, that is not a good idea: The beauty

of our film industry lies in its diversity and its innovative projects. If we settle for an industry that only supports six producers, then it will become stunted and in the long term that will harm the film-making industry.

Mr. Maka Kotto: Would you be more inclined to support the idea if the performance envelope was available for all those artists or creators involved in the production chain? Of course the concern would be to preserve all that which is not performance or does not aspire to be performance as such. When I heard that proposal, I heard from various sources that directors and screenwriters will be penalized. However they are the ones who are responsible for the success of a work, whereas the producers are responsible for the economic development of a work .

Yet creators and those who give life to their works, be they directors or screenwriters, are the ones left out. There is no guarantee that a producer will hire the same team to develop a project.

For the purposes of putting these factors in perspective I would like to know what your opinion is on this strategy that focuses only on producers.

• (1025)

Mr. Mario Bolduc: As I said earlier, we are not opposed to performance envelopes. We think it is unfortunate that only producers benefit from them.

As you were saying, the screenwriters and directors also contribute to the success of a work. Of course we would like to see a formula that provides for the screenwriter whose films have been a box office success to be able to use that success when the time comes to negotiate with another producer. The screenwriter would already have money to invest in a new project. Everyone would be on an equal footing; there would be no more talk of producers' private preserve.

Joanne, perhaps you could talk about your experience.

Ms. Joanne Arseneau: I did a film that led to a performance envelope but it was invested in another film. I went to do a film somewhere else. In going somewhere else, I had to renegotiate from square one. I am investing in production. Furthermore, we are the creators, these projects come from us. It does not make sense that the producers be rewarded with the performance envelope.

It has to be shared, or creators have to be given a stake in the business. It is important to realize that we need to communicate with a broader public. We need to make the public interested in our works through what we have to say. It does not make sense to reward the producers.

Mr. Maka Kotto: I wanted to raise this issue of fairness because I think we need to render under Caesar the things which are Caesar's.

Mr. Mario Bolduc: You are absolutely right.

[English]

The Chair: Mr. Angus.

Mr. Charlie Angus: I'm wondering if we should hear the other presentation at the same time.

The Chair: Yes, so you can cover both in your questions.

[Translation]

I would now like to welcome Mr. Jean-Pierre Lefebvre, President of the Association des réalisateurs et réalisatrices du Québec.

Mr. Jean-Pierre Lefebvre (President, Association des réalisateurs et des réalisatrices du Québec): Good day, Madam Chair. Ladies, gentlemen, thank you very much for having us. I will attempt to give you an outline of our brief.

First, there is one obvious but very important thing to be said: without the federal government, there would not have been and there still would not be any film industry in Canada. The expression cinema should of course be understood to include all areas of audiovisual media.

In our opinion, there are two absolutely crucial premises.

First, that the primary thrust of all federal policies on film must remain essentially cultural and social. We should not forget that these are public funds.

Second, if it wishes to build a Canadian film industry that also functions in accordance with the laws of the marketplace, the federal government must, in addition to substantially increasing the funds now allocated to all areas of film, seek out new areas. In this particular case, it must create a national box office that collects a standard percentage of box office revenues. The industry has been demanding this for some 40 years now of Ottawa and of some of the provinces, including Quebec, but our American neighbours have systematically opposed this by threatening to remove their films from the Canadian market. Most countries such as ours do collect a percentage of box office revenues. France is a case in point, and it is able to fund its national cinema out of profits made by foreigners in France. This measure is a matter of basic decency to us.

In general, we agree on the essential role played by the National Film Board. We insist on having access to Canada's cinema heritage, which isn't currently the case. Moreover, there was a very positive measure taken, which was the automatic subtitling of films invited to official festivals, English subtitling of French films and conversely. And yet, Telefilm Canada abolished this measure some years ago.

We request that the ARRQ be allowed to take part in developing global policies for Canada's film industry. We agree with tax credits, which we would like to see maintained. Today, we express our support for the Canada Council for the Arts which, in the pseudo-industrial context we live in, now plays a more essential role than ever. We support the Canadian Independent Film and Video Fund which also plays an essential role, often in collaboration with the Canada Council for the Arts and through the NFB's assistance program for independent films. We also approve of on the Canadian Television Fund.

However, we do have concerns as to why the funds would be granted to broadcasters rather than producers. That gives control to people who already have power, in other words broadcasters. The same applies to cinema within Telefilm Canada, where distributors and producers are those who have the power.

Our most serious concerns revolve around Telefilm Canada, which is a crucial element of the funding and promotion of the Canadian film industry.

We take issue with three main points which are, in our opinion, absolutely scandalous.

First, it is scandalous that distributors be those to give projects the go-ahead. The ARRQ requests the abolition of this segregationist system for eliminating projects, and the creation of a policy that would make it possible to conduct an internal comparative analysis of all projects, because how can it be claimed that all projects are fairly evaluated when the best may already have been eliminated by producers or distributors?

● (1030)

Moreover, Telefilm's selection of a project in which no distributor is interested a priori could become a real incentive, especially if it is accompanied by adequate financial measures. In short, Telefilm must not in any way, directly or indirectly, be at the mercy of producers and distributors, which is currently the case when it makes selections only among those films already chosen by these individuals.

This is true, except in the case of low-budget films on the order of \$1.8 million and under, especially \$1 million.

The second stumbling block—which I heard my colleague Mario mention as I was walking in—is the famous commercial performance bonus, which we have asked to see abolished for over a year. Moreover, along with our brief you will find a letter which was sent last fall to Ms. Frulla to indicate to her the reasons why we were asking for this.

In essence, there are four reasons. The first is that public funds are being used—it is important never to lose sight of the fact that these are public funds—to fund a monopoly that avoids all of Telefilm's selection criteria because the producers and distributors who are rewarded may do anything they wish with the money they receive.

Second, these envelopes contain more than 60 per cent of all the money allocated to the Feature Film Fund. There are several ways to calculate the amount set aside for commercial performance envelopes, and it's all very complex. They can vary from 50 to 75 per cent, according to the way in which calculations are made and the money Telefilm Canada reinvests each year out of profits in the comparative fund. Telefilm Canada representatives could explain this to you better than I.

The third reason why we are asking for these envelopes to be abolished is that flagrant aberrations exist in the way in which the performance threshold is established. For example, a film such as *Gaz Bar Blues*, which generated revenues of \$900,000—this is very high, in Quebec—was not entitled to any premium because the performance threshold last year was \$1.2 million, which is enormous. For Quebec, revenues of \$1.2 million are enormous.

Fourth, it allows beneficiaries of the commercial performance envelopes to also supplement their funding from the so-called selective funds, that is those devoted to the whole of production that does not receive commercial performance premiums, which drains away a substantial part of the selective funds.

Consequently, the ARRQ requests the pure and simple abolition of the commercial performance envelopes, so that a double standard will no longer be applied in Telefilm's investment system. Thus, all projects would be treated in the same way, especially since it is impossible for all practical purposes to assess the real profitability of films ahead of time, and especially since many films produced with money from the commercial performance premiums have been resounding failures. I don't have to mention them, they are fairly well known.

I would add that if Canada had a universal box office system, there would be simple ways to offer financial compensation to successful Canadian films, but that would have to be looked at within a broader context. It exists in some countries. In such a case, commercially successful films would make money based on global profits, those of foreign operators and foreign companies in Canada.

We've also noted that one thing specifically has been making the situation worse over the last few years. Commercial performance bonuses are providing a form of access. People are having access to direction when they don't necessarily have the requisite direction experience.

We are tabling information to that effect. This battle was made public two weeks ago and it is the result of a unanimous resolution passed at the general assembly of the Association des réalisateurs et réalisatrices du Québec; it is also the result of a unanimous decision made at the assembly of the Quebec Council of the Directors Guild of Canada—which includes more than 600 Quebec directors, whether they work in French, English or any other language—asking Telefilm Canada to have fair policies for all.

● (1035)

In most cases, directors' experience is taken into account. Projects are frequently refused because the directors lack experience.

Ideally, funding should be granted in relation to the director's experience. Commercial performance premiums contribute to the phenomenon whereby productions are built around personalities who may be very well known. This can lead to commercially successful films, we see that. The premiums contribute to the system because producers are not accountable to anyone. They have millions of dollars at their disposal because of the commercial performance premium, and they can decide which projects to select without having the script approved by Telefilm Canada, or having to obtain the approval of any other organization.

As my colleague Mario Bolduc was saying, the fact that no filmmakers involved in these works—scriptwriters and directors—have a right to a piece of the pie, in other words, the commercial performance bonus, is fundamentally unfair. These people don't get anything out of it.

I would also like to point out that Telefilm does not in any way support feature-length auteur documentaries. This is an egregious and anomalous deficiency. We all know that, for the past 40 or even 50 years, if we take NFB works from the 1950s into account, auteur documentaries have spearheaded Canadian cinema. Those are the films that have made our reputation in Canada and abroad.

Since you have my brief, I will not go through all the points I make in it. In our opinion, the problem is Telefilm Canada: its policies should be completely reviewed. My director general is also pointing out that Telefilm has demonstrated a clear lack of transparency, particularly over the past ten years. Directors, and filmmakers and scriptwriters in general, are all in the same boat: they are systematically excluded from the consultation process. As many people at Telefilm will concede, producers have become the primary client.

We are well aware that producers direct the financial operations associated with films, but we are still talking about public funds, are we not? Thus, we believe that filmmakers should be part of a team, of which the producer is also a part. We don't contest that fact, but we would like to see everyone treated equally. Directors and script-writers should be regularly consulted, as they were in the past.

I should indicate that, in the past year, we have managed to restore direct communications with people at Telefilm Canada. We are discussing the problems mentioned here today with them, and those discussions will continue. Nonetheless, we could not overlook this opportunity to state our message loud and clear—we want those discussions to continue, and to lead to results.

I would now be pleased to take your questions, either on my statement or on the content of our written brief.

● (1040)

The Chair: Thank you.

I would like to ask committee members and witnesses to keep their questions and answers fairly brief.

Thank you.

Charlie.

[*English*]

Mr. Charlie Angus: Thank you, Madam Chair.

Those were excellent presentations from both groups.

I'm going to keep my points fairly short, and I'm going to focus initially on some points you raised, because they just haven't been raised before.

In terms of the National Film Board, you say a “substantial reduction in the administrative burden and the production system is required”. I'd like to know a bit more about that. Also, you refer to this building in Ville Saint-Laurent as a white elephant. It hasn't come up before, so I'm wondering, are there dollars being spent there that would be better spent making films? That's the first part of my question.

The second part is this point about a specialized television channel, because it hasn't come up before. We've seen the National Film Board moving towards online production. Has there been talk in the industry about a specialized television channel? I know from watching television in my hotels, which is the only time I ever watch it, my God, there are 57 channels and nothing on, as Bruce Springsteen says. We have this television universe that allows us to watch *Dukes of Hazzard* at any time of the day or night, and I would certainly think independent Canadian productions would be much preferable to reruns of *Gilligan's Island*.

I'm wondering, has there been talk in the industry about the need to create a specialized television channel? Is it feasible? Is it possible? Have you looked into it? Those are my two questions.

Mr. Jean-Pierre Lefebvre: Well, about the white elephant, which is the building of the National Film Board, in the Juneau report—I don't remember how long ago, but maybe somebody here does remember—about twenty years ago there was a proposition to close the National Film Board building and redo it downtown with another National Film Board building that was more humble and less expensive.

I don't know what the rent is. I think at the beginning of the year about \$20 million or \$30 million has to be paid instantly to the federal government. Right off the top you have a huge amount of money spent only for the rental of the building because nobody, no agency, can own their own building. We think there's a lot there that could be spared.

Concerning television, it was an idea. I don't know if anybody in the other group had the idea about the Film Board having its own TV channel across Canada, but for us it seems a logical possibility, because the Film Board has a huge amount of archival material and also is producing a lot. Also, it would encourage the Film Board to maybe go back to even more production because there would be an automatic place to distribute those films.

It would at the same time be a kind of learning channel about us. I don't want to be chauvinistic, but it was basically the mission of the Film Board to let Canadians be known to other Canadians and to people around the world. Now things have changed, and with the digital revolution, I think that's one issue that appears to us to be very, very, very important.

Thank you.

• (1045)

Mr. Charlie Angus: Thank you.

The Chair: Thank you.

Ms. Bulte.

Hon. Sarmite Bulte: Thank you.

Thank you both for your presentations.

You are going to have to help me here, because you started off by saying that Telefilm is the most essential element in funding the promotion of Canadian films. Yet at the same time, you seem to be telling me that it's terribly broken—and you are not exactly consistent with your colleagues next to you with regards to the performance envelope, because they said at least 50%.

I understand that the problem with Quebec is that you have been a victim of the success of the box office there, as opposed to outside of Quebec, where we, in English Canada, get 1.2% of the envelope. We have had complaints out west that there is no money at all flowing in from the performance envelope, so everybody is...or let's say there is no consensus among them. So I need your help to arrive at a consensus. One of the things that we in the public policy know is that if everybody agrees, or if we can get a consensus, it's much easier to implement.

What do we do to fix Telefilm? You are saying that it's the most essential thing yet somehow it's terribly broken, so what are your recommendations? You are saying that we should get rid of the performance thing. I couldn't agree with you more that we need to find space for documentaries, but is there a balance? You know, we do have some successes, and Quebec is the biggest success story of all. So it can't be completely broken.

And you mentioned a universal box office, but could you elaborate on what you mean by a universal box office, because I haven't heard of that, unless you mean a tax on tickets? Could you maybe just elaborate on how we fix this?

The other thing is that you do have a new executive director of Telefilm, as Mr. Clarkson has replaced Mr. Stursberg. Is that positive, or is it going to help in any way?

Mr. Jean-Pierre Lefebvre: We applaud the nomination of Mr. Wayne Clarkson because he is somebody from the industry and in general is somebody from the culture and he knows our cinema and he loves our cinema. That has been very rare.

The problem is that basically we want Telefilm to treat everybody the same way. And for us right now, it doesn't treat everybody the same way, because those who have that *prime à la performance commerciale* are privileged. Basically, the idea of giving envelopes to producers came from us about 20 years ago. We wanted every producer in Montreal who had a *feuille de route*, a background—very important—to be able to develop their own projects without having to go every time back to Telefilm saying, “I want to develop that script”, or “I want to develop this one”.

So in our mind it was not only to be given to producers or distributors who would make a commercial success—they would have had their share—but at the same time some producers are working more on a cultural level. Also, don't forget that a lot of filmmakers are making what we call cultural films, and it is very difficult to define those precisely, but we are not against commercial films. We are not only for cultural films; we are for an equal policy for everybody, because nobody knows at the beginning if a film is going to make its money or not. And as you know, Denys Arcand made a big commercial success with a highly cultural film.

Historically speaking, of all cinema the one that has paid the most, whether at the Film Board or in private industry, is the cultural one. I was part of the first wave. We went to Europe in the 1960s and the 1970s to go to Cannes and so on, and all my colleagues, Michel Breau and Gilles Carle, those people who were considered, and still are considered, non-commercial filmmakers have had a lot of commercial success. And I had a lot of cultural success.

Canada being what it is, we cannot hope to compete with the Americans, and that is what we are trying almost to do, especially in Quebec—you have your star system, you are lucky, you made a lot of money, so it is a kind of vicious circle. Just invest more and more in the same things because they are going to make a lot of money and it is very good for Telefilm. And you see we have money back, so much money back that we can even put some money back in all the other feature films that are presented to Telefilm Canada.

So that is why we are saying if Telefilm Canada wants to get involved or if Heritage Canada wants to get involved in a commercial venture, they should raise their money from the market, from the box office, and that money could be used to feed the commercial ventures. Otherwise, Telefilm should treat everybody, every producer, every director, every screenwriter the same way. That is our point of view.

So that is why, because this is public funding. You cannot imagine Canada Council having two divisions, saying that filmmakers with over twenty years of experience automatically get their grant at the Canada Council. In a way, Telefilm is acting in that way, because they are saying they are going to give more money to those who make....

Also, as has been pointed out by Mario, there are only three or four big producers left in Quebec, and the same in distribution. And believe me, I can personally tell you that I have been knocking on every door of official distributors for the last six months, and nobody even answers back, because I am a nobody. I am a nobody in the commercial picture of the cinema.

It is not for me to personalize the debate here, but believe me, you can extend that *constatation* to hundreds of filmmakers. And I repeat that if Telefilm says we treat equally all projects, think of those who never get to Telefilm because no distributor is interested, no producer is interested.

• (1050)

You know, 40 years ago it was totally the contrary. We would write, we would shoot films, we would find a distributor, and we would go to Telefilm, but now the pyramid is totally in reverse—it's the production that controls everything. That's why, also, we want to step into the making of all policies in Canada about cinematography because we are some—whether you want it or not—we are some essential people. Without a scriptwriter, without a director—sorry, history tells you there's no film. That's why we deplore the fact that now so many people who have no experience in filmmaking are able, all of a sudden, to make all those big films. We're talking about millions of dollars, you know. It's \$5 million, \$6 million, \$8 million. It's a lot of money.

It's the excess of that system. If some commercial ventures are rewarded, so much the better, but they shouldn't be rewarded within that system.

• (1055)

The Chair: I have to pass on to Ms. Oda very soon. Ms. Arsenneau wanted to add—

[*Translation*]

Ms. Joanne Arsenneau: I would like to add something along the same lines.

We make a cultural product, and increasingly, we see that distributors, for example, are dictating topics for films. I know, because I'm a script-writer. Instead of asking us to come up with something truly creative, inventive, daring and new, we are asked to rework *Aurore*, *Séraphin: Un homme et son péché* and *Le Survenant*. All script-writers in popular television have been asked to rework *Rumeurs, le film*, *Grande Ourse, le film*, and *Tag, le film*. *Séraphin: Un homme et son péché* worked well, and we say that it had 70 years of publicity. Yes, it's a good idea and it worked well, but you cannot build a whole film industry on that alone. If the creators, the foundation of the industry, are not listened to, if they are not put on an equal footing with distributors and producers, then it's money talking, and there's no culture there at all.

Mr. Jean-Pierre Lefebvre: Madam Chair, the statistics show that a producer never invests more than 4.6 per cent of a budget. The figures show it—that is the most a producer invests. The rest comes from public funds. With the commercial performance premium system, the producer gets a premium as well, and maintains absolute control over production. The result is that the distributor and producer have a great deal of power, because both of them are entitled to performance premiums.

[*English*]

Hon. Sarmite Bulte: With respect to distributors, we've heard that across Canada there seem to be many complaints about the distributors.

How do you then ensure your work has an audience? I'm not defending the distributors, but is it not important that the film...? Yes, it's wonderful to create, but you want that film to be seen, so what is the alternative means to it? How do we ensure that what you create is actually seen? Maybe it's what Mr. Angus... The broadcasters have a bigger role to play, but if we get rid of the distributor, how do we...? I think one of the recommendations was to fund films that don't have distributor approval. How would those films ever be seen?

[Translation]

Ms. Joanne Arseneau: What we mean is a system to restore the balance. With the policy, what we are seeing is that the pendulum swings completely towards distributors, and culture runs the risk of taking a back seat completely. We need the distributors, and I think they have done good work. In the 20 per cent success rate that we see, distributors have played a significant role, just as Telefilm Canada has by investing more in marketing. The risk lies in having the power rest exclusively with them.

Mr. Mario Bolduc: The danger is that there are two film industries: one is extremely commercialized, and the other, the auteur film industry, is completely marginalized. Distributors are interested in all the films, and contribute to the advance of films of every kind. Jean-Pierre was talking about *Gaz Bar Blues*: that film did not necessarily target a very wide audience, but reached a wide audience nonetheless. With that film, the distributor and producer did their work well, but it's all based on the work of the director, who was the script-writer for the film as well.

Mr. Jean-Pierre Lefebvre: I'll just add one thing, Madam Chair.

When you reward people who have already made money, the problem is that they don't take many risks after that. They try to make yet more money, because it is to their advantage, and to have more control over what they do. That's the vicious cycle.

If all projects were assessed by Telefilm Canada, distributors might be more willing to take risks with a given script or a given director, when they would not have taken that risk otherwise, because Telefilm Canada has approved the project.

The adventurous progress of the Quebec film industry is based on creative risks taken by script-writers and directors in the 1960s and 1970s. It is through our efforts that Quebec now has a pseudo-industry, because there is no legislation to protect the commercial foundations of the industry.

At present, whether we like it or not, Telefilm Canada is like a big Canada Council, but with an increasingly significant commercial bent. It has the power, and it has the money. There is no way out for the filmmaker, unless he looks in his own wallet. If all he finds is \$100, then he makes a film for \$100. That is his only option. That is how things were in the 1960s: we would see how much money we had in our own pockets. If we had \$500, we made a 500-dollar film.

The current situation is generating a great deal of inflation. Producers invest little personally, and have an interest in inflating budgets because they end up making more money that way. The same goes for the distributors. But if we look at things logically, we cannot blame them for what they do. The stage is set for them, and they are told to do what they do.

The average budget for a Quebec film—I don't know what it would be for a Canadian film—was \$2.4 million five years ago. Today, it has gone up to \$4.3 million. That represents massive inflation. This is in direct contradiction to what we see happening with production in countries like us, particularly in Nordic countries like Sweden and Norway, and countries like Chile and Argentina, which have adopted national box-office levy legislation. That system is making it possible for them to produce films. However, their films

cost \$1.4 or \$1.5 million on average. In those countries, that is a huge budget. Those countries are like us, but their market is more extensive because they have the whole Spanish or Portuguese market. The Brazilian film industry is in a similar situation.

• (1100)

The Chair: I must now allow Ms. Oda to have the floor.

[English]

Ms. Bev Oda: Thank you, Madam Chair.

Thank you for being here. I have three areas I'd just like each of you to touch on.

First, you have suggested that NFB-ONF have its own channel, but we have a public broadcaster, and I would suggest that the public broadcaster, CBC-SRC, may be able to be encouraged to support NFB projects to a greater extent than it already does. So I'd like your comments on that, because to start another channel, I think we have to look at what we already have public dollars going into, which would be the CBC-SRC.

Secondly, we are looking at a film policy. However, you know, we in anglophone Canada look with envy on francophone successes, certainly in feature films. We're looking at a Canadian film policy; however, we have to recognize that we have two unique situations. We have a language; we have a marketplace. We have less impact particularly because of the language of the Americans. It's the same market. Anglophone Canada is almost the same market.

To what extent should we, in our considerations, be looking to those differences that would more effectively support the francophone market, even greater than it already does? You're starting at a different level of success, so I want to make sure that if we want to try to have one national policy, we don't inhibit your success from becoming even greater, by trying to make the rest of the country more successful. So I would really like you to speak on that, because I think we should look at where we're starting from and our histories, on a going forward basis.

Thirdly, when you suggest that Telefilm should review all projects, I think, in reality, whether there is an increase or not, there's still always going to be a finite amount of public moneys, so we still need some kind of criteria or filter system. What would be the key filters or criteria that you believe should be maintained in order to make effective use of the public dollars out there?

Those are my three questions.

• (1105)

Mr. Jean-Pierre Lefebvre: I'll start by answering your third question, because it's probably the easiest: Telefilm could just go back to the way it was acting ten years ago.

Ms. Bev Oda: I understand there's more demand than there is money.

Mr. Jean-Pierre Lefebvre: Absolutely.

Ms. Bev Oda: So I'm saying that there is always going to be a finite amount of money, and I would suggest there's always going to be more demand than money. You have to have some criteria.

Mr. Jean-Pierre Lefebvre: Absolutely. But when I say that Telefilm could go back to the same way it was operating ten years ago, it's simply that there were more distributors, there were more producers believing in the projects that they were receiving from scriptwriters and directors and then deciding to go to Telefilm. And Telefilm would give them some money. Right now, it's the limitation of distributors and producers, which is also limiting the possibility for a lot of scripts to become films and to be directed.

So no, of course, if any individual could send his own project, we understand that it would be *le déluge*. But there was a system.

I don't know if you want to answer on that level right now. Go ahead.

[Translation]

Ms. Joanne Arseneau: I'd like to add something here. There were some problems with the old system, because it was still selective. So as soon as one of the Telefilm analysts took a dislike to a director or a team, they would feel they were being treated unfairly.

We do not take exactly the same stand you do with respect to performance. If the system were maintained, the split would be 50-50. But we could have a 25-75 split, with 25 per cent for performance. There have been failures with that, but interesting results as well. Films could have been made by teams whose producer believed in the project. All producers don't necessarily think only about money. Those films would never have seen the light of day if producers had been that selective. But they have been successful. There was another kind of freedom there, but it was exceptional, and we still saw the situation that arose.

I don't know whether that's clear.

Mr. Jean-Pierre Lefebvre: Every system has something good in it.

Ms. Joanne Arseneau: What I mean is that we could come back to...

Mr. Jean-Pierre Lefebvre: I mean that there was a far wider range. For the purposes of this discussion, I would not put that in the same basket as performance bonuses based on commercial success.

However, I think that you would agree that we no longer have enough producers and distributors. There are three or four individuals and companies who control everything in Montreal, that is what we call a monopoly. Even in the United States, vertical integration is prohibited by anti-monopoly legislation: distributors cannot carry out production work, and vice versa. Here in Canada, distributors are allowed to be involved in production.

Your two other questions were nuanced, and I will answer in French.

You spoke of a proposal seeking to give the NFB its own television channel, and you rightly observed that we already have CBC/Radio-Canada. It remains, however, that the TV market in general is deteriorating and, in our view, our national broadcaster no longer assumes the role that it did in times gone by. Speciality channels are becoming increasingly dominant and, as they are eating into the market share previously held by commercial and state television channels, it seems to us that this is the only possible solution. We

do not see how CBC/Radio-Canada could fulfil the role of a speciality channel. Obviously, such a solution would involve revising CBC/Radio-Canada's mandate; but, that is something which absolutely requires doing at any rate.

The question which lies at the heart of all others can be summed up in a single word: identity. Without wishing to be partisan, or to speak of Quebec as a distinct society, I should draw to your attention the fact that, throughout my entire career, English-Canadian filmmakers have told me that they consider us fortunate to be different. They consider us fortunate to have a different language and a different culture because, in their case, as they have so much contact with U.S. culture, they always face the temptation of making films similar to those produced by our neighbours to the south. They say to themselves one day, perhaps, and so forth. In a certain sense, Telefilm Canada policies have encouraged the production of English-Canadian films which bear an increasing resemblance to American films.

This is something which is happening in spite of all the auteur films, a term I use loosely, which although several years behind Quebec, have succeeded in projecting a certain image of English-Canadian cinema beyond our national borders. Time and time again we return to the fact that the essence of our industry must first and foremost be cultural. Our films may become commercial later, as was the case in Quebec; but our primary profit must be cultural profit, especially in these times of globalization.

Telefilm Canada policies have resulted in Canada doing domestically what the Americans are currently trying to do on a global scale; cultural culture, if you'll pardon such a tautological expression, is being marginalized in favour of commercial culture. It is a very serious situation, and that is why we are insisting that there be no double standards. We have been the world's leading advocates and initiators of policies and measures designed expressly to protect fragile cultural ecosystems such as our own.

Let us not do at home what we do not want the United States to do elsewhere. We therefore maintain that the role of Telefilm Canada and all Canadian cinematography is primarily social and cultural. If, on top of that, our films have commercial success, then that will be the icing on the cake.

In conclusion, I would say that 99 per cent of the films produced with performance bonuses for commercial success are for the local market; there is no way for them to go beyond Quebec.

• (1110)

We therefore find ourselves in a position of stoking a local industry with little hope of going further, because the issues dealt with, the language, and the way in which the films are made will not work abroad.

The Chair: Mr. Bolduc, Ms. Arseneau, is there anything that either of you would wish to add?

Mr. Mario Bolduc: I would like to address the issue of having Canada-wide policies to ensure that no one market finds itself at a disadvantage compared to another. When developing its policies, the Canadian government must bear in mind the differences between the various markets; however, as you said, it cannot remedy a problem in a particular market or community simply to create one elsewhere. An asymmetrical approach is required. I believe that it is very important to keep in mind this specificity of Quebec and the French-speaking community when implementing your policies.

[English]

Ms. Bev Oda: Just for clarification, I was not suggesting that the CBC be changed to a specialty channel. I was making the observation that it could play a larger role in exhibiting NFB projects.

Mr. Jean-Pierre Lefebvre: I agree.

The Chair: Monsieur Lemay.

[Translation]

Mr. Marc Lemay: I would like to begin by thanking you for being here this morning. Secondly, I would like to extend a warm welcome to Mr. Jean-Pierre Lefebvre. I am perhaps a bit young, but I went to film school and learned to understand film through your works, as well as those of Jutras, Lamothe, and Perrault. I am deeply honoured to see that you are giving back to the film industry what it gave you. That shows consideration. I have taken good note of your brief and the comments which you have made today. I am surely delighted that you are here with us. It shows that, even if there is always room for improvement, the film industry is not doing so badly.

I would also like to thank the script-writers and authors; I am delighted to have you with us. I have learned something new today; you are being asked to write film scripts of around an hour and 20 minutes to an hour and a half based on TV programs. I hope that this is not the case. This is something which is very troubling, and I am glad that you drew it to our attention.

Mr. Lefebvre, I have just one question for you. I would like you to talk to us about this notion of a national box office. I have done some reading on the subject, but do not have a firm handle on it. I should imagine that the cinema owners association would hit the roof were we to make such a suggestion.

• (1115)

Mr. Jean-Pierre Lefebvre: No one has keeled over and died as yet.

Mr. Marc Lemay: You are right, no one has been injured or dropped dead. I would just like you to explain to me what you understand by the notion of a national box office.

Mr. Jean-Pierre Lefebvre: Allow me to give you the French example. The French government takes 10 per cent of the ticket price and invests it in their national cinematography fund. It is not a tax as such. I know that cinema owners say that they do not want to collect taxes for the government; however, it is simply a logical levy on profits made by foreign companies on French territory.

Mr. Marc Lemay: I apologize for interrupting, but are you saying that an amount would be levied on a foreign film shown in a Quebec cinema?

Mr. Jean-Pierre Lefebvre: Yes, for argument's sake, let us say 10 per cent. A film like *Titanic* made a 22-million dollar profit in Quebec; how much does 10 per cent of that give?

Mr. Marc Lemay: Two million dollars, but to whom would they have been given?

Mr. Jean-Pierre Lefebvre: The two million dollars would have been given to a film institute, which would have used them to fund national productions. This is what happens in France, Chile, Sweden, Finland, and Argentina. Some countries have moved away from this system over the years, but they have replaced it with other forms of funding.

There is an equivalent system in place for videos, DVDs and music: a certain percentage is levied and returned to the originators of the work. In our own case, a certain percentage would be levied and paid into a consolidated fund which could be administered by either an independent organization or one under the purview of Telefilm Canada.

I believe that such a system would allow for Quebec commercial successes to be rewarded. If a Quebec film were to generate \$5 million in revenue, it could be given 10 per cent, \$500,000, back straightaway. That being said, this is all purely hypothetical, because such an accounting system can be very complicated. It would not be a case of giving public funds to a producer or a distributor as a reward; it would be something which is done automatically.

Mr. Marc Lemay: I am going to stop you, because I want to have time to finish. What do we do with a Canada-Italy-France-Germany co-production, for example?

Mr. Jean-Pierre Lefebvre: You do not make a distinction: it is the same thing. Any film at the box office, like any cassette in circulation in Canada, would be taxed.

There is a levy on videocassettes. It is automatic, regardless of who contributed. In fact, the levy is not on the production, but directly on the box office.

Mr. Marc Lemay: I can tell you that when I was in Toronto, they took a stand. Famous Players and others do not want anything to do with that.

• (1120)

Mr. Jean-Pierre Lefebvre: Of course.

Mr. Marc Lemay: How would we do it? If we tell them that \$1.30 out of every \$13 will go, they will increase the admission price to \$15.

Mr. Jean-Pierre Lefebvre: These are extremely complex issues. In France, theatres called "*Art et Essai*"—art house cinemas—are not taxed, based on the quality of the product they present. There must be compensation. It is not a one-way issue. The idea of the box office levy has often been misunderstood by our colleagues who are distributors and operators of these theatres. It is not something we have against them, against what the theatre brings in. It is simply something that logically speaking would help to build and consolidate the film industry.

It is so ridiculous that we don't dare talk about it, but there were three bills, two in Quebec and the other in Ottawa. Mr. Jack Valenti, who was president of the Motion Picture Association of America at the time came here and said:

[English]

“You better not do that, boys, because there won't be any American movies any more in Canada or in Quebec.”

[Translation]

When Gérard Godin was Minister of Cultural Affairs, Mr. Valenti's Learjet landed in Dorval. Mr. Valenti took Gérard on board and didn't even take the time to deplane. He said to him:

[English]

“Don't do that. Otherwise, that's it.”

[Translation]

Every time, Ottawa and Quebec gave in to the blackmail. It is blackmail.

When Mr. Valenti learned here, in Montreal, during an international film festival, that there would be a tax on videos, he said the same thing, in other words that there would no longer be any American videos in circulation here. That is not true. On the contrary, we are invaded. I live in the country. I have access to one or two Quebec films; I don't have any access to French films. All I have access to are dubbed American films. It is appalling.

So it is a highly complex system, but there must be some political will. The federal government must say that it is tired of taking money out of its pockets.

[English]

We are part of the domestic market of the U.S.A. since 1903.

[Translation]

I am going to put my wallet away, in case I forget it.

That attitude has always existed. When the NFB was set up in 1939, it was not an alternative to foreign films on our territory. It was for social, cultural and political propaganda purposes. The NFB has protected and must protect that mission, in our opinion.

At the same time, over the centuries, we have not stopped the Americans from coming to get our iron ore, our basic commodities, without taxing them. In the early 1960s, we said enough is enough. Oil producers decided one day that enough was enough, that we would tax oil, that we also were entitled to the wealth of our products.

The product that results from showing films in Canada and Quebec should be subject to the same laws. Ninety-five per cent of the money they come in to get is taken abroad. Other departments, like the Department of Industry, should get involved, because there is a problem. It is very complex, but basically very simple. Everyone must contribute.

The Chair: Thank you, Mr. Lemay.

Mr. Silva, you have the floor.

Mr. Mario Silva: Thank you, Madam Chair.

Mr. Lefebvre, if I understand you correctly, you would like to see a balanced and fair policy for commercial and non-commercial sectors. You also talked about doing away with envelopes for commercial performance.

My question is simple. I am not totally opposed to your idea. It is just that the commercial sector—I am talking above all about the situation in Toronto, where I am a member—is essential to the film industry. In Toronto, 40,000 people work in this sector, which generates \$1 billion in revenues a year. I believe the situation is the same in Montreal.

It is very important to come up with a policy that enables us to protect both sectors. I think that the non-commercial sector needs the commercial sector. I do not know if it is an attack on the commercial sector. I would like you to clarify your argument.

• (1125)

Mr. Jean-Pierre Lefebvre: I was clear: we have nothing against commercial films. We are simply opposed to the way in which Telefilm Canada distributes money among commercial and non-commercial films.

I also clearly stated, and I will repeat myself, that we strongly believe that many auteur films become commercial successes. In Quebec, a film like *Les Bons Débarras*, by Francis Mankiewicz, screenplay by Réjean Ducharme, was one of those huge successes. *Les Ordres* by Michel Brault, a film on the events surrounding October 1970—if there is a cultural film, that is it—was a huge commercial success. The history of film in Quebec proves the success of several so-called cultural films—and I am not saying “auteur”—in other words films that deal with a topic that is not initially commercial, which is not the equivalent of fastfood. It is as if Telefilm Canada had decided to invest solely in McDonald's, because it pays more than investing in good small restaurants.

We have absolutely nothing against the industry nor against money. We represent 500 filmmakers who want to earn a living, make money, be successful. The same is true for script-writers, I am sure. No one wants to remain poor and unknown; they want to be rich and famous, like everyone does. It is difficult.

What we deplore is the imbalance within a federal institution like Telefilm Canada. It is great if the American industry comes here and provides jobs. We must, however, be careful about how tax credits are distributed. That is also a rather complex sector. Several of these foreign companies benefit from tax credits, but at the same time, the work they do is linked to local employment and it provides work for technicians.

Far be it from us to speak out against the commercial aspect across the board. We reiterate, however, that as regards the distribution of public funds by Telefilm Canada, there should not be a double standard. That is all.

By the way, Mr. Silva, my wife is from Toronto.

The Chair: As always, I would like to thank our witnesses. If you would like to add something to this morning's discussion, I invite you to contact Mr. Jackson or Mr. Banks directly, or to write to the committee.

[English]

One thing I'd like to ask is if we can we identify one new creator—I'll leave it to you as to how we interpret that word—who has emerged because of the film policy in the last five years.

Mr. Jean-Pierre Lefebvre: Film policy? Which one?

The Chair: The overall film policy of the Government of Canada, "from script to screen".

Mr. Jean-Pierre Lefebvre: There are so many that I would be unjust in naming just one or two; there's an explosion, especially in Quebec, where there is a constant bloom. It's as if the French envy us, saying it's not possible to have so many creators in Quebec among all of the inhabitants. How many singers do we have compared with France? In France, there is one singer for, I don't know, one million people.

[Translation]

Mr. Mario Bolduc: The wealth of the Quebec film industry is that the industry has not become dependent on well-known personalities. In that kind of situation, when those people have a bad year or they are not present in a given year, there is nothing.

What is even more remarkable is that there are several scriptwriters, several filmmakers and several films. It is a package, a milieu. All of a sudden, people discovered that the screenplays were better, and the same was true for the directing and the producing. Filmmakers have more experience. That is what is interesting.

Denys Arcand had a huge success last year. People said the following year would be a little bit more difficult, because he would not be there. But Quebec still got 20 per cent of the box office, even though several films were involved and the filmmakers were less well known. There is a huge interest on the part of the public. Moreover, the scripts and the films are getting better. This dynamic is not based solely on well-known individuals, even if, as Jean-Pierre mentioned, some people have stood out.

• (1130)

[English]

The Chair: Thank you.

It's good to end on a positive note. Our job is to make sure the changes that are happening aren't going to stop that progress but in fact are going to help it. Thank you very much for your contribution to our work.

Thank you.

• (1131)

(Pause)

• (1148)

[Translation]

The Chair: We are going to start. Thank you to our witnesses.

[English]

I would just like to say that we have lunch organized at one o'clock in the Neufchâtel, which is right beside the elevators, off the lobby. I am going to end this session at about a quarter to one, because I know all of us have calls to make back to Ottawa and so on, and I think we need 15 minutes. We'll have a short time for

lunch and then we will be back at it from two o'clock until seven o'clock.

I would like to ask members of the committee how many of you will be here tomorrow for our site visits, from about nine until noon?

Gary and Bev.

Maka—no? Okay.

[Translation]

So there will be myself, Mr. Schellenberger and Ms. Oda. I think that will be all.

Welcome to the people from the Festival du cinéma international en Abitibi-Témiscamingue and from Vues d'Afrique. I'd like to know who is going to be talking: Mr. Matte or Mr. Parent? Both.

Mr. Guy Parent (Administrator, Festival du cinéma international en Abitibi-Témiscamingue): Yes. I am going to present the brief that we prepared. Jacques will then wind up with some comments.

It is, of course, a pleasure for us to be here. We are going to tell you about our festival, but also, by extension, about festivals of the same nature throughout all parts of Canada. We are not the spokespeople for those festivals, but I think that we are in the same boat.

We have been in existence for 24 years. It's the 24th edition this year.

The history of the International Cinema Festival in Abitibi-Témiscamingue has been marked by obstacles which have been overcome thanks, among other things, to the extraordinary support of our community. At the time, many regarded the idea of such a project as completely unrealistic, a kind of unattainable goal.

It cannot be denied that the image gap between Hollywood and Rouyn-Noranda was much larger than the geographic border of La Vérendrye Park. At first, the idea of organizing a feature film event in a remote region prompted a good many wry smiles. What is more, the stars were not aligned; indeed, there was the possibility that we might not see any stars at all! This adventure made us pioneers, for unfortunately we had no instruction manual to guide us.

The project was organized in collaboration with the department of the imagination, and guided by the instinct characteristic of those who believe that nothing is impossible. By dint of perseverance, we have succeeded in establishing an event which is now part of the cultural agenda of Quebec.

Over the last 23 years, we have carried off a number of feats of which we are very proud. For example, every year there are more than 22,000 public admissions to festival activities. That amounts to half the population of Rouyn-Noranda. Our mounting pride is confirmed with each new edition of the festival, thanks to quality programming consisting of feature, medium length and short films, complimented by an animation component, and more recently, a video component that delights the young and creative set.

Our programming content has made our organization an invaluable partner in the development of Canadian cinema. Over our 23-year history, we have had the privilege of welcoming over 2,000 members of the Canadian film industry.

Our structure has enabled us to provide appropriate support for first films as well as films that are often marginalized at the big festivals. Our format allows us to offer filmmakers a broad audience as well as attractive media coverage.

We have enjoyed the support of the film industry as a whole, which views our event as an alternative marketing vehicle. Our large, curious and enthusiastic public acts as a stimulus upon the film community. We have developed a unique event personality. The personalized reception offered by our festival has become a universally recognized trademark. The various national film industries have also found a select showcase in our festival. And the region's movie fans have had the benefit of major encounters with the leading lights of contemporary cinema: Claude Lelouch, Serge Gainsbourg, and Pierre Richard are among the many figures who have publicly acknowledged that in Rouyn-Noranda they found a cultural miracle that proved to be everything they had heard it was before their visit.

We have moved beyond the screening of films to create activities that connect with our entire population. We have managed to involve children, teenagers, adults and pensioners. We have cast our net wide, utilizing every possible screening site in the city and all over the region. We claim to be the first festival in the world that has shown films in a hospital centre as part of its activities. We also go to schools, shopping centres, cafés, bars, art galleries and the downtown area.

Our festival has created a new sense of the movies through different means which have proven very effective: contacting people who have little access to quality cinema; incorporating the festival feeling in a content-driven event; and making access to movies and their makers as democratic as possible, through contact between the public and the people who make movies.

For all of these reasons, our event has been an inspiration for numerous projects organized in the regions of Quebec and Ontario.

- (1150)

We have succeeded in bringing creators and audiences together in a remote location which many once considered improbable for such a purpose.

This atypical project has given us access to major media coverage, making us an important partner in the marketing of a film. Many more fragile films have found media attention at our event which they could not have found at the major festivals.

And there is more still. There is the pride of the people of a region who roll out their red leaf carpet every fall. There is the festival, the music, the regional film tours, the components for the children who are the film-goers of tomorrow. There is the ever-increasing tourism. The International Cinema Festival is here to stay. It is the cultural foundation of a region which will one day be filled by a Canadian population who have discovered that the Canadian mid-north can guarantee a better quality of life.

As for future prospects, we have a few recommendations. First, Canadian regional festivals need promotion. Telefilm Canada has numerous high-quality promotional tools which are designed to publicize Canadian cinema to the citizens of our country. We suggest that certain spaces in this promotional material be dedicated to the presentation of film events in the regions of Canada. The objective is to allow Canadian filmmakers access to distribution of their works in new geographic areas. As things now stand, there is no information network to link all Canadian filmmakers with Canadian regional festivals. The project will highlight the profile and capacities of the event. In addition to raising the visibility of the event and the region concerned, this approach will establish links with different events which are often isolated in their region and deprived of various information services. Telefilm Canada could also serve as a facilitator in terms of establishing contacts with Canadian or foreign producers, sellers, distributors, directors and media during the staging of major urban festivals.

The second recommendation has to do with international promotion of Canadian regional festivals. Given that we have reduced international visibility, we would like to see the creation of a special envelope to help cover 50 per cent of certain expenses for the visibility of Canadian regional festivals at international film events, such as Cannes, Berlin, Annecy, and several others. Repayable costs might include the production of brochures and the purchasing of advertising in specialized programs. We also propose that Telefilm Canada organize formal meetings at these events between those who make foreign movie distribution decisions and the representatives of Canadian regional festivals. So the idea is to have Telefilm Canada, which has a presence at all major contemporary film events, put people in touch with one another.

One of the major problems of Canadian regional festivals is obviously the distance from the urban centres. The price of an airline ticket from Montreal to Rouyn-Noranda is the same as a ticket from Montreal to Paris, if not more. That is today's reality. I have a bill in my bag that I can show you later. So as to act upon the principle of equity between the regions of Canada and its urban centres, we propose that a special envelope be created to defray some of the costs of domestic transportation.

Fourth, we would like Telefilm Canada to intervene to ensure that the big urban festivals show concern for the lot of other smaller film events. To increase audiences and event growth, we propose certain actions which will be in line with the objectives of Telefilm Canada: promote Canadian regional events in the context of activities at major urban festivals, through a presence at cocktail parties, gala openings and all other events that may take place during these major festivals; facilitate meetings with Canadian or foreign feature film officials; and participate in visibility exchanges by means of existing promotional tools.

• (1155)

This would be a springboard that could help smaller festivals to become known among all those who come to take part in the large urban festivals. This also includes Canadian film artists.

The festival team thanks you for your interest and hopes that these recommendations will help you to understand the needs of cultural events in the Canadian regions.

The Chair: Ms. Barton, will it be yourself, or Mr. Le Chêne who will address us now?

Ms. Natalie Barton (Treasurer, Vues d'Afrique): We will both speak. Let me note that Ms. Louise Baillargeon, member of our executive board, could not come because of health reasons. Gérard Le Chêne is the chief executive officer of Vues d'Afrique. I will begin.

• (1200)

[*English*]

For those of you who don't know Montreal, I want to draw your attention to the fact that there are banners outside this hotel announcing Vues d'Afrique. The festival is on at the moment, up until this Sunday. It's one of the yearly occurrences that announces spring in Montreal.

[*Translation*]

You have no doubt noticed, as you came into the hotel, the banners advertising the festival organized by Vues d'Afrique, which has been going on for almost a week and which will end this weekend.

I am the treasurer of Vues d'Afrique, but also, like Gérard Le Chêne, I am one of the founding members. We, with a few others, created Vues d'Afrique in 1984. Thus, we celebrated our 20th anniversary last year.

In 20 years, Vues d'Afrique has created the largest African images festival, both for film and television, outside Africa. In 21 years, Vues d'Afrique has become a point of reference in the field of cultural diversity. Thus it is essential for Quebec and Canada, in their promotion of a policy of cultural diversity, to take this kind of activity into account.

Vues d'Afrique was among the pioneers of cultural diversity, even before these terms were coined. Vues d'Afrique is now at the heart of an international network within la Francophonie, and even beyond. Thus, we are contributing to bringing Canada into a vast emerging world market, a great potential market for cultural industries. We also contribute to Canada's influence in the world and to its image of openness and tolerance. Vues d'Afrique is very well known abroad, and it is certainly better known in the world at this time than in English Canada. Later, we might discuss what could be done about that.

We believe that Canada's cultural policy must support organizations like Vues d'Afrique, which are essentially supported by non-government sources. Your cultural policy is also driven by independent organizations like ours, like the Festival du cinéma international en Abitibi-Témiscamingue, and other organizations that promote cultural products. For instance, Vues d'Afrique is part of a

network of a hundred or so partners from the private, public and community sectors that all contribute to supporting these activities.

In the current context, public funds could be put to use by ensuring the development of diverse cultural activities at home. Small festivals like ours, which are very dynamic, must spend more and more time and energy in finding funds, rather than doing their work. We think that this compromises our mission.

Festivals today have become distribution centres, which was not the case a few years ago. They have become distribution centres for auteur films in particular, from Quebec. Canada or elsewhere; it is increasingly difficult to have these films shown on our screens.

Let me give the floor to Gérard Le Chêne, who will complete this brief presentation. We are ready to answer your questions.

Gérard Le Chêne (President and Director General, Vues d'Afrique, As an Individual): We also thought of proposing an integrated rationalization of public finance. I suppose that you, just like us, are trying to save money. Therefore, we must rationalize film distribution. For instance, we bring in films, at great cost, and we send them around to Quebec, to the Musée de la civilisation, and to Gatineau, to the Canadian Museum of Civilization. We could just as well send them around to Abitibi and other parts of Canada. This is a first rationalization that could be done.

My comments are very specific. Vues d'Afrique belongs to a network, as Nathalie said, but it is also a very specific network called the Conseil des Festivals Jumelés. Vues d'Afrique is paired with major festivals in France, and Belgium—the Festival International du Film Francophone de Namur—and in Switzerland. There are several festivals in Africa, the largest of which is the Festival Panafricain du Cinéma, a gigantic festival that takes place every two years.

These festivals are more than mere festivals, which means that they engage in professional partnerships. This could involve training activities, as is the case for Vues d'Afrique, or advanced training in Africa where Canadian professional expertise is shared. The practical training lasts several weeks, and is led by Canadian professionals, with advanced training in audiovisual techniques, as well as in script development, and production.

We are facing a situation where there is a lack of harmonization, with contradictory Canadian policies. The policy of Heritage Canada is to foster the exporting of Canadian cultural industries. I went to Paris last year, for a very important meeting organized by Heritage Canada to enhance Canadian cultural exports. The Canadian organization in charge of international cooperation is the Canadian International Development Agency. And it is not the only one, because there is also the IDRC, but it is more specialized in scientific matters. Now, culture is not within the mandate of the Canadian International Development Agency. The agency replied to us several times that, unfortunately, culture does not fall within its mandate. This means that something that seems excellent for Canada, namely the development of cultural industries, does not seem to be so with regard to countries in the southern hemisphere. This is a most unfortunate paradox, because if there is any wealth in the countries of the south, it is essentially creative and cultural wealth.

At this time, when a new international Canadian policy has been published in view of harmonizing and integrating policies, it would be very interesting to resolve this contradiction so as to create a political opportunity for international cultural development.

● (1205)

Mr. Jacques Matte (President, Festival du cinéma international en Abitibi-Témiscamingue): May I continue and emphasize some important points?

The Chair: Please be brief so that the other committee members can also speak.

Mr. Jacques Matte: Very well. Give the floor to the committee members.

The Chair: Ms. Bulte.

[English]

Hon. Sarmite Bulte: Regarding the international promotion of the Canadian regional festivals, there are programs in the Department of Canadian Heritage and the Department of Foreign Affairs and International Trade to allow the promotion of all sorts of industries. The Department of Canadian Heritage has "Trade Routes". The international trade department has PEMD grants—Program for Export Market Development.

When you talk about the promotion of the regional festivals, are there programs that can assist your industry there at all? For example, there is DEC in Quebec, ACOA in Atlantic Canada, and Western Economic Diversification in western Canada.

[Translation]

Mr. Guy Parent: In Quebec, we have already completed two projects with Canada Economic Development. These are usually three-year agreements. When you sign a three-year agreement in a certain area, the next agreement has to be in another area, of course. Every project we carried out thanks to Canada Economic Development always had to do with international promotion. However, that organization will not support these types of projects every three years. There are no repeats. We always have to come up with something new.

Over the years, we cannot change the nature of our activities to get funding. We could have gotten grants to develop all kinds of

other niches which are different from ours. But had we done that, we would have become travel agents, which is something we do not want to be, because we would not be very good at it, since we are not experts in that field. Our specialty is the International Cinema Festival.

Over the years, we have received very good support from Canada Economic Development. Of course, as far as the Department of Canadian Heritage is concerned, as soon as you put in a request concerning film, you are told to go to Telefilm Canada. Would it be possible for the Department of Canadian Heritage to have promotion programs? That may be something to look into. Until now, anything to do with cinema usually gets referred to Telefilm Canada, whose mandate it is.

● (1210)

Mr. Jacques Matte: When we were talking about international promotion, we were mostly referring to Telefilm Canada's productions. Telefilm Canada has measures at its disposal as far as the Cannes or Berlin Festivals are concerned. I am not saying these measures cost nothing. We could contribute financially to have access to those measures. I am thinking of full-page advertisements in French film magazines. There should be areas where we can work together by investing in international promotion.

Let me give you an example. Two years ago, after we signed an agreement with the Cannes Film Festival, a fantastic trailer was produced by Alain DesRochers and it was shown in Cannes on the three outdoor screens. These types of elements, which are very basic, play a role in increasing our international visibility.

[English]

Hon. Sarmite Bulte: Mr. Le Chêne, I was interested in what you had to say about an international cultural policy. Perhaps you could expand on that for me, please.

[Translation]

Mr. Gérard Le Chêne: Absolutely. Since our activities revolve around Africa and Creole countries, there is a whole area which is involved with cultural cooperation, such as training internships.

Even though there is a lot of goodwill at CIDA, it is always an exception and outside the system. When certain documents refer to AIDS or the fight against female circumcision, CIDA makes an exception. They wrote several times to tell us that it was an exception because culture is not part of CIDA's mandate. That is perfectly obvious. This really is a huge weakness in Canada's policy, since culture is a powerful tool. Even in a campaign against AIDS, you have to include culture. If you do not, your campaign will fail.

If you want to get people to change their behaviour and become more aware, you have to do so with a cultural approach, which can be reflected in film or by other means, such as radio. We also studied the reasons why some campaigns failed. One reason was because cultural values were not taken into consideration.

I believe that one of the reasons why CIDA does not take culture into account is because of a great degree of suspicion, since it is difficult to quantify culture. If you conduct a vaccination campaign, for instance, you set an objective, such as vaccinating 100,000 people. When the 100,000 persons have been vaccinated, you have reached your objective. You can close the books and pat yourself on the back. If you need to build a bridge, once the first truck has crossed the bridge, your work is done. It is very satisfying to accomplish work which can be quantified. But in the case of culture, however, it is very difficult to quantify the parameters. I think that is why culture has been completely ignored.

Once again, this is unfortunate, because one of the main wealths of southern hemisphere countries is their creativity, which cuts across many areas, including music and fashion design. The West has borrowed heavily from these countries' creativity. Southern hemisphere countries are not always the ones to record the music, produce the films or do the broadcasting, but at the local level, they are often the source of inspiration for others.

• (1215)

Ms. Nathalie Barton: May I add something on the same subject?

The Chair: Yes.

Ms. Nathalie Barton: I would like to emphasize the importance of countries in the southern hemisphere in this context. The existence of the Francophonie is not due to the efforts of Canada or France, but rather to those of Africa, the West Indies, and other countries where French is not the first language.

I would also like to say that in Canada, for some very good reasons, we have stressed Canadian culture, Canada's cultural security and the content of our Canadian cultural productions. We try to export our culture and our cultural industries. However, as Gérard Le Chêne was saying, we are somewhat close to cultural influences from abroad. That is what must be changed.

Since our cultural security seems guaranteed thanks to the policies of the governments of Canada and Quebec, it seems that the time has come for much greater openness. Let me sketch out what I mean by an international cultural policy. The idea would be to welcome others and to develop partnerships, exchanges and familiarity. That is our view.

The Chair: Thank you very much.

Ms. Oda.

Je m'excuse, monsieur Schellenberger. Je me suis trompée.

[English]

Mr. Gary Schellenberger: Thank you.

I welcome you here today.

I happen to represent a riding called Perth—Wellington. In Perth—Wellington is the Stratford Festival. Quite a number of years ago a man by the name of Tom Patterson had an idea. His idea was to promote Shakespeare and William Shakespeare's plays. The only things in common were the name, Stratford; the river, the Avon River; and the Swan. From those thoughts and ideas grew an international theatre.

So I commend you on your festivals to promote Canadian films. In a remote area it's often where people go and really immerse themselves in those particular things. I've read with much glee some of the innovative things that are done, and I know they are done in festivals.

I was at a meeting not too long ago at the National Arts Centre in Ottawa. I was invited to a round table. There were 12 of us at the meeting. We sat around a large table in the chef's kitchen. I thought it was a great evening, so when you show some films in hospitals and classrooms, or maybe the local grocery store, who knows? I commend you for that. That's where ordinary people are.

You mentioned the regional film tours, the components for children who are the filmgoers of tomorrow. I hear from people that we don't have enough young people going out to vote—they've lost the idea to vote. I think it's because our schools don't teach it. I know I've made myself available to various schools, just to go in and tell them what's it like to be on Parliament Hill, but sometimes teachers don't want you there. They want to teach their kind of way of what politics should be.

I have gone to some schools and found that they are wanting. They are wanting to learn. They are wanting to see. Once they are there.... I have to say this, and then I'm going to get to my question.

I went to a school a year ago. It was a grade five class. I was invited back again this year. I spoke last year at that grade five class. I was invited back this year and spoke to the grade five class of this year. When things were over, we could hardly get out of the room, because the grade sixes were coming in to ask, "Do you remember me? Do you remember me?" So those people you are touching, the young people, will be those filmgoers tomorrow, and as was said yesterday, we need to put bums in the seats. We need to get our word out.

I commend you on those things. Now, again, it doesn't matter how rich the culture of a film is; if no one sees it, does it matter? Does the great culture matter if no one sees it? So I commend you. I believe you have to bring all parts of the industry together to see, talk, and make deals so unknowns or marginal films can have an opportunity for success. I know that's what our job is, and I ask you, then—what can we do to help some of the festivals?

I know we have to be international also. When you talk about going to the international festivals, if the government were to put something there to help with promotion, would that be in a co-op type of thing that all the various festivals would be...? Say you are at Cannes; would all the festivals from Canada have something and all work together? Is that something?

• (1220)

[*Translation*]

Ms. Nathalie Barton: Let me give you an example. I have an audiovisual production company. In production, SODEC, the Société de développement des entreprises culturelles du Québec, has been organizing, on an experimental basis, a group trip of producers specialized in international co-productions to a specialized market located in France. That happens in June. It has worked extremely well.

I can imagine the same type of an initiative with a group of festivals that are not in competition. They would come under the same umbrella. There is often a problem with financing. The SODEC initiative is very intelligent. We help pay the costs. SODEC covers half the costs. We all go over there, and that helps develop friendly relations. Without SODEC, we would not have done this. In the future, we will probably continue to do it without SODEC's participation. However, for three or four years, they got the ball rolling.

I might also make another suggestion. It does not really have to do with representation abroad, but rather with our work. There is the presence of the two governments, and we are grateful for that. Their aid is essential and always will be, even if it will be decreasing. If I were asked the first thing governments could do to help us, I would suggest stable funding.

As Guy said, government assistance is provided on a project basis. Let us imagine something that is working well, such as our efforts to promote African cinema and culture in schools in the Montreal region. That has been tremendously successful. The participation of one department will come to an end after three years. We will be told to do something different. For our part, we do not want to do something different. We have long-term visions, we want that to continue, to develop, perhaps not for 25 years, but for at least 5 or 10 years. We want the support to be ongoing, and we do not want to have to come up with a new project for the next three years. In addition, as Guy was saying, they will tell us to think of a different project, something outside our sphere of activity. No, that is not what we should be doing. We should be concentrating on what works, developing it and offering it on an ongoing basis.

• (1225)

The Chair: Thank you.

Please proceed, Mr. Parent.

Mr. Guy Parent: We have two recommendations. First, we need assistance in establishing a closer link with people who make films in Canada. Often it is even difficult for us to obtain information from production companies and producers. Telefilm Canada does help us. For example, it gives us a list of the Canadian films that have been produced. We actually have to hunt for Canadian films in a forest. That is not easy for us, because we are not producers.

If a good film was made in Vancouver, Halifax or elsewhere, it is difficult for us to find that out, to get in touch with the producers and distributors quickly so as to program it in our region. That is the first point.

Second, there's the whole issue of international promotion. In the case of a major festival, such as the one in Cannes or Berlin, there are three main factors. The first, of course, is the star system. Peo-

ple want to see who goes up on the stage and which famous actors are present. The second factor is the market, that is the films available for sale.

As a festival, we do not have \$1 million or \$1.5 million to buy films. No television channel helps us by purchasing broadcasting rights or such things if we buy a film. We are not part of that community.

There are 22,000 guests in Cannes. People find our little festival in Rouyn-Noranda, in northern Quebec, very exotic, and appreciate that very much. For some people, however, 50 per cent of their sales will be made during the 10 days of the festival. They buy and negotiate for films with foreign interests and they try to sell films.

We are calling for the promotion of Canadian culture, and for making people aware of a market outside the major urban festivals. Toronto, Montreal and Vancouver have far more resources than we do to pay for full-page advertising in daily magazines such as *Le Film Français* or the *Hollywood Reporter*, for example. These publications have a wide distribution and therefore reach a wide audience. When we open them up, we have to be sympathetic, because we are reading them, but no one will get to know us that way.

When Telefilm Canada prepares a special report on Canadian cinema—because there are always such reports in each of these magazines—we are asking that there should also be some space for different things. We understand that it is important to sell Canadian films abroad. If a film by Cronenberg has some chance of being sold abroad, Telefilm Canada wants to promote it to improve sales. That is part of the business.

We are asking for the resources and tools we need to promote our product as well, without incurring excessive costs.

The Chair: Mr. Lemay now has the floor.

Mr. Marc Lemay: Thank you for being here. There are two issues that have not been discussed very much in recent weeks. One is about those who present the films made by others. In my opinion, your role is essential. That is why I personally insisted that we invite film distributors to appear before the committee.

My first two questions are to the representatives from the International Film Festival of Abitibi-Témiscamingue. Where do you fit into the picture? I have read your brief. There are two main festivals in Quebec—we will not talk about a war, because I do not like the word; there is Mr. Losique's festival, and the other one, which has just been created. These two large festivals are run by the *Équipe Spectra* and by Mr. Losique.

How can a festival like yours, which is held at the end of October, survive? How do you cope with these two large festivals?

You also spoke about the cost of airline tickets. I can tell you that I am familiar with the problem. Since I worked in sports at the international level for 20 years, I know about the cost of tickets. What preliminary work has been done? We are talking about the film industry, and that may seem a little remote, but have any attempts—which we could support—been made with Transport Canada, for example or Air Canada?

I also have a question for Vues d'Afrique. You present an interesting and very important film festival. You must have some partners that help you with this. Are they enthusiastic? Do they like this, is there something in it for them? How do they react to this festival that has been around for 20 years, after all? I would like to know how this works, particularly in a large city like Montreal.

Those were my three questions.

• (1230)

Mr. Jacques Matte: The answer to the first question is contained in our recommendations. What we expect of some major festivals such as the Montreal and Toronto festivals, is that they be concerned about the existence of other festivals. There will be three major festivals this fall: one presented by Claude Chamberland, one by Serge Losique and one by Alain Simard.

Does it make sense that festivals such as the International Film Festival of Abitibi-Témiscamingue have to pay \$700 or \$800 to attend the Montreal World Film Festival and the Toronto International Film Festival, when the latter are paid for in part by Canadian tax dollars? Maybe it does make sense.

Could we ask for access to these festivals? Could we have access to these festivals to advertise our activities there? Would that be a reasonable request? I think it would.

The major festivals should feel concerned and remember that the foreign media are there, that there are French, Italian and Spanish journalists present at these festivals. I am not talking about a cocktail party, but these festivals should introduce these journalists to us. Would that be reasonable? I think it would.

First of all, these festivals have more money from Telefilm Canada, SODEC and other government agencies. At the moment, we do not feel concerned. The existence of the International Film Festival of Abitibi-Témiscamingue is due to the efforts of the Abitibi-Témiscamingue region. We have fought and we have survived over the years.

We do not feel threatened by the festivals in Montreal or Toronto. The Abitibi-Témiscamingue international festival has its own personality. We have confidence in ourselves and the people have confidence in us. We do not feel threatened. At the moment, we are watching what is going on as outside observers. When the day comes that there are three festivals in Abitibi-Témiscamingue, the effects of this cultural event will be felt throughout Canada.

Your second question was about airfares. It is an important issue. This has an impact on the Sudbury Cinéfest, the Festival international du cinéma francophone en Acadie in Moncton, and the film festivals that are held in the west. We all have the same problem. We negotiated with Air Canada when there were large airlines such as Inter-Canadian. It was possible to reach an agreement. At the moment, the airlines have certain territories. We have satisfactory arrangements logistically. We can change airline tickets, for example. However, the prices are still high.

It would be important for Telefilm Canada to set up a special fund for travellers in Canada. This is a matter of equity with respect to the other festivals. When we bring in a French or Italian filmmaker, we have to pay the European share, the Canadian share, plus

the transit. This is in no way equitable. I think the Canadian conception of culture is one of equity.

Our regional festival has spun other festivals. The people behind the festivals in Sudbury and Moncton came to see us. There is now a whole series of events. We were the first region in Canada to organize a festival, with the exception of Yorkton, with its Yorkton Short Film and Video Festival. No one believed in it. The regions outside the major centres of Canada can increase audiences for Canadian films, but they are being neglected at the moment with respect to film distribution.

People have to fight to get films. That is abnormal. Forty per cent of the population of Quebec lives outside the major centres and has practically no access to films. In Rouyn-Noranda, we are privileged with respect to film, because we work very hard to achieve what we have. We want to stress with you the importance of airfares and the need for a funding envelope. I think this is a matter of equity.

• (1235)

Mr. Gérard Le Chêne: The enthusiasm of our partners in the Quebec government is tangible. Perhaps that is because we are involved in an international cultural endeavour, including film weeks. If we want to establish a good understanding with our African partners, it is important that we have a genuine partnership and exchanges.

I am referring to the Quebec-Canada film weeks—as you can see, we are diplomatic—which take place in Africa. We have held these festivals in a number of African countries. There is a regular event each year in Burkina Faso.

So, there is enthusiasm from our partners in the Quebec government, from SODEC, from the Ministry of International Relations, from the Ministry of Culture and Communications, from the Ministry of Immigration and Cultural Communities and from the Ministry of Municipal Affairs and Regions. Tourism Montreal is also involved.

On the federal side, the enthusiasm is more measured, although we do have many activities in African countries and the Canadian embassies there have been very cooperative. We work with the Department of Foreign Affairs, the International Francophonie Directorate and CIDA, except that, as I said earlier, CIDA is not involved in culture. We have a good reputation with Telefilm Canada, which has shown a great deal of goodwill, but we must remember that its mandate is to assist the Canadian cultural industry. Its support comes therefore through certain industry support programs, such as the north-south co-production incentive program, in the form of grants to Canadian producers for co-productions with filmmakers in the southern hemisphere. We have assistance from the Agence intergouvernementale de la Francophonie, the CIRTEF, the Conseil international des radios-télévisions d'expression française, a little help from UNESCO, which mainly provides moral support by allowing us to use its acronym.

Finally, we have very good cooperation from the media here. For example, at this very moment, there is an event going on involving the Conseil international des radios-télévisions d'expression française, which has been organized by the Société Radio-Canada, Télé-Québec, TV5 Quebec Canada and Vues d'Afrique. This morning, there was an international symposium held on cultural diversity.

So we enjoyed the support of the media, and of course we are trying to get a great deal of private cooperation.

The Chair: Thank you.

Once again, I would like to thank our witnesses for the work they did to prepare their presentations and for the time they gave us this morning.

[*English*]

I think for all of us it has been a very exciting time to hear about what's happening with film in Canada and to hear about the kinds of things you're doing. So I thank you very much on behalf of the committee.

We will now recess for lunch.

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