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Chair

Ms. Marlene Catterall

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•(0835)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I call to order this meeting of the Standing Committee on Canadian Heritage. We'd like to have that, just for the minutes.

I apologize to our witnesses for a very slight, slight wait, but I apologize even more for the cancellation we had to impose on all of you a month or so ago. We're very glad that things have worked out so that we could in fact resume those hearings here in Vancouver and hear what's happening in the west in terms of Canadian film.

We have been asking all our witnesses to keep your presentations very brief, less than five minutes if you possibly can. Trust that we have read your brief, because the most productive thing, we find, is the discussion with witnesses. We've reached the point that where there are certain issues, we want to explore a little more deeply a little of the particularly regional perspectives. So if you can highlight what it is you would like us to do, I think that would be the most helpful.

Several witnesses have asked, so perhaps I could explain what the committee is doing. Because of the delay in some of our hearings, but also because of what we've been hearing and the complexity of some of the issues, we have a draft interim report that we hope to complete. The point of that is to lay out the issues we've heard about, some of the options for recommendations that have been presented to us, and then circulate it to all the people we have heard from and ask your response to some very specific questions before we prepare a final report. We may or may not hold additional hearings in the fall, depending on the kind of feedback we get from that circulation. So that's where we are heading right now.

I'll open up the floor now to the Citizen's Coalition. Carl Bessai.

Mr. Carl Bessai (Chairperson, Citizen's Coalition for the Protection of Canadian Films): Thank you. It's great to be here, and thanks for coming.

I know it's a short amount of time, so I want to dig into a kind of statement about what I think is really at stake here. I speak on behalf of people. The group is many people. Some are filmmakers; some are just people who love movies. You'll hear more from the First Weekend Club, another kind of citizens' group. I'm on that board as well, and I'm personally a filmmaker.

Making movies in Canada is something we do by the grace, in a sense, of television support. I'm talking about feature films, about films that are funded in part by distribution companies that put up

money and in part by broadcast licences, which guarantee the distribution money.

What that means is, because of legislation such as the CRTC rules that protect Canadian content on the airwaves, Canadian feature films actually have a market on television, which is the only reason why theatrical distribution companies are putting up advances or putting up money to make these movies. As a filmmaker I'm now on my fifth movie. I'm actually shooting today, and we've been shooting all week, so I'm a little on the tired side.

It's very frustrating making movies, when you make them and there's no market; when you arrive with the pie at the farmers' market, and you're standing there and you've baked this thing and it's beautiful and it's hand-made...and then they move the market, or the market wasn't there in the first place, or it's a Wal-Mart.

What I'm really here to talk about is how to change that, how to think about how we can use legislation to protect the market. I'm not talking about taxes, and I'm not talking about taking anything from anyone. I'm talking about what I think is a sovereign right, the right of the people of this country to see and experience their feature films. This is something that I think our friends in Quebec understand a little bit, because the language has helped them build a market.

I think you'll hear a lot over the course of your travels about needing to have a star system, about needing to have more marketing money, about needing to pour more money into distribution. Through our federal funds we support the writing of the script, we support the production of the film, we support making the posters, the trailers—we support every aspect of making the movie. But when it comes to exhibiting the movie....

I want to be clear about the distinction between distribution and exhibition. A distributor is someone who takes our movie and hands it off to the exhibitor. The exhibitor is the end user; the exhibitor is the theatre. When we get to that stake, that important place where the exhibitor accesses the market and the people of the country go to the exhibition venue, there's no room in the store; there's no room on the shelf.

I have kids, and we all have kids, we all have family, and we all have people growing up in this country. The same was true in music, once upon a time, that there was no room on the shelf. Then we made legislation, and reluctant DJs started to play that music on the air, and now we have a music industry. Publishing was the same thing. Reluctant publishers like McClelland and Stewart did not want to publish Leonard Cohen's first book. The writers bugged them: "Please, this guy's interesting." Subsidies and legislation helped publishing companies grow and flourish and supported that industry. Writers are internationally respected. Why can't we think about that in terms of film?

I think it's naive to stand here.... You guys have read my brief, so I don't need to dip into the details on the best example of a screen quota, the effective use of a screen quota. Just to quickly recap, a screen quota is basically a legislative tool to create a space on the shelf for the cinema.

In Korea they did it in a huge way, an enormous way. I believe that although it's the most effective thing to do, it's an extremely challenging piece of legislation to put through. In Korea they have 140 days a year out of the calendar year where the exhibitors must play Korean films. You can see what that does to the market. Suddenly, with a legislated destination for those movies, you have Korean distributors seeing the benefits of putting up money. Private enterprise starts to look at these films and take them seriously, because they say, this isn't just going into some DVD shelf in some corner store. This film actually will be guaranteed a certain amount of play. All of those things, such as public awareness, the buzz a movie gets, the marketing that can go into a movie like that, is money well spent when there is a market. The 140 days in Korea is quite huge, and the American government was extremely angry about it. They lobbied and lobbied, but the Koreans dug in their heels and kept this quota.

• (0840)

I think in Canada it's more challenging. I think we all know we're cousins, we're brothers, we're neighbours, but let's just be honest and clear about it. In this market called Canada, the United States feature film industry in English Canada controls 98%, sometimes 99%, of the screen space. In any other industry, that's just a monopoly—we all call it what it is—and in any other industry, we'd see legislation step in to balance the field.

If we look at it, this is where I want to target and focus my presentation, because our brief is very much about the largesse of a screen quota. Trying to throw practical ideas out there, I think a spin on this could be something we could achieve. Looking at the country as an amalgam—a handful, really, of major cities—I think the American film industry makes an enormous amount of money from these huge multiplexes. They roll mostly in the suburbs or outside of the centre. Every centre of every city has one of these, but generally we're talking about the Richmonds, the Etobicokes, the Mississaugas, where we have large suburban audiences for mainstream American entertainment.

If we took a little movie like *The Delicate Art of Parking*, which was a film from here, or, say, an Atom Egoyan film, and we engaged an exhibitor through legislation to put that movie into a multiplex out in the suburbs, I think we know it would fail. I think we know it

would sit there like a bird that doesn't belong in the pack, and that most people wouldn't go, and then we'd feel frustrated about it.

Thinking practically about this idea of the screen quota as a tool, we could apply it through a kind of pointed, focused reach into the urban centres. I've met and talked with a number of distributors. We all understand each city has a market for what I consider the Canadian film to be, which is the niche film, and if we were to work with distributors and exhibitors to target the five or six centre-city urban destination theatres for this kind of niche programming—because I don't think Canadians are making enormous blockbusters, and I don't think we should even be talking about it, because we don't have the money for it—we could take our screen quota idea and apply it to creating a destination of screens, and work with those screens to create a quota. For example, in downtown Vancouver, the Fifth Avenue Cinema is notoriously successful for playing art house or alternative cinema. If we knew that one screen in that cinema was playing Canadian films all the time and worked with that exhibitor to make sure money wasn't being lost, that there was a support system there....

We're spending an enormous amount of money making these movies. The budget at Telefilm Canada is huge. We all know everyone is frustrated. Why aren't people going to these movies? My feeling is that if we examine the idea of a quota and apply the idea of a quota to a specific network of cinemas, we would start to create what I call a destination for the Canadian movie.

Some would say this is a ghetto, but to say that Canadian filmmaking can compete head-on with the big blockbusters from America—I just don't think it's going to happen in my lifetime. I think the road to change—the road to building an audience, a market—is to get some product on the shelves, and right now it's invisible. In English Canada it's just not known. The quota would work as a targeted quota. Really, honestly, is it too much to ask, when you consider the domination in the market?

That's one spin on it, and I just wanted to add one other quick idea before I throw it open to questions. The other idea that I think would be very interesting and would be a kind of spin on the quota—though I think it probably would take more time and would be a little more of an infrastructure investment—would be to create what I call a web, a kind of cinema chain. We use digital technology, which is new and very exciting. We create a system of theatres. I know the National Film Board is starting to think along these lines. We create a chain of cinemas—that is, a kind of upmarket, upscale chain of cinemas—not the popcorn kind of multiplex, but something more akin to what Daniel Langlois has done in Montreal with Ex-Centris. It's a high-end, urban-focused cinema experience, and we make the Canadian film go there.

Now a Canadian film like *It's All Gone Pete Tong*, which is a co-production with the U.K., is going to be a very popular movie. These movies don't need support if they catch fire and they work. They can spread out to the suburbs; everyone's happy. It's fine. But there are a number of movies that will just never make that crossover, and I think there's an audience for these films.

●(0845)

The difficulty is what we call the Easter egg hunt in our business, where the films get out, and everyone kind of knows they're out there, but no one really knows where they are. The people trying to promote the films can never really do a good job, because the exhibitors are always worried about their a priori client, which is the American major. That client has a first-in-line relationship with the exhibitor. If their dates change, or they decide to move their dates, the Canadian film gets moved around, so audiences can't find it.

This destination idea is a good one, because it would nurture us and take us out of the head-to-head competition with American-dominant exhibition and distribution and would give us a chance to find our audience.

When you look at a typical Canadian feature film performing at \$2,000-ish Canadian in the first week, and the federal government has put in upwards of \$1 million to get that film made, this is verging on pathetic. I really think sometimes as a filmmaker I could stand at the top of the escalator at the theatre with a stack of \$20 bills and I'd do a better job of getting people to go just by giving them money, and it would cost everyone less. We can do better.

These are my ideas—our ideas; I'm sorry. I'm just representing.

The Chair: Thank you very much.

Next we are hearing from the Union of B.C. Performers. I notice ACTRA is well represented here. I want to point out that we have heard from ACTRA at every single hearing we have had. Again, the discussion is more important. It's not very important to hear again what we've already heard, so if you could, focus on building on what we've already heard, perhaps, and some additional thoughts in terms of this particular region.

Who's going to be doing the presentation?

Mr. Howard Storey (President Union of B.C. Performers, ACTRA Vancouver): I'll begin. I guess we will say only a few words each. It's rather difficult to imagine an actor being as brief as you'd like.

The Chair: The same goes for politicians, so let's get to the back-and-forth as soon as we can.

Mr. Howard Storey: That's true; I've noticed that. I'm an actor who is a politician, as president of the Union of B.C. Performers, and three of my colleagues are on my right.

Let me just say what Carl Bessai said. I've never met him before, but apparently we're brothers, and that's satisfying for me. We want to and have taken the position of partnering with industry partners, government—whoever will listen—to try to work together collaboratively to bring about the kind of change Carl is talking about and to realistically begin to be able to tell our stories to each other as Canadians, and to bring those stories, of course, to the global audience as possible. We find that an incredibly challenging but satisfying kind of quest.

We ourselves have started the B.C. indie program, which is an attempt to bring all the parties together to make it possible to foster a domestic production in B.C. Just as a beginning—we'll answer questions on that a little later, I would hope—we are behind the Moving Pictures program that I think you heard about yesterday. I'll

be sitting on their board shortly to integrate the powers that exist to bring forward our solutions.

We're behind Alibi Unplugged/First Weekend Club that you'll hear about this afternoon as well, and the Crazy8s program, an extraordinary program. I'm not sure if you're aware of it—eight minutes of film created with \$800 over eight days. It has created an extraordinary wealth. I think Tom will talk to it a bit. It was 24 films, the quality of which is just enormous—of course, technology has helped it happen. We're very much behind that. It goes to the extraordinary hotbed that exists in B.C. at this moment. With a little bit of cooperation and collaboration from industry partners and governmental partners, we can really make this place hum as a global expression of Canadian film and television.

Oh, my goodness gracious. What else would I like to say?

As Carl mentioned, we could be a wonderful centre for co-production, because we cannot only make our own expression, but we can then play it to the American audience, play it to the English audience widely. I think B.C. is really well-suited for that.

Before I hand it over, just let me say that we were also behind and very proud of supporting a recent production that celebrates Canadian film from coast to coast called *Weird Sex and Snowshoes*, which Omni Film Productions here put together and was having a lot of trouble getting up and running. We went to bat for them in terms of getting use rights, and we got it up. They were very grateful to us, and it was our first adventure in really partnering, in a way. That I think celebrates Canadian film and gives us an idea of what it's about from coast to coast, historically. I think there was a great wealth there.

At any rate, the first point in our thing is the Canadian feature film policy. We would of course encourage the continued support of anything that allows us to continue doing our work.

And now over to Rob Morton.

●(0850)

Mr. Rob Morton (Treasurer, Union of B.C. Performers, ACTRA Vancouver): I'm the treasurer of the Union of B.C. Performers. It falls on me to speak to financial issues and related things of that nature.

As I'm sure you're aware, the business in Vancouver is primarily—85% or 87%—a service industry, most of that service falling in the United States. In Vancouver, we watch private or corporate investment gathered in Los Angeles, New York, or wherever—south of the border—put together. They develop a script, come up here, do the production and some of the post work, take it back down to the United States, distribute and exhibit it, and keep the profit.

We believe this is something that could actually happen in Canada, strange as it may seem. We certainly feel there should not be any change in government support for the feature film industry; that has to continue to exist. The feature film industry needs that for development, for education purposes, and whatnot, but we do believe a parallel financial universe needs to be created—one that appeals to the private sector—to help build and really sustain a film industry in this country. Governments come and go. If we can stimulate a private scheme, whether it be a concept similar to the limited flow-through shares that we have in the resource sector or whether we're talking about venture capitalists—corporations or something of that nature—we need to look at how we can put that in place so that we have an either/or scheme; you can work through the public system or you can work through the private system.

This investment can't be limited to just production, though. It has to be available from development and production, through post-production, to distribution and exhibition. Sorrowfully, unfortunately, Canadian films will fail on the far end because they don't have the money to promote their product.

It's too bad. We make an excellent product, a very respectable product. To some degree, it doesn't get seen because people don't even know it's there, so we have to make this available across the spectrum of production, from one end to the other.

During the mid-eighties, of course, we had that lovely CCA tax shelter scheme in place. In some cases it was abused, no question about it, but do you know what? It built an industry. It taught us how to make films. Some of them were junk, some of them never got to be seen, but it got money into the industry and it created a buzz. Then we took the baby, the bathwater, and the tub, and threw them out in the street because there were some abuses. I think it's time we brought the baby back in, and maybe the water, and had a little look at it, or maybe we'll leave the water out and bring the tub in. Let's review what's available there.

We believe that by stimulating the private investment community through education and a financial vehicle, we can help to build and sustain this industry and maybe even capitalize on some of that elephant market that exists south of the border or throughout the world. This is a worldwide industry. I believe that Canadian film, through private investment, can stand up, take its place in the world, and make its mark.

Ms. Mercedes Watson (Chief Executive Officer, Union of B.C. Performers, ACTRA Vancouver): Thank you.

I'm Mercedes Watson, the chief executive officer of the Union of B.C. Performers of ACTRA. I will adhere to the chair's comments and not speak too long on any of our points.

Before opening things up to discussion and passing the microphone over to my colleagues, I'd like to make only one point, which is that it is clear that the distribution and exhibition element is the critical key to having a successful film and television industry.

Having been a part of this industry for most of my professional career, I can say that what needs to happen is a commitment—a commitment to both time and money—to allow films to be seen, to develop an audience that perhaps can become the base of support of

the films and the art that Canadians continue to be proud of and be a part of across the country.

I will be happy to address questions. I do have an extensive amount of experience in the industry, and I will not take up much more time, except to point specifically to the distribution model. It really should undergo an extensive amount of tweaking in order to be successful for Canadian film.

Mr. Thom Tapley (Business Agent and Digital Media Advisor, Union of B.C. Performers, ACTRA Vancouver): I am Thom Tapley. I'm the business agent and digital media adviser for UBCP. I, too, will keep it very brief. I hope there will be a discussion of some of the things we're specifically doing in B.C. to address some of the issues.

The point I was to talk about was improved marketing exposure for Canadian feature films through broadcast and other avenues. Simply put, Canadian films need more opportunities to be seen. Howard touched on one of the programs, called BC Indie. I've actually brought a little promo pack that I'll leave with you guys. Then there are also programs like Crazy8s. We can talk more specifically about what we've done and how it's ended up to this point through the Q and A, if that's appropriate.

• (0855)

The Chair: Thank you.

We'll let Ms. Davies start.

Ms. Libby Davies (Vancouver East, NDP): Thank you very much.

Thank you very much for coming today. I think it's useful for the committee to hear a B.C. perspective, because we have a very healthy film industry here in B.C. But as we've heard from other witnesses, there are a lot of things that need to be fixed.

I'm interested that all of you this morning have picked up on the issue of distribution and exhibition, about which certainly we've heard from other witnesses, as well as the issue of private investment.

I'll begin with the first part. We've had the sense that the production and creativity end is alive and well, and there's very high quality. So if we focus on the issue of distribution and making sure very good marketing is taking place, I'm interested to hear what kinds of recommendations you have in a more specific way, particularly as affects us here in B.C.

What should we be doing at a national level, or what should we be recommending at a provincial level—because the committee can do that as well in its study—to ensure there's real change taking place in the distribution and marketing, so that more people are...? We've heard this over and over again, that it's a matter of people not connecting and not knowing what's out there. Once they find what's out there, they love it, but how do you make that connection? I'm very interested to know what your specific recommendations are on that, so that we can get them in there.

Ms. Mercedes Watson: I'll start, and I'm sure Carl will add to it. I immediately loved both of his very prudent suggestions on creating a niche place for viewing Canadian programming.

Ideally, the challenge has always been, certainly in my experience in the industry, the amount of time that any Canadian film has to be seen. By the time word is out that this is something someone might want to see, there is no longer a venue or an exhibitor, even including the art houses that are still exhibiting that program.

Regrettably, the history of people going to see Canadian films in Canada is such that it needs a longer amount of time for people to actually take the initiative to go out to see a Canadian film. There's not going to be a weekend of completely inundated media—print and certainly broadcast—that happens for the huge American movies.

Ms. Libby Davies: Do you think this is something that should be regulated in some way?

Ms. Mercedes Watson: Absolutely.

Ms. Libby Davies: We heard from one of the distributors yesterday who talked about the decisions he makes based on the audience. It becomes a case of the chicken and the egg.

Ms. Mercedes Watson: Absolutely.

Ms. Libby Davies: They put the Canadian film up for a week or two. Nobody shows up, or very few people do. They take it off because there are other things that are....

Ms. Mercedes Watson: Because there's a time when people are trying to find it.

Ms. Libby Davies: Yes, so that company is making their decision based on what they see as the market.

Do you actually think there should be a direct intervention?

Ms. Mercedes Watson: Absolutely. As I think Carl very eloquently mentioned, given the amount of financing that goes into the upfront costs for a production from the government, it is almost laughable that there isn't a similar participation in trying to advertise and promote that same product in an effort to actually recover the initial investment. It is absolutely essential until such time as people start to believe the Canadian film is perhaps the one they may want to see, rather than the American blockbuster.

We're not there yet. We haven't ever taken the time or the initiative or the money to invest in that type of commitment to Canadian creative feature films.

Mr. Carl Bessai: Can I just jump in here?

I think we have to be really clear about one thing. You can pour millions and millions of dollars into bus shelter ads and TV ads and more trailers. You can force all of that stuff, but if you don't work on the legislative tool for the market itself, none of this is going to work.

It's like having a tool you want to sell, and you're out there on the street, and everyone knows about it, because there are pictures of it everywhere, but all the shoppers go to Wal-Mart, and it's not available at Wal-Mart.

We're talking about how you make a major change in people's minds, and I think it's actually quite simple. If you create support—if we have a five-year plan or a ten-year plan where we say let's subsidize exhibitions, or let's have a screen quota, which is a targeted quota....

I just have to go back and say it: saying we can take over our cinemas in our country for 140 days of the year, in this country and in this day and age, is not going to happen. I know it's not going to happen. But think about the idea: screen quota—targeted. I can go to a private fund for P and A money, for marketing money, because people will see that there's actually a place where people will end up seeing this movie. If I just buy bus shelter ads and leave the market in the status quo, there is no room.

This is the other thing about advertising. If I say that on July 2 this great Canadian movie is going to open, but we don't have any say in the market in creating that space, our little distributor has no power to hang on to that July 2 opening when Universal says “No, dude, *Spider-Man* is coming and it's taking this theatre.”

So it's really important that we don't get caught up in this idea of just pouring more money into distributors or pouring more money into marketing until we fix the real problem. The real problem is exhibition. We have to take some control. I'm not talking about communism here; I'm not talking about taking it over and burning flags. I'm talking about just some; there's none right now. When you open the newspapers every day, in every city in every province, you can't find these films.

• (0900)

The Chair: Thank you.

Mr. Morton.

Mr. Rob Morton: I just want to add to that.

There's one anecdote I'd like to throw in here, because it speaks to the Canadian film. We've heard that at Tinseltown, just over here, which has several different theatres, a Canadian project was running and was I think getting 60% or 65% houses—not doing too badly. It ran for two weeks. It got thrown out because on a package deal from the distributor it had to be replaced by an American dog that brought in 30% houses. But the exhibitor had no choice because of the deal that was in place.

That's truly unfortunate. The Canadian film was successful and doing well, but it got moved along because of a deal with a foreign distribution outlet. These are things we have to consider.

If we look at regulating our exhibition, we may want to look at co-exhibition treaties with other countries, where they give us screen space for the screen space we give them here, so that we all get together on this world-wide and offer each other some help. We can help with Australia; Australia can help us. We already have co-production treaties. Why not go to co-distribution as well?

I think Carl has touched on a brilliant idea in terms of putting together a digital network of theatres across this country—they don't have to be big, just 100 to 150 seats—where Canadian projects could be put in place.

Mr. Carl Bessai: Rob, what's interesting about that idea is that because of the digital technology, which requires a certain amount of investment, in Denmark the government got involved in this very idea, and then they could demand or exact.... Maybe they're not waving it as a screen quota, but we can ask for a screen quota: we've built these theatres, we've created this network, we're stepping outside of the existing exhibition model; let's make sure Canadian films play. You have to play 80% of these theatres that we've built with our taxpayers' dollars.

Just so we all understand the analogy, there would be no prime-time Canadian drama in this country made by Canadians, such as *Da Vinci's Inquest* or *Cold Squad*—these shows would not exist without a quota. Let's just call it what it is: the CRTC is the screen quota for television. We need it for film, or we're never going to have a Canadian feature film industry in English Canada.

Mr. Howard Storey: For those who are less interested in Canadians talking to each other and talking to the world, there's a really good business reason for doing this. As this happens, it creates product. This product gets exported. It's exported from an industry that is manufacturing in fact, but it's manufacturing in a renewable way, a sustainable way. All of the products involved, all of the stuff that goes together to make this happen and to create this product that is then exported, is renewable and sustainable, and the world is in fact crying out for it.

I would go so far as to say that we can't compete with the blockbusters, and neither would we want to. The whole American model, generally, is based on trying to homogenize the whole world so the whole world will buy whatever it puts out there. Our model has to be I think a global model that relates to the diversity of the world and expresses the differences. I think this would be found to be very valuable and would play very well with the idea of co-treaties around the idea of distribution, so that everybody's product gets a chance to be seen beside the elephant, so that there's at least a whole bunch of mice running around.

• (0905)

Mr. Carl Bessai: Let me just throw in quickly that in Korea, when they went in with this quota—going back to my brief—there was no cinema industry. The percentage of screen space, whatever.... People weren't making movies; it was two or three percent, maybe six percent in a good year—this is Koreans making Korean films. Now it's forty to forty-five percent.

What's interesting is that internationally, Korean film has become huge. I don't know if you've noticed, but if you walk into video stores, they're everywhere. Korean films are always in Cannes now. Five years ago you never heard about Korean film. Korean film was unknown, and now they're the stars. And why? It's because they've developed a market in their own home.

When I went to Korea with my movies to play in festivals, there were 2,000 screaming kids rushing up to meet the actor no one has ever heard of. Because they've built that domestic market, it travels; that's what's so amazing. Those films are making everyone money back home.

The Chair: As we proceed here, I'm going to go to Mr. Schellenberger, Mr. Lemay, and then Ms. Bulte.

But let me ask this. A couple of you seem to be using “distribution” and “exhibition” interchangeably, and I think for our purposes it's important to know when you're talking about exhibition and when you're talking about distribution.

Mr. Carl Bessai: Think of a line. The line starts with a writer and a script; then the next part of the line is the production; the next part of the line is distribution. Exhibition is at the end. So in the continuum, distribution is part of the way. You see how the horse unloads its cargo and fails if we stop at distribution.

Let's be clear: we subsidize distribution right now. It took me years of making movies, and failing, to realize what was really wrong. I used to be like everyone else, just saying: “You know, these distributors don't do enough. They don't market enough; we need to give them more money.” Or “Why aren't they paying more for our movies? Why don't they return my phone calls?” This is the attitude in the country, that it's a distribution problem. It's not. It's that the little people who run the Hollywood Cinema, who are a family business—a guy and his son—can't afford to book a Canadian film, because it's an unknown product, so they'll lose their shirts.

The exhibitor is the place; for me that's the end of the road. That's the store; that's the shelf. That's what we need to talk about.

The Chair: Mr. Schellenberger.

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

I've been a small businessman all my life, and I was never a person for quotas on particular things, because it not only restricts.... It can keep you here; it restricts maybe getting bigger, in my mind.

One thing that's come up very often came to mind a number of years ago when I was at an agricultural round table and we were talking about wine. I'm from Ontario, and we were talking about Ontario wine. To be called an Ontario wine at that particular time, all you needed was 30% Ontario grapes. These were great wines they were building, but most of it was with grapes or grape juice from Chile that was mixed with the other.

One of my questions is, what do you call, or can you define for me, a Canadian movie? I've been told at various times that some funding—and again, we get into funding—is restricted by a definition of “Canadian” movie, or maybe it's some place along.... I'm looking for a clear definition of what a Canadian movie is. I know we're a multicultural country, but again, what defines that Canadiana?

I know we have to build on private investment, and I think some things can probably be done. I think it's terrible, when you have a product that seems to work and it gets abused, that you just throw the whole thing. If your car quits or uses a little too much gas, you don't tear the whole thing away or just throw it in the junkyard. You find out what's wrong and try to fix it.

I agree that maybe something can be done with the way things were abused in the eighties, by going back and looking at that model—picking the good points out of it and maybe correcting the bad points.

Flow-through shares were mentioned again. It must be a western phenomenon or something, because I'd never heard it before, but I heard it yesterday three or four times. Could you explain to me what flow-through shares would be?

Those are two of my questions. Thanks.

• (0910)

Mr. Howard Storey: Who wants to take a shot at the first one: what is a Canadian film? Obviously that's an issue for all of us. In fact our members occasionally ask us how *It's All Gone Pete Tong*, for instance, a wonderful film that was screened the other night and is a co-production with Britain, could be a Canadian film. We will have to define that collectively somewhat. But I would like to imagine that it could be a little bit more flexible than one would normally think, by virtue of the mosaic of what Canada is. We are an expression of the world, to some small degree, and to a greater degree in some respects.

For instance, a British co-production was thought of as being Canadian. That's a hell of a question.

Thom, go ahead.

Mr. Thom Tapley: I think a Canadian film is a film made primarily by Canadians, and of course that's somewhat dictated by treaties with other countries. There are actually pragmatic structures that define how much of it is British, Canadian, American, or whatever. But predominantly, I think if you have Canadians who are creatively unrestricted to create stories, they are Canadian stories. They're Canadian films.

Mr. Gary Schellenberger: What if it's a Canadian script and there are no Canadian actors?

Ms. Mercedes Watson: Then it's a Hollywood film. That's a bit of a joke, but that's what is happening to many of our—

Mr. Gary Schellenberger: What if it's made in India?

Mr. Howard Storey: It's an interesting and engaging question. Let's say I'm in an American production and I bring my sensibilities to that. First of all, if I'm very broad about bringing my sensibilities to that I won't get the part. If I do get the part, it's difficult to say, but I would bring a broader understanding of possibilities than is generally thought of in America.

Americans hurry to be all like each other, and are rather straightforward and wonderfully forthright in some ways. But it's, "Me first and you guys after", while we're busy tripping all over ourselves saying, "After you, no, no, please", and so on. It's that kind of sensibility. So am I bringing a Canadian sensibility to an American product as an actor? Yes, to some degree.

Mr. Thom Tapley: I think the implication of your question is that we also want to create ways in which Canadians can continue to tell stories. For example, if a Canadian script is produced by an American company in America, obviously the story was written by a Canadian and will likely have Canadian sensibilities—or maybe not. Someone who's a talented writer can write in any genre, and that's why they're a writer. So I think in the context of this discussion, we need to think of it as what is ultimately going to support a structure where we can have films meet on a more regular basis.

A filmmaker like Carl works very hard to raise capital to create a film. If he's lucky, four years later he might be able to get more... actually he's an anomaly because he can do it quicker than that. But a lot of people spend many years trying to get that next chance to make a story, because it's so hard to call together money due to all the issues we're talking about here today. So if you're lucky as a filmmaker, every four years you might get a chance to practise your craft. That's a problem.

Mr. Carl Bessai: If I could just throw this to Gary, I actually think it's a lot simpler. I mean, take David Cronenberg. He makes a film with studio money. He's a Canadian director; it's a Canadian film; we celebrate it at Cannes. But David didn't go to Telefilm Canada and ask them to pay for it. I think it's really easy.

I have a company in L.A. that's talking to me about directing one of their movies. They've raised the money. I'm a Canadian guy. It'll be called a Canadian movie because I'm the director. The writer's American. But I'm not going to the government and saying, "Hey guys, invest in this".

To me, that's what we're really talking about. We're talking about how to measure what we support and what we don't. What we want to avoid in this definition is having the Americans, British, French, or anyone, unless it's within the treaty, coming to our government and taking our funds from our taxpayers to make their stories.

I sit on these juries all the time at Telefilm. The scripts come in and you read them. Someone wants to tell the story of Napoléon. I think that's a fantastic story, but there's a lot of money in France to tell the story of Napoléon. Why should we pay for it?

The reason we're here is to talk about how to spend government money to nurture our industry. So when Paul Haggis, the writer of *Million Dollar Baby*, gets his financing from L.A. to make his movie called *Crash*, he's a Canadian director, but he doesn't come to you for money. He doesn't need to.

It's about where the money needs to go, that's all. We don't want American studios trying to tap into our public resources to make American movies, because that's the thin edge of the wedge. When we define Canadian content—which I think is at the root of what Gary was talking about—a lot of people say there are these rule and barriers, but you need to have some definitions so we're not putting money into a film about a guy in Indiana worrying about his mom in New Orleans. That doesn't make any sense.

Gary, the very first thing you said was that you are a small businessman and you don't really believe in quotas, the legislation—these interferences. I'm with you, in a sense. I believe in free enterprise and competition; I think they make great things. But I don't believe in a street that has one store on it that controls everything and no one does anything about trying to open up the field. As a businessman, I think you understand more than anyone how important it is to have fair competition.

My reason for being here and talking about screen quotas and legislation is that we are working in a monopoly in our industry, and the monopoly is wrong. When Americans feel monopolized, as they did with softwood lumber, they legislate. We need to legislate.

● (0915)

Ms. Mercedes Watson: Just on Carl's point, many of us hate quotas. We are currently in a situation in our country, creatively, where they're absolutely necessary for people to continue to be able to have access to what Canadians create and do. That is how the music industry was built in Canada. There was a lot of resentment, but it is successful.

Everyone is prepared to claim Céline Dion. Everyone is prepared to claim Sarah McLachlan. They're Canadians, and they wouldn't have gotten the air play and the time for people to hear them, and then think they were popular and buy them, were it not for originally instituting a quota system in the music industry. So it is regrettable that we are in that place, but we are. We require quotas.

The Chair: Monsieur Lemay.

Mr. Gary Schellenberger: I have one more question.

The Chair: I'll have to come back to you.

Mr. Gary Schellenberger: No, but I asked one more question on flow-through shares. I think I was just going to get an answer.

The Chair: Okay.

Mr. Rob Morton: The shares issue may be a bit of an anomaly, in terms of where we're directing. You may not have heard of it, but it's very popular in British Columbia because we have a venture exchange and very much a resource-based situation here. I believe it's also fairly popular in Quebec as well, at the same time.

Effectively you set up a limited partnership. There are tax credits and deductions available to resource-based industries. That limited partnership invests in those industries. Those credits flow back through that limited partnership to the investor, and they get the breaks that are available to the company.

That's more or less what you're talking about in terms of flow-through.

Mr. Gary Schellenberger: Thank you.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): I'm going to conclude by talking about flow-through shares because I come from a mining region of Quebec. When investing in exploration, one is entitled to deduct either 166 per cent or 133 per cent of the investment. For example, if one invests \$100 million, one may deduct \$133 million. That is a basic summary.

Let us get back to a more serious topic. I'm not saying that flow-through shares are not serious; however, the Department of Finance would have to get involved, and that's not going to happen tomorrow. Yet, we are asking you to do something as of tomorrow, so to speak.

My comments are directed to Mr. Bessai. We are going to talk about quotas. I would like you to refer to page 5 of your document. There's a table containing the statistical evidence of success in Korea. I don't know if you read the table the same way I do, but in 1993, when a protectionist law came into effect, 63 Korean films were released. In 1998, slowly but surely, they came out with 43 films. Therefore, the number of films decreased, a far cry from aiding production. Obviously, I have not seen the films.

I believe that the quotas will restore Quebec cinema to what it was 20 years ago. When the quota system was abolished in Quebec... I don't know if you can remember *Mon oncle Antoine*, but the Jutras and the Perraults produced films that were protected, etc. However, they realized very quickly that they had peaked, because they were producing flops—I hope the expression is properly translated—because they knew that there was money. Artistic expression took a beating.

Look at Quebec today. I do not want to cite the province as an example anymore than I need to, but Quebec has been able to integrate producers, actors, directors, and all members of the cinematic family. Today, one can see the results of that. I'm wondering if it wouldn't be appropriate to envision something besides quotas. That is my question.

I very much like your idea of a cinema chain. Since I come from Quebec, I'm familiar with eccentric cinema, parallel cinema. There are films produced in Quebec, and even in British Columbia, that are seldom seen here or elsewhere. I would like you to talk to me more about this, I want to hear your comments on this.

As a legislator, I have a lot of difficulty selling the idea of quotas, because I myself have difficulty in believing in them, given what has occurred in Quebec. I would like to know what you think of this.

I read with great interest the brief submitted by the First Weekend Club. It is a marvellous document. I think there is something to develop there.

However, I'm wondering if in Canada, there's a way to bring everyone together and come up with a vision. In fact, it is obvious that your enemy is language, the English language. However, we are multicultural. Therefore, there are things that we see.

I would like you to talk to me a bit about cinema chains. How do you conceive these? Obviously, my question is for everyone around the table.

• (0920)

• (0925)

[English]

Mr. Carl Bessai: There is a cinema in Montreal called Cinéma Beaubien. You know the cinema. It was an interesting example where, informally, without there being a quota, it became the place that people in Montreal knew they could find the new Quebec film. So you can take the terminology—I sit here with my screen quota idea—and you can call it whatever you want, but I think we agree that's a good thing when there is a place in the market that people know where to find this alternative.

Mr. Marc Lemay: You don't have an example of that in B.C.?

Mr. Carl Bessai: No, we don't. We don't, sir. We do not have the destination. It's ironic that we talk about the Tinseltown, because that's actually an American exhibitor. We do not have this.

As you said, there are many reasons why Quebec is a different example, not the least of which is the problem of our very nature—that we are very much like Americans. When they're looking for something different, our people think “different” means outside of Canada.

We have destinations for everything. We have destinations for Hollywood films. We have destinations for foreign films, like the Cinémathèque chain. We don't have a destination for the Canadian film, including the Quebec film, which is wrong. I can't see your great cinema here in Vancouver. That's a big problem.

Part of this idea for destination—I call these destination theatres, this chain, this idea—comes from the Cinémathèque model. We all know what the Cinémathèque is: major cities, urban centres, high-end theatres. Those chains are devoted to what we call world cinema. So the Canadian film is an occasional player in these places, but not a regular player.

Monsieur Lemay doesn't like the words “screen quota”, but you could say that the Cinémathèques have a quota for world cinema, that they have a majority of world cinema product playing year-round. Why don't we do the same thing for Canadian films? Cinéma Beaubien was an example of a place in Montreal where people could go and know that a great Quebec film was playing. We need to do that.

When you hear Anita from the First Weekend Club you'll hear more about this, but there are theatre spaces currently available that, as a group, we could start working on, investing in, and upgrading.

Digital technology is very interesting. It's a way of minimizing the distribution costs, because you can actually start putting digital films into theatres instead of the expense of moving prints around.

I think the most important thing is what Daniel Langlois did, which is to make it a better experience so that Canadian film isn't the poor brother in the ghetto. It's not, “Oh, that corner screen is reserved for the Canadian film”. The Canadian film becomes something more akin to going to the theatre—something you want to do, that you want to get a babysitter for, that you want to go out.

I think we need to start with the major centres. Let's embrace Quebec. What Quebec has done is marvellous. I actually believe that

with a quota, Quebec could and should be closer to 80%—60% at least. Twenty percent, which is where you're at right now, is fantastic, but I know you'd be through the roof if there were more screens.

Ms. Mercedes Watson: I want to latch on to what Carl has said. I completely agree. It would be marvellous if the rest of the country, on a regular basis, got to witness the incredible films that have been done in Quebec over the years. As you said, 20 years of that quota system and it not being what you wish.... The English market needs that 20 years. It needs the time to actually build itself so that it can fail; it can make those films that people see and perhaps don't do so well, as well as being able to make those films that do wonderfully well and people wish to see.

Mr. Carl Bessai: *Mon Oncle Antoine* is one of the great films of all time. It's one of the only films that English Canadians could actually name. *Mon Oncle Antoine*—the film you said was made under the quota—is one of the films that stands to this day in the mind of every kid who is growing up, studying film, and learning about film. That's a Quebec film. We all know these films.

[Translation]

Mr. Marc Lemay: But *La Vraie Nature de Bernadette* was not...

[English]

The Chair: Ms. Bulte.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): First of all, thank you all for coming, and thank you for your interventions.

I couldn't agree with you more, that we need to find more opportunities to showcase Canadian films and to build audiences, even younger audiences, so they know where to see them.

I'm struggling with the concept of quota. One reason is provincial jurisdiction, as this could very well be a jurisdictional issue. I'm trying to use the examples of.... Definitely, our music industry was created by the CRTC regulations, but that's something we control; we control our airwaves, which are a public trust. So for the federal government to step in and regulate that.... I'm fond of the CRTC, because we wouldn't have the music industry without the fact that they forced the private radio broadcasters to play music in prime time. I remember how the broadcasters didn't want to do it, saying they were going to be precluded from playing Céline Dion, heaven forbid, which wasn't true at all. It was just that they had to dig deeper, in addition to Céline Dion.

Then you used the example of the publishing industry. The program that was created there, the BPIDP program, helps publishers publish books. There's also a problem with shelf space, in the sense of how do you get it into the Chapters and Indigos of the world? We can't compete in paying for promotion like American publishers can. So, yes, the BPIDP program has been great, but I'm still struggling with this.

One of the suggestions that was made yesterday by Dave Thomas was that we maybe give tax credits to the exhibitors. But, of course, on the other side, how do you ensure that it's not just for one week, but for two weeks or three weeks? I don't even think your quota system would help there, because if you've got an exhibitor who wants to showcase different Canadian films and you want to do so many, you're going to be cut off in the time as to how you're....

I guess I'm trying to find the carrot and the stick here to see how it can be done. I've read your brief, where you talk about this tax on foreign.... Again, right away, trade agreements come up.

● (0930)

Mr. Carl Bessai: It's sort of amazing that France does that.

Hon. Sarmite Bulte: But they don't have an agreement with—

Mr. Carl Bessai: No, I realize that.

These are radical ideas, but I just want everyone to be aware of what other countries in the world are doing. I totally agree with your struggle. Yes, it's difficult, because if you consider theatre space as retail, then you get into this whole provincial-federal thing....

What I'm really trying to do is to elevate our thought patterns here to say, is cinema part of our cultural heritage or not? A lot of people think, to hell with theatrical film; we should just worry about DVD and television, because at least we can control them. But I think it's really important.

I go to all of the film festivals in the world that I can with my movies, and I have more people who know my work outside of Canada than inside Canada, and I'm a Canadian, man, and it's frustrating to me that my little boys grow up seeing nothing but American films. So how do we fix that?

I love what you said about starting young. I think we need to have venues where this stuff can play, and we've got to fight to educate people.

Hon. Sarmite Bulte: I'm from Toronto, and one of the things the City of Toronto has been actively pursuing is an aggressive film policy. They have a film council, which the mayor is also part of. One of the things they're trying to do with Jack Blum, and working with the CFTPA, is to bring Canadian films into schools, because that's the way to start. Now, to me, that is a great reason for putting money into Telefilm, for that purpose, working in partnership with the cities, whose agendas are a very big part of the government's agenda, and one way of bypassing the province. I'm looking at unique ways like that.

Mr. Carl Bessai: Film festivals are fantastic, right? We all love them, but what we're missing here is the idea of the domestic box office or the domestic commercial exhibition of the films. I think that's what I'm fighting for, the sense that we've got to get in on our own market. My problem with the idea of a destination theatre chain, which is an excellent idea, is that it's based on heavy capitalization. How do you build and create this chain throughout the country, and how much money is it going to take? I think it's a matter of baby steps, but I think the idea of working collaboratively with distributors and exhibitors to bring our films into the existing screen space, through programs—

● (0935)

Hon. Sarmite Bulte: Mr. Morton, I want to hear from you, but you just made me think of something else.

Mr. Storey, when you were speaking, in the points you made, you talked about having a partnership. Have you thought about partnering directly with the exhibitors? It's a win-win situation. We were given an example. When *The Barbarian Invasions*, *Les Invasions barbares*, by Denys Arcand, was being made, they all worked together to make sure it was released in time for the Academy nomination. What could we do to facilitate that kind of partnership with your organization directly with the exhibitors?

Again, I love all these, but I'm struggling. I don't want to just struggle. I want to come up with some concrete recommendations so that we can actually make things work, so that we achieve that from script-to-screen idea that was put there with the Canadian Feature Film Fund, when we first started it. I want to hear from everybody, and we'll go back. We can always talk afterwards too.

Mr. Thom Tapley: On that note, the problem we have, and Carl mentioned it before, is that the screen time is locked down, for the most part because these exhibitors often make package deals, and in order to make money they need to show predominantly American fare. It's very hard for someone in an organization like ours or in industry to partner with them because their screen time is locked down.

Mr. Howard Storey: Well, if they don't, if it's in effect, then as much as we might like to—and we certainly will to whatever degree we can—they're unable to because they're not free.

Hon. Sarmite Bulte: But let's say you require them to play only Canadian feature films. How are you going to pick the one that's going to run 11 weeks? Or are you going to pick 10 that run for one week each? Again, I think you're going to cause the same problem for Canadian film. How do you pick the success story that should run 11 weeks?

Mr. Thom Tapley: I think this conversation is in a context. Take Quebec as an example. Quebec had 20 years to develop an infrastructure, during which time they learned and there was give and take. Then all of a sudden there was this infrastructure that was like a machine that worked very well. We've never had long-term commitment in Canada to create a situation in which we see what works and what doesn't work. If you give us 20 years....

We can change the language. It doesn't necessarily have to be a quota; there are other avenues to pursue. If you change the situation so that we can create a mechanism by which Canadian films can be seen more regularly, on a consistent and long-term basis, so that commitment is there, I would suggest to you that we will likely see what happened in Quebec repeated. Maybe not to the same extent, because you have the natural advantage of a different language, but we will see success. But we need that commitment.

Hon. Sarmite Bulte: I'm going to be cut off here very shortly too, so, Mr. Morton, what do you think?

Mr. Rob Morton: Let's take the word "quota" out of here and let's call it "incentive". I think that's a better way to look at it.

What's the incentive to run an American product? Profit, or getting the blockbuster in there, right? We're not seeing profit in the Canadian product at this particular moment. If there's an alternative incentive applied to running a Canadian product, then I think an exhibitor may lean towards running it more often. In terms of this digital distribution network, in terms of the theatres, maybe as an incentive they need other ways of generating income within that space as well at the same time. Maybe they should serve a couple of drinks at night or a glass of wine while you're watching your movie. Maybe during the day it could be a gaming parlour, or something like that, like video games. I'm not talking about casinos necessarily, but rather about getting an incentive in exchange for running Canadian films, as opposed to having a quota system. That's entirely a possibility.

Hon. Sarmite Bulte: But what about the CBC? None of you has mentioned the CBC.

Mr. Thom Tapley: Actually, I intended to go there. I mean, we applaud the efforts. I think one of the....

Let's take a really small regional example, Crazy8s in B.C. And either I or Andrew Williamson will make sure you guys get a copy of the disc, because it illustrates what I'm about to talk about. Basically, you're given eight days, \$800, and a half hour of tape to create a film. We just had the exhibit of it last week. It really was amazing to sit and watch that exhibit. It was great. The theatre was packed, first of all, and the audience was very diverse ethnically. Younger and older people were in there, all laughing and enjoying the films.

Probably your minds are immediately jumping to, yes, that whole bunch of enthusiastic people watching the films was probably the same bunch of enthusiastic people who made the films. But it actually went beyond that. The quality of the films was really quite spectacular. With this program, digital technology has allowed tools to go into the hands of filmmakers to create stories in a timeframe that was unimaginable even three years ago.

In that one small program, 32 films have been made, and they have travelled to 150 film festivals, winning numerous international awards. That program has allowed the directors who take part in the short films to grow into doing feature films. Carl is a prime example of that. The process has matured to a point where we're now looking at ways to increase distribution. A DVD has been pressed, which, as I say, I'll get to you.

So you have a project like that, where we've done everything we can do to start the process. At UBCP we've started a program called BC Indie, which is the same idea. We hope to ferment feature-length films through that program. We're still working out the details on that.

We're creating the content, but the problem occurs once that content is created. The part we're most in control of is creating the content, and we're doing everything we can to do that, but as Carl and everyone else has pointed out, it stops at the end of the chain.

● (0940)

Mr. Carl Bessai: I want to jump on the CBC thing. We put a huge amount of money into the CBC, and my critique of the CBC is pretty simple: they don't play Canadian feature films. That's a problem. They should have a night for that. But let's not get into that. I hear all the time, when I'm talking to distributors and exhibitors about this

stuff, "What about the CBC?", as though it's the CBC's responsibility to take care of our theatrical exhibition problems. But the irony in all of this is that the broadcasters, who we always tend to get all angry about because they're not doing enough, actually make up the one place I can go to as a filmmaker and raise capital. They're the one reason why my distributor is giving me an advance.

You have to understand that on, say, a million-dollar movie, my distributor will advance me \$150,000 to \$200,000. I will pre-sell all of Canadian television for \$300,000 to \$400,000. I will assign all of that money over to the distributor, who's guaranteed profit right from the get-go. Before I've even rolled the camera, they're making \$250,000. Plus, their marketing and distribution expenses are subsidized by you guys. So everyone's winning. But the problem then is that the film sits there at the end and there's no market for it.

So everyone here at the table has poured money into the making of this movie, including the broadcaster. The CBC is a different discussion; I think they can do more, of course. But the broadcasters, because of CRTC legislation, actually need prime-time content. Pay television in this country is fantastic for us. But you see, we always come back to the same thing: all the things these guys are doing are fantastic, but when it comes to....

I did a Crazy8s film, and it was great, but you still end up at the gate, standing there holding your film cans, going, "There's no screen space". I mean, the same ten movies are playing at every theatre in every city in Canada—with the exception of your wonderful province, my friend.

We've got to do something about it.

Mr. Thom Tapley: To go back to the CBC, we have BC Indie. Well, how about CBC Indie, or CTV Indie, where there could be time scheduled within prime time—when people are actually home and eyeballs are in front of the TV—to promote Canadian films?

Mr. Rob Morton: We need to celebrate Canadian, and that's what's missing in the whole formula. We're such a polite society. We're a bunch of very nice people up here. Sometimes there's nothing wrong with putting up a billboard, dang it. There really isn't anything wrong with that. Let's celebrate the fact that we're darn good at what we do. Let's promote the fact that we have Carl Bessai, that we have Cronenberg, that we have a number of different stars.

Most of the performers on *24*, an American series, are Canadian. Where's the celebration in that? You get a little mention here or there, but that's something to be proud of. It may not be our series, but the performers are Canadians. Let's celebrate what we are—

Mr. Carl Bessai: You can't tell people where it is and when it is, because you'll be wasting your money. The best way for me as a filmmaker to reach my audience in Canada is to give my movie as fast as I can to an American distributor, because the American distributor has the exhibitors in Canada in his back pocket, and I will get a great release. It's absurd.

Hon. Sarmite Bulte: You can't get money from Telefilm if you're going to—

Mr. Carl Bessai: No, but I can. The film coming out called *Fido*—it's going to be made this summer. It has a huge amount of government investment. They pre-sold the film, so they have a Canadian distributor, TVA. But then they got a pre-buy from Lions Gate, on the American side. Lions Gate International will release that film in America. It has great amounts of money and power and it controls exhibition back home. So the film will do well. The American distributor is a giant that stands outside the border and owns our exhibition. So we don't need to subsidize that. When that guy is doing it, it works great. And that's why crappy American movies make money.

• (0945)

Hon. Sarmite Bulte: I thought Lions Gate was now Maple.

Mr. Carl Bessai: No, Maple is the branding of their Canadian arm. Quite honestly, folks, the English Canadian feature film is a bad brand. No one wants to buy. Why? Because we think the films are bad. When you ask the people what they've seen, they haven't seen the films. There's this rumour that they're bad. They're not bad. They're just not available. So we assume they're bad because we're used to the market. If you can't find Black and Decker tools, they must be lousy. They're not on the shelf. They can't be very good. Someone's not making them very well. Have you ever tried a Black and Decker tool? No, but they can't be very good.

Hon. Sarmite Bulte: It's the marketing.

The Chair: Ms. Bulte, you've had 16 minutes, so I'm going to move on.

We focus almost entirely on theatre presence for our films. Yet that's not where 90% of the viewing of films is happening, at least if we judge by the dollar value of various venues. I haven't heard a good discussion yet of whether we should be putting so much emphasis on getting our films into theatres. Are there ways of putting more emphasis on getting our films to Canadians in other ways? I understand the PR, the buzz value of the theatre opening. But if we're never going to crack that exhibition market, then I'm wondering if we shouldn't be looking at other things.

Second, suppose we sat, those of you here this morning, across the table from some exhibitors and said, "Okay, figure this out. How do we get more Canadian films into those theatres?" What would happen? What discussion would take place? What solutions could we come up with?

Mr. Rob Morton: I would like to address the second part first. It would be a wonderful opportunity. I wouldn't be prophetic in trying to figure out what would come out of it. But it's a valid forum that should be put in place. We should have that discussion. It might help to bring out this celebration of Canadian product. That is necessary, without a doubt.

As to the first part of your question about getting the Canadian audiences to see Canadian film in any venue, generally speaking you'd need a theatrical release for the hype necessary to get people to see it. There are problems with other venues. If you're talking about television broadcast, a Canadian broadcaster can buy a pretty darn good prime-time American product for a couple of hundred thousand dollars and then sell off the advertising and make another three fifty, four hundred thousand dollars off it for one hour. Or they can buy a Canadian product for a lot more money—they have to get their

money back for the product itself—and not make as much on revenue because people aren't watching it.

So we're back to the same situation we have with feature film distribution. It is the same situation whether we like it or not. We need that theatrical release; we need that buzz to get the secondary market in place. Certainly, we'd love to have the secondary market. The CBC may be a place to have it. Maybe CTV, for their licence, should be required once a week to run a Canadian film. That's an incentive as opposed to a quota. That's saying, "If you want to make that huge profit on the American thing, we're going to ask you for a couple of hours a week here. You can do that, and Global can do that." The next thing you know, maybe we will find it works.

Mr. Thom Tapley: The ancillary markets are very important, even for Hollywood films, and certainly in many cases that's where they recoup their costs. So it's going to be important that we be able to exercise ancillary markets as well. But as Rob pointed out, generally there's this huge marketing mechanism at the release of the film that ferments all of the ancillary market.

We're not going to have that, but I think there are ways in which we can do it, and they're simple solutions too. I think the problem is that we've never done it in a concerted, coordinated fashion. For example, go with the idea of CBC-India or CTV-India, or whatever you want to call it. And have a commitment on the part of the video retailers to have a point of purchase so when you walk in there's a kiosk there that's branded and coordinated that highlights Canadian films.

I'll give you an example. I tried to rent *Le Confessionnal*, by one of my favourite directors of all time. I couldn't find it in the video store. That's a problem. So it's not only having it in the video stores, but also having it on the front rack, and I think there are ways we can coordinate that that wouldn't necessarily have to cost a lot of money.

I think there have to be synergies between all of those secondary markets to make them work. And that's where I think we've perhaps not been so successful, coordinating that at a macro-level.

• (0950)

The Chair: Ms. Davies.

I think this is going to be the last one. We'll take a short break while we change our panel of witnesses.

Ms. Libby Davies: Yes, I'll just be brief.

I just wanted to come back to the issue of quotas. First of all, I think that's really a bad word to use. Language is important, and just based on the discussion we've had, we've gone far beyond that. I think a much better description is the principle of access. It's access from the point of view of the producers and the audience. It's where people are. If you narrow it to this idea of quotas—you see the reaction you got—we know what you're talking about, but you see the reaction. So I think you've got to back it up and talk about it in a broader way in terms of access.

I'm curious as to why you can go into any bookstore—I go into bookstores in airports—and there is always a section on Canadian literature. I expect to see it there; that's a very common thing. But you don't have that in the film industry.

If we could reframe it as access from a number of different perspectives.... What about people in smaller communities? What kind of access do they have? They don't have the opportunity to go to specialized film festivals. I feel if we did that, rather than narrowing it down to this very rigid idea, we'd get further in this debate. I think your arguments are brilliant. It is about a level playing field and it is about dealing with the giant and the monopoly, but I think the way to approach it, in effect to sell it, is that you've got to get to this principle of access.

Mr. Carl Bessai: That's why I'm here, because in fact what I'm hoping is that when you sort out all of this, it's something that you, through us, will be able to communicate. What I'm really here to talk about is how we as legislators make happen in our country what we want to happen.

I understand how loaded the word “quota” is. It certainly gets attention and it certainly helps open the channels of debate, but what I'm really talking about is how we legislate or use legislative tools to initiate these ideas where we can access our market.

Again, it's a sidebar to get too caught up in what the broadcasters and even the DVD stores are doing or not doing. I actually do find most of my films and most of the films of my colleagues available in most of the better video stores in most of the cities in the country. The place where we die every day is in the theatres. And why are the theatres important? For the commercial sector, theatres are like film festivals.

We've decided to use, and use only, the film festival as the gateway to communicate our film culture to the world. We do very well at film festivals. Why can't we try to adapt some of that thinking to the commercial market? I think it's a loss leader to chase the Hollywood blockbuster. It's a big mistake. We should start by asking what works about the film festival. What's interesting about it? When you go, it's a beautiful experience. Sometimes you meet the filmmaker. Sometimes you hear a good discussion about the movie. You're there with film lovers.

I like the idea of creating a value-added destination experience for the Canadian feature film in every city in the country—and you've probably heard from the film circuit, or will, which is a great idea for running these films in the smaller communities—but having all of that add up to box office so there is a sense that these films are making money.

The real embarrassment here is that \$1 million goes in and \$100,000 comes out, if you're lucky. And that's crazy. We should understand that when Americans talk about domestic gross, they count Canada. They don't even break us out. It's “the U.K. did this, France did that, domestic gross was this”.

And the reason “quota” is such an ugly word is that we all know about Jack Valenti and we all know about 1988 and we all know about Flora trying to talk about this issue once, a long time ago, and we all know that Americans love domestic gross. Ten percent of the money they make on movies comes from Canada. We're not 10% of

their population. So we're a very profitable part of their domestic market and we have to understand that.

That's my feeling.

Thank you, Libby.

● (0955)

Ms. Mercedes Watson: Madam Chair, I would just like to say one last thing. We appreciate the opportunity to speak to all of you today, and we are happy to be part of the discussion that irons out words like “quotas” and creates something that everyone can understand and feel proud of and not feel coerced into; that's certainly not what we're about. We're all committed to the industry, and many of us have been in it for most of our careers for a reason: we love what we do; we believe there's value in it; and we'd like that value to be spread on a wider level across the country. And we're happy to be part of that discussion that may allow for that to happen.

Mr. Rob Morton: I think it behooves this committee to help the government understand that promotion and celebration of this industry is important. I think Carl hits a very big point when he says “Canadian product is thought of as bad product; it isn't.” It clearly isn't. If it were bad product, I can tell you, the foreign service market wouldn't exist in Vancouver. We make good product; there's no question about it. We got hung up on this Canadian culture thing. One of the best Canadian films I saw was *Whale Rider*. It was made in New Zealand. But if it were on the Haida Gwaii in British Columbia it could be a Canadian feature.

So what is the Canadian story? It's not just small town New Brunswick. We're a diversified culture. It's everything. We have a world-wide story to tell. It's appealing to all of us. So let's let the Canadians know that we're fabulous at what we do. Let's let our country know. And then let's let the world know that we're fabulous at what we do so tomorrow they're dying to come see the Canadian feature as opposed to seeing Arnold and *Terminator*.

Thank you.

The Chair: Thank you all very much for an interesting discussion.

● (0957)

_____ (Pause) _____

● (1012)

The Chair: We will resume this meeting of the Standing Committee on Canadian Heritage and our study of feature film in Canada.

We have somebody in the audience who spent a good part of yesterday with us and isn't listed as a witness. If there are no objections, I'd like to invite Sauching Ng to join us at the table. She's from Moving Pictures. She has distributed information on their distribution of Canadian films.

Come on up.

Since we seem to be focusing in this last hour and a half on how to get Canadian films in front of Canadians, it seems not unwise to broaden our panel a bit.

I will begin with Liz Shorten and Michael Francis from British Columbia Films.

Are you both going to be speaking?

Mr. Michael Francis (Chair, Board of Directors, British Columbia Film): Lodi Butler, our manager of film financing at BC Film, is another representative.

The Chair: Okay.

Which one of you will begin?

Mr. Michael Francis: I will start off and make a short presentation and then be available for any questions you might ask.

Just to explain the information we passed out to you, one document shows production numbers in British Columbia. This is sort of hot off the press because the 2004 numbers were just announced on Friday. On the first page you can see it was a very bad year for film and television production in British Columbia.

In the second year the little bit of good news comes that the domestic industry did quite well last year relative to the trough it's been in. It's the blue bar. You can see that it's still below the 2000 figure, but it's up nicely from 2002-03. I suggest that \$213 million is about our sustainable level in British Columbia. There will be good years beyond that and there may be some weakness, but that is our sustainable level.

The additional quite detailed document just gives the breakdown of the genres of the first two, and I'll leave that for you to view at your leisure.

The other is the activity report for BC Film, the agency I chair, and of which Liz and Lodi are managers. It describes the industry here in great detail and the successes we've been enjoying.

I'd like to thank you all for coming to Vancouver to learn a little about the film industry in British Columbia. We're very grateful. We know it hasn't been easy. There's been rescheduling, and thank you for your perseverance in getting out to see us.

We looked at the news release that announced your committee and the fact that it would be holding hearings. On the issue you are examining, the influence and effectiveness of the Government of Canada's Canadian feature film policy, we would say it's very effective. I don't know of another country that in such a short time has had federal policies with such an impact as the Canadian policies.

With respect to the structure and effectiveness of existing direct and indirect support mechanisms, I wouldn't be as effusive in my praise. The individuals and executives involved in these various agencies are extremely talented and well-meaning, but it is a rickety, over-administered, gargantuan, and increasingly ineffective operation. That's where I hope you will direct your attention.

Just as an aside, at BC Film we pride ourselves on our administration. Every cent we have ever received from the British Columbia government has gone to filmmakers. We have never

deducted a penny for overhead. We pay our overhead out of our business operations, our fee for service. Every dollar that has been received has gone to filmmaking programs, and I think it would be very wise to implement a test like that on the federal agencies. It would mean that tens of millions of dollars would be available to filmmakers instead of administrators.

The constant vigilance we keep in British Columbia Film is with respect to what we consider British Columbia's fair share of federal government expenditures. In the year I pointed to, which was the high-water mark of some \$400 million worth of production in British Columbia, we got our fair share.

This last year, with 13.2% of the population, Telefilm Canada gave us 7.1% of their expenditures. The Canadian Television Fund gave us 12.4%, which we have no objection to. The National Film Board gave us 6%, and the tax credits, which are just driven by production, were 11%. So if we look at that year, we have the greatest issues with Telefilm Canada.

We very strongly support a relationship between the heritage ministry and the agencies, whereby regional fairness is an essential part of your contractual arrangement.

• (1015)

In that regard we have had an office of Telefilm Canada in Vancouver for many years. It has been absolutely essential to our industry's growth. I don't know how those regions that don't have offices of the federal agency can manage their affairs. The Vancouver office has been well staffed with talented people, and they've been real partners in developing the industry here. We're certainly grateful for their continued participation in industry growth.

The regions are very different. We worry when there are national policies that don't recognize regional differences. The 5% of Canadian screens might have been appropriate for Ontario, but it certainly wasn't appropriate for the growth of the industry here. So we recommend that there be far more coordination between federal and provincial agencies that can give a menu of support in the individual regions that will recognize the stage of development of the industry in that region.

We were listening here and heard the debates about screens and quotas and that sort of thing. As you know—you've heard it a lot, and it is a very old debate—we think the world is changing very quickly. Though we wouldn't say that's a meaningless number, it's not nearly as significant a number as it was a few years ago.

British Columbia is the new media centre. The gaming industry—gaming in the sense of computer games as opposed to gambling—had its start here in Canada. We've been tremendously successful. A number of very large companies were formed here. Many have been inquired about by international authors of video games. It makes us very sensitive to the role of the Internet, television, and other media in distributing digital entertainment products. I think the strategy going forward should reflect that new reality and not focus entirely on the goals of the last few years.

In British Columbia we determined that our success would not come project by project. It is an inefficient way to build a business plan. As you know, that is pretty well the way the film and television industry works in Canada. We have implemented what we call the slate program, whereby our producers come with a record of what they have done in the past and what they hope to accomplish in the future. We make direct grants to them to expand their capital base to allow them to take advantage of these opportunities. Some projects will work; others will fail. That's the market. We just want to make sure they have some capital available to buy Canadian cultural product, in order to turn it into film or television product.

We urge our partners at the federal level to think along these lines. It's inconceivable to me—and certainly if one looks around the world—that a project-by-project approach to this industry will be sustainable. It's necessary to engage and support the entrepreneurial producer, in order for him or her to produce a slate of product.

• (1020)

We feel there are too many restrictions. There's too much arbitrariness with respect to what is Canadian and what isn't Canadian. As long as a Canadian owns a copyright and is in charge of the financial and creative affairs of a project, it is a Canadian project. Further restraints merely reduce the marketability of that project and curtail its success. So we feel quite strongly about that.

We're divided on the question of distribution. As you all know, in order to access the federal agency there has to be a Canadian distributor. That's probably right, but there are projects here in British Columbia that would far rather have an international distributor and think their opportunities would be better served by that chain. So I hope you'll give that some attention when you're considering the various submissions that have been made.

That is all I have to say. I would like to ask my two colleagues if they have anything to add and then pass the microphone to the next presenter.

• (1025)

Ms. Lodi Butler (Manager, Film Financing, British Columbia Film): I just have one comment in response to the sessions you heard earlier. I absolutely support the continued thrust of the federal government to ensure there is a theatrical release of a Canadian film, but I don't think there is an audience for that. There needs to be a considerable amount of policy change around creating an audience and providing marketing money for Canadian film. The audience needs to be developed through the youth, and right now the opportunities to do that have never been better through the Internet.

Out here in the west, we're not aware of what policies, administrative benefits, and technological skills the administrators of Telefilm may have around e-commerce. We'd like to see more emphasis and time spent on that. Perhaps that is a mechanism that could be used to develop an audience for Canadian theatrical film.

The Chair: Thank you very much.

Ms. Adams, now it's your turn.

Ms. Anita Adams (Executive Director, First Weekend Club): Thank you.

I didn't come here to make any recommendations, but specifically to talk about what we're doing with our organization, the First Weekend Club, to inform you what it's all about.

The First Weekend Club is a cross-Canada film club. We're a non-profit organization dedicated to building audiences for Canadian films and excitement for Canadian talent. Our objective is to build strong box office returns for Canadian films on opening weekends and, ultimately, to help keep more Canadian films in theatres longer.

As suggested by our name, the First Weekend Club, the opening weekend of any film, as you know, is the critical weekend to a film's success. If it does well on the opening weekend, then the film is likely to stay in theatres longer and potentially open in other markets across Canada. So we really focus on trying to get our members out on opening weekend.

The current situation is that moviegoers are hard-pressed to find Canadian films in theatres. As somebody said to me very recently, finding a Canadian film is like an Easter egg hunt: they're out there, but they're really hard to find. The First Weekend Club was formed to help audiences find and connect with those films when they open in a commercial market. Our belief and mandate is that if these films can perform well in their opening weekend, then they can withstand the pressure in the market from a huge wave of American product, which currently dominates 98% of the screens in English Canada.

Our strategy for marketing Canadian films is very simple. There are many ways to promote a film, whether it be through radio, TV, or print advertising, but the most effective way is word of mouth. The First Weekend Club is a grassroots, membership-driven organization that caters to our members and makes them the most important part in the process of promoting Canadian films.

I want to talk a bit about our membership, and then I want to talk about some of the other initiatives we're doing in support of Canadian cinema. Currently, we have nearly 5,000 members across Canada, and our goal is to have 100,000 active supporters across Canada. How we are achieving that goal is by building awareness about our organization and its mission and building our membership. We've done a number of things to support that. We've launched a public service announcement, a 60-second promotional piece with the theme, "Discover Canadian film". It's been seen at film festivals across the country. We've just got the green light to have it broadcast, so you'll see it on a number of stations over the next year. We are now talking to Famous Players Media about having it screened in their theatres across Canada, so we'll hopefully get that to happen; I think it will make a big difference having that in theatres.

We have also launched a number of membership drive contests in partnership with some large organizations, such as the Genie Awards, the Whistler Film Festival, the Atlantic Film Festival, and, this year, the Toronto International Film Festival. We're building a presence at theatres by sponsoring promo screenings, we're targeting movie lovers at film festivals with promotional materials, and we will soon be launching two new initiatives that we're very excited about. One is behind-the-scenes discussions with Canadian filmmakers and talent in Toronto, and the other here in Vancouver is a talk-cinema series, in partnership with the Vancouver International Film Festival, where we'll be screening Canadian cinema once a month.

To engage our membership, which is a vital part of what we're doing, we bring filmmakers and talent to opening weekend screenings. We're basically creating events around opening weekends, adding value to the movie ticket price. We also organize post-screening receptions, making filmmakers and talent accessible to our members. We've partnered with a number of venues in Vancouver and Toronto, where if you come with your movie ticket stub after the movie, you can get into this venue for free and get a free martini and appetizers. All of this is packaged in with your movie-going experience. It's amazing what a free drink will do to get people out to films.

Some hon. members: Oh, oh!

Ms. Anita Adams: There are great partnerships with some local restaurants. In Vancouver, we're partnered with Wilson's, a new steak house; it's a very cool venue, with a big screen where we actually show the trailers of the films we have just supported, or other films that we're going to be supporting next, to help start cross-promoting.

•(1030)

We're also offering interactive opportunities with our members and Canadian filmmakers through a new Internet-based forum, which we'll be launching within the next couple of weeks.

Keeping our members informed and spreading the word is a big part of what First Weekend Club does. We do this largely through the Internet. Monthly electronic newsletters about all Canadian films opening across the country are sent out. We also create electronic film alerts to draw attention to specific films of high calibre. Usually, those films are the ones we'll get behind and organize an event around.

Our website is becoming a well-known resource for Canadian film, which includes release dates, locations, synopses, names of key creators, and trailers if they're available. We want to make our website the equivalent of the apple.com website for trailers. If you're familiar with the apple.com website, it receives 100,000 hits a day. People go to it just to view trailers. Trailers are an effective way to get people excited about film. We also include articles and interviews with filmmakers on our website. There is also a forum we're going to be launching.

We're excited about a new program we just launched called the ambassador program. We have a large number of ambassadors, as we're calling them, in Vancouver and Toronto who are supporting our initiatives. We give them tickets to the promo screenings a couple of days before the release weekend. They go out to see the

film with a friend. If they like the film, their job is to go and spread the word to at least 10 friends: send an e-mail, talk it up to their friends or colleagues. Fortunately, we have a number of leader-type people in the program who have large networks and are supporting this initiative. We've just launched it, so I'm not sure what the result will be. But I'm feeling very optimistic about the people we have on-board, and the commitment and passion that is behind them.

Our membership has been the driving force of our organization. They're the most valuable asset. We are catering to them with the goal of creating a unique and memorable movie-going experience. That's a big part of what we're doing.

Aside from organizing events around Canadian films and sending out announcements, First Weekend Club is working with filmmakers, distributors, exhibitors, and publicists in creating or offering campaign management services. Some of these services include organizing promotional screenings and managing pre-release details. A lot of the distributors are based in Toronto. We have representatives in several cities across the country. We can be their arm based in Vancouver, or Calgary, or wherever. We can assist them in the release of the pre-release details. Designing and generating e-mail and media campaigns, overseeing and implementing grassroots marketing initiatives, organizing premiere launch parties, offering some publicity services—these are some of the things we do to promote Canadian films.

We've had a number of success stories, but the most successful to date is a film we worked on called *The Delicate Art of Parking*. We organized an army of volunteers who hit the streets with 10,000 fake parking tickets. If you ever got a parking ticket in Vancouver, you would think, "Oh, my God"—if you saw that on your car—"that's a parking ticket". Upon closer inspection, you'd realize that it's actually a promotional piece to a Canadian film. It even says, "This is not an actual violation, but it is considered a violation if you miss seeing this film". Then on the back we have the actual poster that you can see.

One of the key things we did in promoting this film in Canada was something we did with the exhibitor, the distributor, the filmmaker, and the publicist. If you had a valid, outstanding parking ticket from any municipality, you could bring it to the opening screening, and even matinee screenings on opening weekend, and you would get in for free. The buzz that generated in Vancouver was massive. People were so excited. They had to go see this film. We only redeemed 80 tickets, but the buzz our initiative caused was incredible.

That film went on to last in theatres for 13 weeks. On opening weekend it had the highest single-screen quota in Vancouver and the highest per-screen average of any film across Canada.

•(1035)

And again, I just want to emphasize how it was a combined effort of all these different people coming together and how explosive that was.

We did a mini-survey at the theatre on opening weekend just to see how people had heard about the film. We did it at three screenings, and this is what we found out: 39% of the people who were polled had heard about the film through one of the First Weekend Club initiatives, 38% from a friend, 34% from a feature article, 14% from movie trailers, 12% from print ads, 11% from radio, and 3% other. Of course, there were a number of people who'd heard about it from a few different sources. In fact, 40% of the audience polled had heard about it from three sources, and again, I think that's important, having all these different sources come together.

First Weekend Club has promoted over twenty films currently, and we have chapters in Vancouver, Toronto, Calgary, Victoria, Winnipeg, and Halifax, with plans to launch chapters in Ottawa, Edmonton, and Montreal before year's end. There is a huge need for our organization in this country, and given the incredible levels of inequity that exist between domestic feature films and American studio releases, we believe that Canadian Heritage should be made aware of First Weekend Club as a tool that, if expanded in Canada, could help improve domestic feature film performances.

Just to close, I'll say there was a report done by Telefilm Canada a few years ago called "Building Audiences for Canadian Culture Products, Corporate Plan", and they suggest one of the priorities is to create more accurate and meaningful tools for audience reach and for building capacity, particularly for the feature film sector. The report goes on to say a new strategy needs to be created to help promote Canadian films.

Well, that's what First Weekend Club is. We are a new strategy and we are offering a grassroots approach to directly reaching the public and building audiences.

Thank you.

The Chair: Thank you.

Ms. Liz Shorten (Manager, Marketing and Communications, British Columbia Film): Can I say I'm also a board member of the First Weekend Club? I just want to add that we're very thankful that Telefilm Canada has come on board in this last year to be a partner with First Weekend Club and a financier of our efforts, so you are helping First Weekend Club through Canadian Heritage sponsorship through Telefilm Canada. That's just to let you know Telefilm is supporting this initiative.

Ms. Lodi Butler: I'd like to say one more thing as well. Over the last four years, British Columbia Film has invested in 32 feature films. The more recent successes would be *The Delicate Art of Parking*, *The Corporation*, *Ill Fated*, *Emile*, and *The Snow Walker*, and Alibi Unplugged has certainly been a partner in getting those films out to audiences. It's been very obvious to us the success they have created around that, and we're very grateful for that.

Ms. Anita Adams: Alibi Unplugged is our mother organization, which owns First Weekend Club.

The Chair: Thank you.

For Ms. Bulte's benefit, I should say we added Ms. Ng, since she sat through most of our sessions yesterday and this morning and we thought she might have something interesting to contribute.

Ms. Ng.

Ms. Sauching Ng (General Manager, Moving Pictures: Canadian Films on Tour): I'm part of Moving Pictures: Canadian Films on Tour, and we are a travelling festival of only Canadian films. Everything we show is Canadian. We bring our films and our festivals to smaller communities. Presently we go to communities in B.C., in the Yukon, and in Alberta. We have gone to other provinces in the past, and we hope to be able to continue that practice and bring Canadian films to these smaller communities.

We're unique in the fact that many of the issues you have touched upon yesterday and today are problems we deal with. One is that we deal with the distributors to get the prints to showcase them at these festivals. Part of the problem with getting the audiences to the theatre is marketing. The other problem is accessing the prints. There are a limited number of physical 35-millimetre prints available for distribution, and a lot of our venue partners in these smaller communities would like to be able to access these films when they first come out, not when they're already out on DVD or video. Any kind of audience or publicity they want to generate in their community is lost because someone could just as easily get it on video at their local video store.

We also deal with the problems of exhibition. In some of these smaller communities it's in older theatres, which don't have the most comfortable seats, and one of the cases was Vancouver. We used to present our festival at the Pacific Cinematheque, and this year we took the initiative to take it outside the Pacific Cinematheque and bring it to Tinseltown, a more prominent theatre with higher traffic. What we're trying to do is bring Canadian films out of these smaller art house theatres and bring them to the public in a first-class theatre exhibition venue.

This year at our closing gala we presented an award for the best short film that was presented at our festival. This year the winner was *Milo 55160*, and we presented a cheque for \$4,500 to the filmmaker so they could continue their filmmaking career.

We also partnered with Odeon Films to screen and help promote *It's All Gone Pete Tong* at our June 1 gala closing screening. We worked with the exhibitor, and this is the first time they had ever done that. It was also the first time they'd released a film to Moving Pictures or to a festival of our nature before the theatrical screening. I think we did well in working together to get more attention for this film.

If you look at any of the weekly papers, you'll notice there's quite a lot of coverage for *It's All Gone Pete Tong*. What happened was, we have three publicists, two of whom worked on publicizing the closing gala screening and *Pete Tong*. In all the press releases it also included the Odeon publicist's name, so we were able to work together collaboratively to promote the film and get that out on the radio, on TV, and in the print media and build a buzz. One other thing we tried to do was bring more well-known performers to the screening to create more of that buzz around that gala, and we hope to continue to do more things like that.

This summer I'll be re-evaluating the goal of Moving Pictures and will try to revamp the business plan of Moving Pictures to try to strengthen it and make it even stronger than it is right now. I'll also make it so we're not duplicating any other efforts other organizations are making but are working together to try to collaborate and help each other out in the best way we can.

• (1040)

The Chair: Thank you very much.

Let's start with Ms. Davies, and then I'll switch over to Ms. Bulte just to keep things interesting.

Ms. Libby Davies: Thank you very much for coming.

It's actually really interesting to hear at this panel that each of your organizations is doing things in different ways. They're very collaborative.

You were here earlier, but I don't know whether the others were. We were talking about the distribution, the access, the marketing, the exhibition, and where the problem is in terms of the continuum.

When hearing from the panellists, the thing that strikes me is that you're each doing amazing things. Your First Weekend Club is phenomenal. I've never heard of it, which I feel terrible about. I'm someone who feels pretty connected, but I've never heard of it.

There's this image in my mind that you're doing everything right, but it's like this little speck in this vast world called Canada, with all these other forces bombarding people. When you say you want to go from 5,000 to 100,000, which sounds terrific, how are you actually planning to do that? You don't have to give me your whole plan, but what could we do to help facilitate that?

On the idea that it's grassroots-driven, we've heard from just about everybody that word of mouth is really important in the film industry. You're obviously tapped into that. Isn't that right? How do you create that network, whether it's Moving Pictures or not? How do we take what you're doing and explode it 1,000%? How does that have to happen? What has to change?

The second question would actually be to Michael. There has been a lot of discussion about the need for a much better connection with private investment. I don't know how the B.C. Film Commission lines that up. You say that you give direct grants, but do you actually help people make those connections?

I think we've heard from just about everybody that if there was a better way to make those private investment connections, for example, in terms of the production end or marketing, they would be a lot better off. Part of that could be through the role of government in terms of tax incentives or whatever, but in terms of stuff on the ground, who does that? Is that what a film commission needs to do or should do? Are you doing that?

Those are my questions.

• (1045)

Ms. Anita Adams: I'll start.

On building the membership and building support across Canada, I think it's going to take some time. But I think the key is to find

those partners, large organizations and key individuals, who can work with us to make it happen.

We're really pursuing Famous Players. I think they are key. They have thousands of screens across Canada. If we can have a presence at theatres hitting our target audience of movie lovers with our PSA, which is a beautiful 60-second, highly polished mini-film created by award-winning B.C. filmmakers—Carl Bessai being one you met earlier—I think we'll have an impact. We'll be able to reach more people to get our message out there, and we'll try to get it out there in a number of different ways.

We've also just gained the support or sponsorship from *Georgia Straight*. They're giving us free advertising in their magazine to promote the First Weekend Club. We are a non-profit organization. We have to get these organizations to either sponsor us or give us a real discount.

In talking to Famous Players, they initially sent me a media kit saying that to get on all their screens across Canada for four weeks was going to cost us \$400,000. I sent back a charming little e-mail, laughing about that, and asking them to sponsor us. It's a win-win situation. We are driving traffic to their theatres to see the films that are in their theatres. We're putting money in their pockets if they support our initiative. We have their ear. We only have to keep talking. I think that will make a big difference.

On having the support of large organizations and the government, of course, Telefilm Canada has been instrumental in helping us grow and build. We have an ambassador program. We're launching a number of different things to build that membership, but I think it has to come from a lot of different sources.

Ms. Libby Davies: Do people have to join?

Ms. Anita Adams: Yes.

Ms. Libby Davies: Is there a membership fee?

Ms. Anita Adams: It's free.

We are looking at starting what we're going to call a VIP program. So there will be two levels of membership, one is free and the other is an added value program, where we're going to find some other industry partners to give packages, or parts of packages, that we can offer to our members to start generating a revenue for First Weekend Club that can further help us spread the word on what we're doing.

• (1050)

Ms. Liz Shorten: I think the one key thing here is that we're trying to build audiences at a grassroots level, and I think we were talking earlier this morning about this. That is one of our challenges here, and Carl mentioned it earlier. In fact, there is a perception about Canadian films, and through the First Weekend Club we're trying to change that perception at a grassroots level. By taking on these kinds of initiatives, which seem to be small and baby steps, is the way we're going to grow the audience across Canada. We can't take on the Hollywood blockbuster, but we can incrementally grow. We've proven that we can grow a loyal, sustainable audience through these kinds of initiatives and through Moving Pictures, an initiative that takes festivals into outlying regions that don't normally get the Canadian films.

So we want to raise that awareness of Canadian films.

British Columbia Film has been a proud sponsor of Moving Pictures since its inception.

Ms. Anita Adams: I would like to talk about another initiative that we're launching. It's a radio talk show that we're putting together and pitching to CBC, so it would be national. The idea is basically like a book club, but for film, where people will call in and will either promote a film that you can get at the video store, or when a Canadian film releases across Canada, we'll tell our members to go and see that film, and then the following Monday, or whatever, to call in to talk about it. We'll have featured guests, like filmmakers, to talk with the audience.

The Chair: Thank you.

Ms. Bulte.

Mr. Michael Francis: I didn't answer the question, with respect.

The Chair: I'm sorry.

Mr. Michael Francis: I'm a chartered accountant by profession and I have been in the venture capital business for a number of years, so I know of what I speak in this matter. All the suggestions that come forward with respect to investment in the film industry are really just a debate on who should bear the loss. There's no prospect of profit. That's mainly because of all the fetters that are put on the filmmaker in terms of Canadian content and that sort of thing. You're really being forced to make product for which there is a very tiny market. Until that problem is solved, there will be no investment opportunity that is not dictated by tax breaks of one kind or another.

And you know the record in this area has been dismal in terms of when the industry first got going, and it was all done by tax-driven investment. The reason there are tax credits now is because the original system was so inefficient. For every dollar out of the investor's pocket, seven cents was getting to the filmmaker and all the rest was going on fees and commissions. So we have an appropriate level of subsidy for this industry, I would say, in Canada now. It's up to the filmmakers and the producers to make commercially viable operations that are worthy of investment on a return basis.

The Chair: Thank you.

Ms. Bulte.

Hon. Sarmite Bulte: Congratulations on the First Weekend Club. I'm listening to it now.

How old is it?

Ms. Anita Adams: We launched the First Weekend Club in February 2003.

Hon. Sarmite Bulte: So you're just two years old.

Ms. Anita Adams: Yes. In the first year I actually had no idea what it was going to become. The mother organization is Alibi Unplugged, which is a script-reading series that we do in Vancouver. Through that monthly script-reading series, I met a lot of filmmakers and discovered the plight of the Canadian film industry and thought I could do something about that. In my naïveté, we launched the First Weekend Club, and it just took off. Now that's our main focus. It's only been a year since we've really started to push and to make things happen.

Hon. Sarmite Bulte: What's your budget?

Ms. Anita Adams: Well, our main source of financing is through Telefilm Canada. We received \$100,000 for the year to operate First Weekend Club, to try to build it on a national structure. So we're working within that budget currently and we're trying to get some more funds in the door.

Hon. Sarmite Bulte: Through Telefilm?

Ms. Anita Adams: Through other funding sources, through the VIP program that we want to launch, and by contracting our services out to distributors to do some grassroots campaign management of film releases.

• (1055)

Hon. Sarmite Bulte: What's your website?

Ms. Anita Adams: It's www.firstweekendclub.ca.

Hon. Sarmite Bulte: Mr. Francis, I want to talk about your definitional changes. When the Canadian Feature Film Fund was set up in 2000, there were certain things that defined what constituted a Canadian film, which therefore would be eligible for financing. You used the example that as long as the filmmaker owned the copyright, then in a sense they had financial control.

Mr. Michael Francis: They have financial and creative control.

Hon. Sarmite Bulte: And creative control. What about a situation in which you have just the bare copyright? What they're trying to do right now is to split hairs in the copyright area and say you retain control, but assign the bare copyright in order to enable you to get international financing.

Mr. Michael Francis: The financial and creative control are the most important things. If they have financial and creative control, I wouldn't worry too much about the nature of their copyright ownership as long as it's there in one form or another.

Hon. Sarmite Bulte: So are you suggesting now that the feature film fund be amended? Is that one of the recommendations you're making, to remove the requirement for Canadian actors and directors and—

Mr. Michael Francis: Yes. I'm saying the system should be examined and should be liberalized in terms of the market for these products. I'm taking an industrial view as opposed to a cultural view.

Hon. Sarmite Bulte: Okay. So again, do we remove Canadian content requirements? I guess I'm trying—

Mr. Michael Francis: I think some Canadian content requirements are too restrictive. I would not have them on as high a bar from a points perspective, or else I would put more discretion in the hands of someone to assess whether a project is a good project or not and whether it should be made.

Hon. Sarmite Bulte: Okay. What in particular do you think is too restrictive? I'm trying—

Mr. Michael Francis: I think the total formula that has to be met by the numbers, and earning those numbers. By the time you've made that threshold you often have a project that doesn't have an international potential.

Now, many would argue that it doesn't matter whether it has it; it's a Canadian story to be told to Canadians. But I don't think that's going to build an industry.

Hon. Sarmite Bulte: I'm just trying to find a concrete example. Do you have some kind of specific recommendation as to how you would change that definition?

Ms. Lodi Butler: My specific example would be particularly around the lead performers. That certainly is the area in distribution that is the most difficult to nail if you're a producer.

A good example would be a \$10 million picture that has Lions Gate attached, and Lions Gate says, "Well, for our \$2 million distribution advance for the U.S. territory you have to provide us with A-list cast members". It's very difficult to negotiate around that and have a \$3.5 million investment from Telefilm Canada and meet the Canadian content requirements when the distributor is insisting on a certain A-list cast in order to make that \$2 million investment in this Canadian content film.

So the producer walks a very difficult thin line trying to put together all of those pieces, and primarily it's the cast that drives the deal if the picture is going to get any international distribution whatsoever. It's frustrating, and it's equally frustrating for the administrators of Telefilm Canada who are having to insist that if you want maximum investment out of Telefilm Canada, you have to have ten out of ten. To get eight out of ten is something else. If you get six out of ten and your film performs at the box office, you don't get a performance fund. So everything is tied to this Canadian content on an international basis. To get an international deal you have to have cast, and you can't do it. So cast—those two lead performers, who make up four of the ten points—is everything.

• (1100)

Hon. Sarmite Bulte: But there are ways around it. For example, we've heard from ACTRA that the rules are too flexible, especially in co-productions, where you can have people who are non-treaty members as the leads. The best example is Robert Lantos' last film. The director, István Szabó, is from the U.K., but Annette Bening and Jeremy Irons are the leads. That qualifies as a Canadian film. How is that restrictive?

Ms. Lodi Butler: BC Film has a different point of view. If a Canadian company and the shareholders of that company have creative and financial control—generally, 50-50—that is a Canadian film. In our current policies through the Slate Development Fund, there is no requirement on the grant money the company gets. There's no requirement that they meet any particular Canadian content regulations. If they own and control the production, they are financially responsible for the money. Far be it from us to tell a partner in the U.K. who's putting up \$6 million that they can't share equally in those decisions—creative and financial.

For me it's two things. If you want to develop an emerging community of filmmakers who are going to reflect Canadian culture, then you support those with different policies from those you present to producers who have been working in the film and television

industry for years. They need to work a business model. They are two distinctly separate things.

For the amount of money that's going into film and television in a business model, which you have been presenting recently to capture a box office, you have to have international partners. You can't meet your budget, and you can't get your partners without having cast, without having marketable elements, whether it's a director from Yugoslavia or whatever. If that person can attract an audience in that country and bring \$500,000 out of it, so be it. That's the business model.

If you have a small filmmaker in British Columbia who is making their second film, it's a different model of filmmaking. That person is not going to be able to attract a distributor in the U.S., number one, so there is no issue around cast or Canadian content. The Canadian content will be there because that's the level of financing you can raise within Canada.

We had a feature film fund, a three-year program we considered very successful. When it ran out, we went to our community and interviewed 50 stakeholders. We talked to broadcasters, distributors, filmmakers, producers, all across the board. We asked them what they wanted to do with the small amount of money that BC Film now had. They all said they needed money for development and marketing. They said that for BC Film to continue to be in production was not a valuable thing for us to be spending our money on. The tax credit program was providing that need for them. It's fair across the board. They did not have issues with Canadian content. You have to meet your minimum, but if you've met six out of ten, you still get your tax credits. If you get a six out of ten through the federal policy and you get good box office, you don't get a performance. There are inequities within that. Is it fair that a Canadian film that's owned and controlled and meets minimum Canadian content requirements doesn't get a performance if it performs at the box office? It doesn't make any sense. So across the board, every single stakeholder said they needed money for development and marketing—to get them outside of Canada, to finance their pictures, and to bring the money back to Canada.

We're now seeing the beginning of that. For the last five years we've had a Passports to Markets program, which has consistently got producers to markets outside of Canada. They are now bringing their financing back to Canada.

That is why, in the last fiscal year, the domestic production figures have gone up, not down, in spite of the federal government funding going down in this province. We strongly believe there are two sectors to feature film. There is the emerging and there's the business. The restrictions for business should be lifted to the extent that they can do business.

• (1105)

Hon. Sarmite Bulte: What about the performance envelope within Telefilm? Are you in favour of that?

Ms. Lodi Butler: Nobody in British Columbia has a performance envelope.

Hon. Sarmite Bulte: All right. That speaks for itself.

Just very quickly, if I may, Mr. Francis, you talked about the international distributors. One of the things we heard is that you need a Canadian distributor to be able to access Telefilm funding. Yet we heard today how that can be gotten around, in a sense. If you pre-sell to a Lions Gate and still have the Canadian distributor, you still have the benefit of international distribution through a company such as Lions Gate.

My concern is that we've heard across the country that the Canadian distributors are going bankrupt. There are fewer and fewer distributors left. I guess my fear is that this will put the final nail in the coffin if we decide to allow international distributors—you know, have an international distributor and at the same time access Telefilm. I wonder if you could comment.

Mr. Michael Francis: That's our fear too. That's why we're split. I don't think filmmakers are being well-served. On the other hand, to put the nail in the coffin of the distribution business in Canada would be counterproductive to many. So those have to be reconciled.

Hon. Sarmite Bulte: Okay. Thank you.

The Chair: Thank you.

Mr. Schellenberger.

Mr. Gary Schellenberger: I must say how refreshing it has been to hear this panel here today; you have a lot of great ideas.

Anita, I'd like to hire you for my next campaign. You have a lot of great, fresh ideas. I've always been one of those people who believe that if industry is in peril, it's up to industry, or people interested in that industry, to rectify the problem. So many times we want to look back at what used to be instead of looking outside the box, as you have.

There have been so many things I've heard. How do we serve more people? I know Libby mentioned the little dot that you are right now, but with the initiative to go from 5,000 members to 100,000 members, and to be doing this in more places, as that success happens, I think you could probably end up with more people than that in your club. So I commend you on that particular initiative.

I've mentioned this a couple of times. I mentioned it to some of our former witnesses who were this morning, but not in the panel. When we were in Montreal we were fortunate to be taken to a company that develops and sells e-cinema. In their office complex they had three theatres. I know the difference between the 35-millimetre and how there are limited numbers of prints, and they last, lots of times, only a month and have to be replaced, so it's very expensive.

But regarding e-cinema, the theatre that got me was the middle one. In this middle one, you looked from up above and here it was, a theatre for 100 people. It had the slanted floor and the big screen, and the acoustics were great and everything. But the walls would fold in and they would come down onto the top of the wainscoting, and it was a universal room. You could use it for basketball, or sports, or to hold a meeting, as we are right here. I just thought, what an amazing thing this is.

The other day we had some people here from Simon Fraser and from the University of Alberta. They teach theatre as much as film in

their schools, and I said, "Do you have a viewing theatre in your school?" They said no, they didn't.

You're educating people. Sometimes it's a little harder to educate older people. If our youth are brought up, whether it's in public school, in high school, or in university, and they get to like film and they can go, they get that advantage.

I think some of these e-cinemas could be put in small-town Canada. I'm from a rural area, and in a lot of our little towns the theatres are closed up, and a lot of people just won't drive 40 or 50 miles to see a show; they'll do whatever is in town.

If some of these e-cinemas could be put into some of the school facilities.... All the children go to those schools. They would gravitate lots of times to schools. These buildings could be partnered with the school boards or whatever. If some of those tests would be done, whether you start it in the universities or whatever...most universities are accessible to the public, and at least once a week they could do screenings or something like that.

• (1110)

I think that's something else that might be able to be done. I'm just wondering about some of those things.

I was very interested. I know there are Telefilm Canada regional offices. Are there four across the country now, or are there more than that? I'm not sure.

Mr. Michael Francis: Four.

Mr. Gary Schellenberger: Do you think services...? B.C. is being serviced well because it's right here, but what about Alberta and Saskatchewan or...?

Mr. Michael Francis: That's what this office covers. It would be fair to say we're well served. You'd have to ask an Albertan.

Mr. Gary Schellenberger: I'm pleased you're well served by that.

Are there not ongoing talks or communication between the federal and provincial levels?

Mr. Michael Francis: No. Let me answer that, because this is a disgrace.

I've been in this job since 1991, as the chair of BC Film. There has never been, to my knowledge, a meeting involving a provincial minister who had responsibility for film and television. There has never been one. There has never been one attended by the minister in British Columbia. If there has been one, well, British Columbia wasn't included.

That has resulted in this race-to-the-bottom business with tax credits. There is no coordinated policy between the federal and provincial governments. We also think there should be a link between provincial participation financially and the federal agencies. BC Film works closely with Telefilm through our enhanced tax credit policy now. Provincially we're carrying far more of the financial cost.

For instance, five years ago, say, the ratio of provincial and federal moneys in British Columbia in a film and television product was about seven to one in favour of federal. Now we're not sure whether it's 50-50 or not; it's close enough to 50-50, but we're not sure, because of the big increase in tax credits. How that could happen in the absence of a policy framework is kind of a miracle. You just wouldn't think that would happen in something that is....

The heritage ministry had a particular style for a number of years. It didn't invite the participation of the provinces, as far as I could see from my seat as a provincial agency representative.

I'd like to go back to your first point, without taking up too much time.

The Chair: Mr. Lemay is—

Mr. Michael Francis: I'm also the chairman of the Vancouver International Film Festival. We're just building a film centre here that's going to be open in a couple of weeks. We have a theatre in that. The technology you're dreaming about is so close. We are going to be able to broadcast video with the same sound and visual qualities as 35 millimetre film. We're going to be able to do the same with DVDs. So all of a sudden, a classroom can be converted into a theatre.

This is very expensive now, and we are at beta test. But it's not far away. That's the time for it to move to schools. We have a 185-seat theatre. We see daytime use by universities and schools coming down to learn about film, and learn about foreign film too—because of our multicultural nature here—to learn about the countries of origin, but also to learn about Canadian film.

• (1115)

The Chair: Thank you.

Monsieur Lemay, go ahead, please.

[*Translation*]

Mr. Marc Lemay: Good morning.

I read your written submissions carefully, and I find them extremely interesting.

The First Weekend Club bears a slight resemblance to what we once had in Quebec. They were called “ciné-clubs”, or film clubs. I don't know if these existed elsewhere in Canada. Do you discuss films at the First Weekend Club? Are there other activities aside from film screenings? Are there follow-ups to the screenings?

The film clubs were essential in the development of Quebec cinema. Today, Quebec cinema owes its existence to the fact that many young actors, screenwriters, and directors took part in these film clubs.

Therefore, I was wondering if there are any discussions that follow film screenings, or any other projects of this kind? That is my question for the representatives of the First Weekend Club.

Madam Sauching Ng, is your organization, Canadian Films on Tour, obliged to pay rights on the films it presents?

I'm looking at your repertory and I find it extremely interesting. Even though you are based in British Columbia, I was wondering if there were similar projects that exist elsewhere in Canada? If I

understood correctly, this film festival tours from one city to the next. Are all the films listed in the brochure presented? If so, how long does the festival last? I think this is magnificent; this is an excellent initiative.

I see that you have sponsors. Telefilm Canada makes sure that there is a basic level of participation of your event. However, my question pertains to copyright. Do you pay for copyright?

I also have a question for British Columbia Film. Like the SODEC of Quebec, does your organization represent the province's film industry?

Since you said something interesting earlier, I would also like to know if there's a Minister of Culture for British Columbia. If so, I believe that you should be knocking on the minister's door as soon as possible, because Canadian ministers of culture from all provinces are going to have to make important decisions following the tabling of our recommendations.

If you do not have a Minister of Culture for British Columbia, I believe that you will need to have a good discussion with your premier. Nonetheless, I believe that there should be a Minister of Culture.

I have asked all of my questions. I don't know who would like to begin answering.

• (1120)

[*English*]

Ms. Sauching Ng: I can answer your questions about Moving Pictures.

We put together a selection of films every year. This is kind of like a menu of films. The venue partners from each festival pick and choose the films they want to present, and we go about getting those films from the distributors to showcase at the festivals. It's a bit of a juggling act. In many cases, we're not able to access the print of a film, so there's a lot of back and forth. I would say that a good portion of our time is spent trying to juggle to get the prints from the distributors to be able to present them at these festivals.

The other part is that with the rights to the film, we negotiate a rights fee with the distributor or with the filmmaker. We pay rights fees for the features and the shorts. It's something we do, and we're quite proud of that. We make sure we pay the rights, whether it's a flat fee or based on box office revenue.

We also bring filmmakers to the screenings so they can connect with the audience. There are a lot of Q and A sessions about the making of the film, such as what motivated them to start the film. There were good discussions.

In fact, one of our best discussions this year took place in Kelowna. We brought the filmmakers, Bill Marchant and Matt Fentiman, from the film *Everyone*, to Kelowna. What was supposed to be a 45-minute discussion ended up going past an hour and a half. We had to be kicked out of the theatre because there was so much interest in talking about this film. It motivated the filmmaker to want to put on a workshop at the festival next year. He was very invigorated by the feedback he received from the audience.

In a lot of the smaller communities they crave that connection with the filmmakers. A lot of the time they have small film clubs and film societies and they're cut off from a lot of the filmmaking. They'd like to bring their skill levels up a notch, but they don't have access to the talent to educate and challenge them. That's one need that we fill.

Yes, we have gone to other provinces in the past. In the past, we have in fact gone to as many as 12 cities across Canada. We had a venue in Collingwood. But every year, it's up to the venue partners to decide if they want to continue and come back.

This year has been an unusual year because last summer our festival shut down in a sense to try to re-evaluate what our role in the community of the film festival world was going to be.

I've only been with the festival since January of this year. I essentially had two months to put together a festival, bring it on tour, and get all the marketing material up and running for this festival. It has been a real labour of love.

We're a very small staff, a staff of one and a half people in our office. Part of the reason we're such a small staff is because we're not able to access more funding.

Non-profits have a lot of balls to juggle all the time when getting funding applications for all the funds. A considerable amount of time is spent putting in these applications. You have to make sure you hit all the deadlines. There are certain requirements for each fund, so you have to make sure that what you do fulfills those mandates. You do that on top of booking the films, coordinating with the distributor, coordinating with the shipping, as well as trying to support these venue partners to help market the films.

We hired three publicists this year to help us market the films. This is a practice that we want to continue because marketing films is very important.

• (1125)

If these smaller communities aren't able to access the media—because it's just a local person—sometimes they'll pay more attention if it's from a bigger city. That's also one of the reasons we put together a lot of events to market Moving Pictures. If we're able to get our name in the larger papers or in the larger media up here, then the small towns actually pay attention. Because they're so disconnected from everybody, they actually do a lot of searching on the Internet and they try to find out what's going on. So a lot of times they'll know, or they'll hear the buzz about a certain film from the press or from any kind of writing about it, whether it's a critique or that it won an award. So they're pretty connected and they know what's going on.

The Chair: We have about three minutes left.

Mr. Michael Francis: You bet. I won't need three minutes.

Just in response to the question about a cultural ministry, we've never had a cultural ministry in British Columbia, speaking not now

of film but of culture in broader terms. It's more often than not been an addition to the Ministry of Municipal Affairs. Right now, because of the large number of people employed in the film industry, it's been switched over to economic development. That is a long tradition in British Columbia, dealing with the cultural industries as just another interest group.

Ms. Anita Adams: I'm very sorry, but I didn't understand how this works and I missed your question.

[*Translation*]

Mr. Marc Lemay: May I ask you another question very quickly? I was wondering if, the First Weekend Club organizes discussions, after the screenings. What else is done aside from the film screening? Is there discussion, are there debates to spur interest, among not only television viewers, but among up and coming young directors?

[*English*]

Ms. Anita Adams: Yes. That's a very important part of what we do. We do try to add value to the opening weekend and bring filmmakers to the opening weekend. We've actually flown them in to Vancouver if they're not from Vancouver and had special screenings—Q and As—with them, and then brought the filmmakers and the stars of the film to a post-screening reception so they can carry on having interactive opportunities.

We are currently negotiating a sponsorship with the Fairmont hotels so we can bring Canadian filmmakers to different cities across Canada on opening weekends and have those discussions.

The Chair: Excellent.

Ms. Sauching Ng: I also wanted to add that when we bring the filmmakers to these festivals, we arrange their travel and accommodation. We also pay them an honorarium for participating in the workshops.

The Chair: Thank you very much.

I know it's been a very rich experience for all of us here in Vancouver. Thank you very much for your participation, for your patience, and for allowing us to meet with you again, even though we stood you up a month or so ago. I'm sure we'll look forward to further feedback from you as we proceed.

I don't know if you heard my explanation that we hope next week to adopt an interim report, which won't come to any conclusions. We didn't feel that was fair if we hadn't met both on the east coast and the west coast. We'll lay out the issues that have been brought to our attention and some of the proposals that have been made and ask for further feedback from our witnesses on specific questions. Based on that, we may hold a second round of shorter hearings. So you can expect to receive something from us early in the summer, and we ask you to provide us with some feedback early in the fall.

Thank you very much.

Thank you very much, committee members, for some excellent work. The meeting is adjourned.

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