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Chair

Ms. Marlene Catterall

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•(0905)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I call to order this meeting of the Standing Committee on Canadian Heritage. We will continue our hearings on feature film in Canada.

We're happy to welcome the Directors Guild of Canada and the Writers Guild of Canada. Thank you very much for taking the time to be with us, and the time I know you spent preparing. We look forward to your presentation.

Pamela, we'll start with you and your witnesses.

Mrs. Pamela Brand (National Executive Director, Directors Guild of Canada): Madam Chair, Sturla Gunnarsson, chair of the directors division, is going to start for us.

Mr. Sturla Gunnarsson (Chair, National Directors Division and Filmmaker, Directors Guild of Canada): Good morning, Madam Chair, members of the committee. I'm Sturla Gunnarsson, Canadian filmmaker, chair of the national directors division of the Directors Guild of Canada. I represent the directors.

I'm joined here by Pamela Brand, the national executive director of the guild and CEO; and Arden Ryshpan, our executive in charge of directors' affairs.

As you may know—I'm sure you do—the Directors Guild of Canada is a national labour organization representing over 3,800 key creative and logistical personnel in the film and television industry. The DGC has more than 40 years of experience contributing to film and television policy in Canada, and we're pleased to be able to participate in this committee's proceedings.

Reading *The Globe and Mail* this morning, I noticed that our friends from ACTRA presented yesterday. I think our presentation will likely be more dispassionate, but I want to assure you that we are equally concerned. It's rough out there.

The DGC believes continued and increased government support for feature films is essential. The support is excellent use of public resources because it achieves multiple economic and cultural policy goals: cultural sovereignty; nation building through the creation of shared cultural mythology; and the creation of thousands of environmentally safe, well-paid jobs, to name a few.

We support the basic aims of the feature film policy. Developing and retaining talented creators, fostering the quality and diversity of Canadian feature films, building larger audiences for those films at

home and abroad, and preserving our cinematic heritage remain important objectives.

Feature films are the most costly art form of our time. Due to the economics of production, most countries that wish to maintain a viable national film and television industry must provide ongoing support in the form of policy and funding mechanisms. In Canada this has meant enacting a variety of interdependent programs and public policies, most of which we will discuss here. It's important to stress that these are valuable and worthwhile.

Film is one of the most powerful and influential means of communication of our times. Supporting a strong and vibrant film and television production sector is the only way to ensure Canadian creators the ability to share their artistic vision with audiences within Canada and around the world. It is the only means to ensure that Canadians have a choice, the choice to see their own creations and to hear their own voices. Without it, the next generation of Canadians will grow up thinking that important things happen elsewhere; they do not happen here—or, as Northrop Frye would have said, there will be no “here” here if we don't recognize it in our popular art.

As stated in our submission on February 8, the key programs and institutions supporting Canadian film and television need increased stable, long-term funding. We've been saying this for a long time, but it continues to be true. These include Telefilm Canada and the Canada Feature Film Fund, the Canadian Television Fund, the National Film Board, and the CBC.

Likewise, the film production tax credits make valuable and necessary contributions to the sustainability of our industry. Without such ongoing support, Canadian cinematic expression will disappear from the world's movie and television screens, and that would be a great loss for us and for our children.

Pamela will discuss the future direction and specifics of our policies.

•(0910)

Mrs. Pamela Brand: Thank you, Sturla.

The feature film policy has provided important support to the Canadian feature film production sector. This industry has grown in economic importance and success in recent years, and key targets set at the announcement of the feature film policy in 2000 have been met.

But the English-language production sector lags behind, very much lags behind, the achievements of the French-language sector, and the Canadian feature film industry continues to require greater government support.

On this basis, our written submission to the committee on February 8 offered 18 recommendations. I would like to point out two recommendations the DGC made to the Canadian Feature Film Advisory Group.

To do its job properly, the advisory group must include members from the creative community. It currently does not. We recommend that this flaw in the board's composition be corrected as soon as possible, and I would like to add here that it is a very significant flaw to try to make an artistic creation without the involvement of the creators. It makes absolutely no sense.

Also, the DGC recommends that appointments to the board be made in a more open, transparent, and timely manner than they are currently made.

The Canada Feature Film Fund has injected much-needed funding into the development, production, and promotion of Canadian feature film. Since 1999 we have seen an increase in average production and marketing budgets of Canadian film, reaching the target set out at the announcement of the feature film policy in 2000.

In order for high-quality Canadian feature films to be produced and to compete in Canada and on the world stage, it is important that the targets for average production and marketing budgets remain at least at current levels. Most importantly, the overall volume of production must increase if you want to see more Canadian films emerge from the pack and achieve greater success at home and abroad.

Obtaining a critical mass in the volume and range of films made is the only way to achieve this. This goal can best be met through increased long-term funding for key mechanisms such as the Canadian Feature Film Fund, Telefilm Canada, the CTF, and the CBC. In this respect, film and television are no different from any other industry that requires government support. We need the stability to be able to plan ahead and to have a viable industry.

The DGC supports Telefilm's goal of building larger audiences for Canadian films. Commercial appeal, however, is notoriously hard to predict. There is absolutely no magic formula where anyone can say—the most experienced person cannot say—that a film is going to be successful. Therefore, we say it should not be the chief criterion for the support of film.

A key modification of Telefilm policy could help further the goal of diversifying production. Directors and screenwriters are involved in the production of a feature film from the outset, are a key and integral part of the production of the feature film, and are crucial to the success of the film at the box office. They should, therefore, be eligible for performance bonuses to be used for additional high-quality feature films. Greater funding of development and screenwriting ensures that projects going into production are of the highest quality, which in turn increases the chances of audience success.

In addition to recommending more development funding, the DGC supports maintaining the screenwriting assistance program.

The feature film policy set a box-office objective of 5% for Canadian film. We came close to this figure in 2004, but a large part of it, the giant's share, was earned by French-language films in Quebec. There has been a slight increase in the annual box office for English-language feature films since the policy was adopted, but there continues to be a strong need for continued support for English-language feature film.

The box office success of French-language film is largely due to the existence of a star system in Quebec. Creating a similar system in English Canada is an important goal. Currently, Canadian entertainment media do a very poor job of helping to build such a star system. They virtually ignore homegrown film and television and focus on U.S. stars and entertainment products. This is despite the fact that the CRTC's 1999 television policy allowed them to count these programs as priority programming in the expectation that it would contribute to the growth of a star system.

● (0915)

One positive step would be for the CRTC to introduce regulatory requirements to ensure that broadcasters help support the creation of a star system in Canada.

Arden Ryshpan is now going to speak on broadcasting and distribution.

Ms. Arden Ryshpan (Manager, Director Affairs, Directors Guild of Canada): We can't just make the films; we have to be sure we can all see them. To succeed, the feature film policy must ensure that we have a healthy, competitive, Canadian-controlled distribution sector. In turn, those same Canadian distributors and broadcasters should be obliged to make a fair and meaningful contribution to both the funding and airing of Canadian productions.

Currently, we face a low level of broadcaster and distributor support for Canadian film. Canadian distributors should be subject to specific requirements relating to the distribution of Canadian feature film before they can qualify for Telefilm or CTF subsidies.

Broadcasting policy can be a powerful tool to increase production in viewing of Canadian film, but it has been substantially weakened by the CRTC's 1999 television policy, which eliminated broadcasters' requirements to spend on Canadian drama. This policy has worked against the key feature film policy objective, the development and retention of talented creators. Writing and direction of productions designed for Canadian television is where much of the talent for feature films comes from. The near demise of drama on Canadian television screens is forcing talented Canadian creators to move to other countries to find work, or worse, to abandon the field entirely.

The 1999 television policy should be reversed. In our view, conventional television broadcasters should have spending and scheduling requirements to support the production and development of Canadian drama in general. Part of these requirements should be redirected or earmarked for Canadian feature films. This happens in other countries. The pay television services have not been contributing as much as they should to the support of the Canadian feature film sector.

Through the CRTC's top-up policy on licensing, they are avoiding meeting their full Canadian expenditure obligations. Pay television services have also reduced their financial obligations to the system by having their investments and productions treated as equity, even when there is little or no risk. Pay television services should be required to meet their full licensing obligations and not permitted to explore loopholes in the system in order to limit their contributions.

As Canada's public broadcaster, the CBC should be required to broadcast Canadian feature films during prime-time viewing hours. The DGC recommends that the CRTC require the CBC to broadcast a minimum number of Canadian feature films during each broadcast year to support the production, development, and broadcast of Canadian feature films.

Finally, to increase the necessary funds available for the support of Canadian feature films, a 5% tax should be imposed on the revenues from film and video distribution, with the proceeds earmarked to support the production and distribution of Canadian feature films.

Thank you, Madam Chair. We'll be happy to take any questions now.

The Chair: We're also going to hear from the Writers Guild. Committee members will then have the option of questioning one or both of you on the same subject. We find we get a little more dialogue this way.

Who is going to be speaking first on behalf of the Writers Guild?

• (0920)

Mrs. Maureen Parker (Executive Director, Writers Guild of Canada): Good morning, Madam Chair, members of the committee, ladies and gentlemen. Thank you for the opportunity to speak before you today.

My name is Maureen Parker, and I am the executive director of the Writers Guild of Canada.

The Writers Guild is a national association representing more than 1,800 English-language professional screenwriters working in film, television, radio, and multimedia.

I'm joined today by the guild's director of policy, Gail Martiri, and Judith Thompson, a feature film screenwriter. Judith is the screenwriter of Genie-nominated Canadian features *Perfect Pie* and *Lost and Delirious*. Her films helped make stars out of Mischa Barton, Jessica Paré, and Wendy Crewson.

The committee's examination of the foundations of the Canadian feature film industry is timely and vital. The 2000 script to screen policy has demonstrated our government's commitment to the Canadian film industry, and we strongly recommend that it be renewed. However, there is still a way to go before English-language films reach their full potential. While it is true that we are close to achieving the 5% box office goal set out in the 2000 policy, it is largely due to Quebec's success. English Canada's box office share remains relatively flat, at 1.6%.

English Canada is up to the challenge, but to increase box office share we need higher production volumes and budgets. More volume will offer Canadians a variety of genres while higher budgets will

provide films with more script development, experienced talent, and much needed promotion and marketing.

As film production budgets grow, public financing is not enough to support the higher production volumes we need to effectively compete.

For example, in 2003-04 there were only 26 CAVCO-certified English-language theatrical features. Yet they competed with 276 Hollywood releases for cinema audiences. The competition is fierce, and we need Canadian broadcaster and distributor investment to help fund development, production, and promotion endeavours.

Canadian broadcasters and distributors benefit enormously from our regulated national market, but their support for indigenous film and television projects is minimal. In 2003-04 Telefilm reported that distributors contributed only 4.5% while conventional and pay-TV broadcasters contributed only 8.6% of production budgets for English-language films. These low levels are not acceptable. Why are these companies allowed to benefit from American simulcast privileges if they are not prepared to honestly support Canadian productions?

Along with the DGC, we are proposing that all distributors pay a 5% tax on revenues from film and video distribution to help fund production and development budgets. We are also calling for a revision of the CRTC's 1999 television policy to reintroduce expenditure and exhibition requirements on broadcasters for Canadian drama and to support theatrical films through the purchase of broadcast windows.

The U.K.'s FilmFour, a division of Channel 4 television, provides a good example of how this can work. This company has financed and broadcast some 300 films in total, with about 20 feature films produced annually.

I am going to ask Judith Thompson to speak about craft issues.

Ms. Judith Thompson (Screenwriter, Writers Guild of Canada): The biggest challenge for English-language films in attracting the big audience they deserve, and don't usually get of course, is that they're competing with big blockbuster Hollywood films with enormous advertising budgets. Even my own kids will say, not a Canadian movie.

Lower Canadian budgets mean that scripts with a lot of special effects and many characters and complex story lines are just too expensive for the young audience that we especially need. Often developments are either rushed through or writers and directors are expected to work for free on development for years. In fact, agents will routinely say that's just what we do in the industry. You just can't expect payment or you just won't get another job, and so we have to basically swallow it. Then once released, the films often do fall short, especially because of non-effective marketing and very little promotion in the media. My own experience attests to that.

But Quebec films have broken through, as you know, and while much of their success is because of the unique linguistic situation, it is only part of the story. They weren't overnight successes, but they were the result of a concerted industry-wide effort. They repatriated their audiences by telling local and regional stories that resonate with francophone Canadians. We have to take those lessons from the Quebec experience.

I'm often told by producers when I am screenwriting, take out all the Canadian references because we need to sell it across the border. I think that's disastrous, because what you get is something very generic, and then we don't appear in our story. In Quebec the industry is loyal to its own and really invests in local talent. There's much more professional respect for the screenwriter, for the voice of the film in Quebec.

When I worked for Quebec producer Cité-Amérique inc. on *Lost and Delirious*, and the director, Léa Pool, I was given much more creative control. Of course there was input and collaboration, but there was an enormous amount of respect for the writing, and I think that's one of the reasons this film has sold to 23 countries and that it's a cult hit as well. In other films I've worked on, there's been a generic paintbrush so that it will appeal to the Americans.

There also has to be much more recognition that screenwriting, as well as being an art, is a craft. It's taken me 25 years to polish my own skills, and I know that I'm a better writer today than I was when I started out. Everyone thinks they can write a screenplay if they only had the time, but not everyone can. It makes no sense to me to produce a multi-million-dollar production that happens based on a script written in a couple of weeks by a couple of people in a room with coffee and donuts who have no experience of writing at all.

In Quebec, feature films are almost never trusted to a non-professional. For example, 61% of the 2005 Jutra Prize-nominated French films were written by members of our sister guild, SARTEC. In English Canada the picture is very different, with only 25% of Telefilm-supported films going to Writers Guild of Canada experienced writers. That's really shocking to me, I didn't know this myself. There are so many of us wanting to work, able to work. Under the Writers Guild of Canada agreement, features have also declined from 9% of overall member earnings in 2003 to only 6% in 2004.

There's a real lack of an English-Canadian star system and that has really crippled our films. Quebec has created a system where experienced TV writers, directors, and performers make theatrical features; they can move from one medium to another easily, and here it's more difficult.

The star system has helped convince audiences that local films and TV programs are very much worth watching, and those projects enjoy very impressive box office and TV viewing ratings as a result. I don't think their teenagers are cringing, thinking, no, not another Quebec film or TV show.

In 1999 broadcasters convinced the CRTC to allow Canadian entertainment magazines to count as priority programming to build a star system here. It's a great move. Although networks are using the shows to meet their CRTC conditions of licence, what WGC has found is that the Global, CTV, and Toronto One shows rarely ever comply with their Canadian content requirements because they're promoting, of course, Hollywood stars—it's sexier, I guess—and not Canadian stars. We cannot ever make the system work unless there's goodwill across the industry.

● (0925)

We also need to do a lot more homework before shooting begins. Of course, everything starts with the script, and the development stages are the research and development portion of our industry. By increasing the amount of development we do and actually paying the people who are collaborating on the development of the script, we could ensure that they work on paper before production begins. Everybody has heard about development hell, and often this means it is protracted, but this is because nobody is paid and everybody's opinion counts except the writer's and director's, and it goes on and on.

In Hollywood, they develop about 10 scripts for each film produced, and most studios do twice this level to increase the likelihood of making a hit. In Canada it is only a fraction, because of course there is not enough money to do more.

Thank you.

Mrs. Maureen Parker: On the development scene, Telefilm Canada provides two types of development, the Canadian feature film development program and the screenwriting assistance program, SAP. We don't really like that acronym, but never mind.

The first type of development funding flows through producers, who contract a writer for a specific project. We recommend that this funding not only be maintained, but also be augmented.

The second, the SAP, provides screenwriters with direct funding to write a first-draft script. First drafts are the currency of our marketplace. No one will invest in a project unless there is a first draft, but instead of asking screenwriters to write for free, SAP partially funds successful applicants to write these draft scripts.

This program is a result of some lobbying approximately five years ago by the Writers Guild of Canada to ensure that there were a number of works in development. The Writers Guild spoke at great length with Heritage Canada, and this fund was created, and is now administered by Telefilm, to ensure that writers are not expected to create and develop projects without some type of financial compensation.

Launched in October 2000, SAP provides about \$1.5 million annually in script development funding to English-language projects. March 2005 data supplied by Telefilm show that of the 101 English-language draft scripts supported by SAP over four years, five were produced and about 27 of the total were optioned by producers. This is a big success rate by our curious industry standards. To put this in perspective, in Hollywood the number of scripts optioned is actually closer to about 1%.

We urge you to maintain this program. SAP is still in its infancy, given that it typically takes a script three years to get through development, but SAP's results already justify the government's investment.

We are also working with Telefilm to further strengthen the SAP program. We believe that more effective marketing and stricter eligibility criteria are required. For almost three years, we have urged Telefilm to create a website that would allow producers and distributors access to SAP-supported screenwriters and projects, but we are still waiting for action. There is absolutely no marketing of this program. This lack of response is particularly disheartening to the Writers Guild, given that just last week Telefilm managed to launch a website for foreign shoots.

We are also working with Telefilm to tighten the SAP eligibility criteria in order to direct funding to experienced professional writers only. This is an important step towards increasing the quality of supported scripts.

Finally, creators and artists must be represented on key decision-making boards in the film and television industry. Canadian screenwriters, directors, and other artists have put their livelihoods on the line to stay in Canada and make Canadian productions, with little chance of financial success. They deserve a voice in how cultural funds are allocated.

In conclusion, if we want to increase our films' chances of reaching audiences, we must start with the basics. To begin with, we need to choose an appealing recipe, which means telling local and regional stories. We need quality ingredients, and in this business that means working with professional talent—professional screenwriters and professional directors. We also need to allot films enough prep time by supporting writers in the development process; do not ask people to continually work for free.

After completion, our films need proper marketing and promotion and an effective star system to reach potential audiences. If we follow this recipe, we can make films that Canadians will want to watch.

Thank you.

● (0930)

The Chair: Thank you very much.

I'll start with Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you very much for appearing here this morning. We have heard various briefs over the days and I find yours very well spoken here today.

One thing that keeps coming up is that 5% we're almost at. I know Quebec has done the biggest share.

This is where we have to look. You have to look at success. Why has Quebec been successful? You have to draw from some of the successes. You say that in English Canada we must take lessons from the Quebec experience. Quebec doesn't own the copyright on culture. We have culture in English Canada also. I find the stories that can be told in the rest of Canada to be very interesting. As I go to schools and tell of some of my experiences, the ear of the young people is there. They want to listen and they want to understand.

I can remember when I went to high school. We didn't even have Canadian history. It was all European history. We learned of the explorers coming across the ocean and discovering Canada. At that time, the reason people didn't like history or geography was that we only learned about other places and not our own. So I congratulate the film industry—the writers, directors, and actors—for trying to get some of these things out.

I want to ask, how do you feel we can look at our stories in English Canada and pick up some of the cultural end? In Quebec they have a linguistic advantage, in that they don't have to deal quite as much with our American brothers and sisters that are so big and can dominate us here in Canada.

I would like to know how we might pick some of that up. Since Charlie isn't here today, I am going to champion his cause of the star system. If you have a star that you can bring into a show, right off the bat you have a bit of an advantage. Why don't we have a star system? You have said that industry may not have been forthright with you on this.

You also say that although networks are using the shows to meet their CRTC licensing conditions, WGC's research has found that shows on Global, CTV, and Toronto One rarely comply with their Canadian content requirements. Why would this happen? If there are requirements to be met, why haven't these broadcasters been challenged?

● (0935)

Mrs. Maureen Parker: I'll just start with the last question. The Writers Guild of Canada filed a complaint with the CRTC last week. We have documented and taped a number of shows on various networks and prepared a very detailed complaint. Our figures and analysis have told us that they are not meeting the requirement of two-thirds Canadian content. It's quite shocking how far off the mark they are.

CHUM, interestingly enough, is almost 100% Canadian content. This follows Moses Znaimer's particular school of thought—to promote Canadian, promote where you live. I'm sure if you ever turn on *eTalk*, say, you will see that there is absolutely no Canadian content. When there is, it's music. Not that music content is not Canadian, but it doesn't meet the strict requirements. This was not the intent and spirit of this change in the regulations. In 1999 broadcasters said, "We will help you build a star system. We will promote Canadian actors and Canadian writers and directors". Unfortunately, they have not done so.

So we have filed an official complaint. The CRTC has told us that they have informed both the networks, Global and CTV, and I expect that they will soon be responding officially.

Ms. Judith Thompson: Yes, I noticed—I don't know if anyone has been to the Kingston Canadian Film Festival, but what's remarkable about it is that it was just 100% Canadian films. I attended because my film, *Perfect Pie*, was there, and I'm from Kingston.

It was the most fantastic three days because it was all Canadian films, wall to wall. I hadn't heard of even half of them. I was so glad to have the opportunity to see these brilliant films, which were more than equal—superior—to 95% of what we get from Hollywood, and nobody knew about them. I would say to friends, even those in the industry, "Have you seen this? Have you seen this?"

It's all media, because nobody had heard of them, and yet there are these little festivals. There are several others, too, I believe—I think Sudbury has one—where it is all Canadian; it's an immersion.

• (0940)

Mr. Sturla Gunnarsson: I would agree that part of the success of Quebec films is telling stories people relate to. They are speaking to people's lives on a day-to-day basis, so naturally they are of interest. We do that on our side of the divide as well, but we have several obstacles, one of which is that we currently are very box office driven. What that means is that when you are promoting or proposing a film today—when you take a film to Telefilm, to any of the funding agencies—it must have what they see as very commercial elements.

The thing about the movie business is that nobody actually knows anything, nobody knows what is commercial, so what that translates to is generic elements. What it translates to is requests that the elements for the larger films be non-specific. It's in the specifics, the details, that the stories achieve universality. You have to go through the eye of that needle; you have to go through the specifics to the universal. Our gatekeepers often think you can skip that phase because it's the phase the creative people do and, you know—oh, it's so much fuss. So that's a problem.

Second, we always do get back to marketing. I had an experience not too long ago with a film I made. It was very regional, set in Newfoundland. They spoke in the vernacular. It was a comedy—still is, I think—and it was quite successful. People responded very strongly to it.

Our distributor made a lot of promises. There was a plan for release. The plan for release was intended...what was supposed to happen is that it would open in Atlantic Canada, because the film

was set in Atlantic Canada. We would try to create word of mouth, and it would roll out from there. There was an entire national release strategy.

Well, we opened in Atlantic Canada and we broke box office records. We were the top-grossing picture the weekend we opened—not the top-grossing Canadian picture, the top-grossing picture. The rest of the distribution plan? Well, we couldn't get the screens in Toronto until three weeks later, because...I don't know. And then Vancouver was another couple of weeks later; and oh, by the way, for the *Maclean's* piece—the only national coverage you have, apart from CBC Radio—they gave them the wrong release dates. So that piece actually ran two weeks before the picture opened anywhere.

So yes, we need to do a better job. There is no question we need to tell stories that are not just south-of-Bloor-Street kinds of stories. We need to reach out; we need to speak to people. We are doing that, but we need help from our gatekeepers and we need our distributors to be held to account. They need to be forced to do what they say they are going to do.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Clarification, Madam Chair. Is that the film about the duck?

Mr. Sturla Gunnarsson: Yes. I didn't get into the specifics because I don't want to tar any particular distributor at this stage.

Hon. Sarmite Bulte: I am just asking about a duck. I didn't mention the title of the film.

Ms. Judith Thompson: I just want to add that it's alarming to see that... Quebec has a lot of protectionist policy culturally, and what I am hearing at conferences is that the English Canadian protectionist policies are much thinner. They're thinking we don't need protectionism anymore—from the juggernauts of American culture, and British, and all that—but we do. We need someone to say this film has to take place in Canada, and there have to be local references, and you must have this many Canadian actors. And you have to have a Canadian writer. I was just appalled to be told by Maureen that it's now not necessary; Telefilm actually encourages them to hire American writers. The writer—

Mrs. Maureen Parker: That was previously. It's no longer the case. It was an administrative change.

Ms. Judith Thompson: Good, because each element being very important, I think it's a point system. I think protectionism is still very important. The need for it has not disappeared at all.

• (0945)

Mr. Sturla Gunnarsson: If I may, just to pick up on both Maureen and Judith's points, one is that you do need professional people who actually have learned their craft; and two, the creators must have a voice in the way the policies are shaped.

The notion of putting together generic elements to produce a commercial film would never come out of the brain of a director or a writer. It wouldn't. That notion comes out of the brain of people who do not respect the creative process, who think that the creatives are a necessary evil that must be endured in order to get on with the business at hand.

The Chair: Thank you.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Thank you for being here today.

First, I'll make a few comments. What's fascinated me over the past two days is to see the young people who have appeared before us. You're young and determined, but you aren't aggressive enough, unlike us in Quebec. That's not negative. I think you could be much more aggressive than you are with the leaders of the film-making industry in Canada.

I'll give you a few examples. Quebec may have a language advantage, which guarantees it a certain form of protection, but we have France, Switzerland and Belgium against us. So you have to be as effective as you need to be in order to fight the Americans.

I see a second thing that you should emphasize. We should have simultaneous translation of all your films because we don't know them in Quebec. I've been repeating that for two days, and I said it three times last week: we don't know your films, with a few exceptions, of course.

Mambo Italiano was immediately translated into English, Italian and French. So it was done at the same time. La grande séduction was done in English and in French. I can't get an answer to this question: why aren't your films translated into French? Is it a matter of cost? That should be said.

My question is for the Directors Guild of Canada. I read your brief and I took some notes. I assure you I did my homework like a good lawyer. I'll ask my questions in a series, and you can answer them one after the other.

How do you view an adequate system for designating positions at the CRTC, Telefilm Canada and so on—I won't name them all—which takes into account the demands I saw in your brief?

I'd like you to explain paragraph 30, on page 8 of the English version of your brief. I admit I found it hard to understand, perhaps because of the translation. The last two sentences in the French version read as follows: "Cette politique récompense les diffuseurs pour ne pas appuyer l'industrie canadienne et elle doit être annulée." You may answer in a moment. I know the Chair: I have to ask all my questions in a series; otherwise I won't be back.

Now I want to talk to the scriptwriters. There's something I don't understand. I entirely agree with you. In Quebec, it's impossible for people who write film screenplays not to be professional screenwriters. Only a minority of people write film scripts. They generally learn how to write on television programs. I can cite Watatow, for example.

I'm going to ask you the following question: do you think this would be a way to help you, assuming, of course, that the CRTC's 1999 decision were overturned? I'd like someone to explain to me why the CRTC made that decision in 1999. I don't understand.

Do you, the screenwriters here present, agree that a good film starts with a good script and that you can't rely on amateurs to write it?

There, I've asked all my questions. Now over to you.

• (0950)

The Chair: Thank you, Mr. Lemay.

[*English*]

Mr. Sturla Gunnarsson: I will speak to the question of accountability. I think, with all respect to everybody in the room, the only secure jobs in Canadian culture are those of the cultural bureaucrats and lawyers.

Mr. Marc Lemay: I'm a lawyer.

Hon. Sarmite Bulte: Not a cultural lawyer.

Voices: Oh, oh!

Mr. Sturla Gunnarsson: What I mean by that is that we do not have any recall system; we have no accountability in any of our agencies. In the United States, if a studio produces a string of hits, the person who is at the head of that studio is assured of their job, unless they can trade it up to a better one somewhere else. If they produce a string of flops, they're out. That doesn't happen here.

What happens here is...and I will reveal my age, because I've been around long enough. I was around when what it was all about was culture, the cultural voice, to hell with the commercial aspects, and everybody sang from that choir book. Now we're in the era of box office, and everybody's singing from that choir book. But it's the same people singing the songs. Nothing has changed. They've been the same faces for the last 20 years; nothing has changed. If we want these agencies to work toward success, they should be held to the same standards that we're held to, which is that if what we produce isn't good, we don't work again.

That doesn't happen with our cultural agencies.

Ms. Judith Thompson: I'd like to add to that.

Will our cultural legacy be a beautiful film like *Rare Birds* or...? I won't name it, but it's something that sold very well commercially and is a bit embarrassing, basically. That's why we have to protect what is quality, what reflects our lives, what will last and will be studied in universities and have an ongoing life. It may not make millions, but it lets us know who we are—that sort of culture.

Mr. Sturla Gunnarsson: I know I'm talking too much, but I just want to speak briefly, picking up from Judith on this question of the box office. The thing we have to remember is that the box office is an important indicator. If nobody's buying tickets to go see Canadian films, we have a problem. But it cannot be the only indicator.

That's not the way the movie business works. In the movie business today, the theatrical release of a film is basically a loss leader. The theatrical release of a film is there in order to enhance the value of the film when it goes to the ancillary markets, when it goes to video, to DVD, to pay television and public television. A film with a major theatrical release is worth a lot more money in all those markets than a film that doesn't have a major theatrical release. Therefore, the studios are prepared to spend a lot of money on their theatrical releases, not because they're expecting to make a profit, but because it's a marketing campaign.

So we must bear in mind that the domestic box office in and of itself is not a relevant indicator of the state of things.

• (0955)

Mrs. Pamela Brand: Mr. Lemay, if I can pick up from what Sturla Gunnarsson has said, you asked very precisely about our recommendations for board representation on all of those advisory committees. Both the DGC and the Writers Guild have recommended and have been working for years to have creators on those advisory boards. That is the only way a film has a really true chance of success. It's like trying to do surgery and not having a surgeon in the room—just a technician. It's the same for all of these agencies, advisory boards, and boards. Without the creators, the writers, and the directors there, they'd make anything except a good film. So that was our recommendation that you referred to in your question.

You asked about paragraph 30 and the licence fee top-up policy that the CRTC unfortunately introduced in 1994, again at the behest of broadcasters. I don't know if you have it in French, but I think it's fairly clear in English. It allows the pay and speciality broadcasters to deduct from their spending on Canadian content the licence fee top-up they have access to from the CTF licence fee program. So they are really counting funds that are not theirs as an expense, and that goes towards their Canadian content contribution. We have given you the figure of over \$112 million, which they could have put into Canadian production if that policy had not been in place.

The Chair: Pamela, I don't want to interrupt, but most of us on this committee are brand new, so we're learning a lot. This is quite technical. I'm wondering if you could explain to us not only what has happened in terms of reducing the amount being contributed, but what the licence fee is to start with, and then explain what has happened since.

Mrs. Pamela Brand: What do licence fees start with...?

Mrs. Maureen Parker: I'll start with the CTF. Maybe we can just help each other here. The CTF is the Canadian Television Fund. As you know, broadcasters have certain requirements. Speciality channels have to actually spend a certain amount of their revenue on Canadian content, unlike the conventional channels. They weren't affected by the 1999 policy, so they have spending requirements.

Now, what they do is count public money, so the CTF, which is our public fund.... As you know, you put \$100 million through Heritage into CTF. Broadcasters accessing that money use it to make Canadian programs. It tops up their licence fee. Their contribution to a program is called a licence fee. They pay a certain amount of money, and for that they get distribution rights. They use that top-up from public-private money under CTF and claim that as their own expense.

It doesn't make sense because it doesn't make sense; it's not that you're inexperienced. It doesn't make sense that they can claim public money as an expense.

Mrs. Pamela Brand: And we've given you the numbers. If you're a lawyer, you probably have some background in accounting as well. It makes no financial or accounting sense either.

Mrs. Maureen Parker: There are two questions for the Writers Guild.

The first is about professional writers. Thank goodness someone is listening; thank you. We've been singing this tune for a very long time, and it's very discouraging because the numbers are getting worse. We rely on our government agency, Telefilm, to support a professional community, and it's not happening.

What we're finding through our statistical evidence is that fewer and fewer of our writers are working on feature films. Now, it's interesting because it's a double-edged sword in that many of our writers don't want to work in features. It takes an extraordinary amount of time and effort to get a feature produced in this country. You have to make a financial commitment, and I'm sure Sturla could speak to that. The financial sacrifice you have to make in this country to get a feature made is enormous: no pay, no compensation, the long hours, etc. You can make more money in television and there's more stability, so of course, if you are trying to support a family and you have a talent, etc., you are going to work in television, not features. It's just too damn difficult.

In order to become a member of the Writers Guild, by the way, you have to qualify. You have to have a certain number of scripts, 60 minutes of drama, etc. Not everyone can qualify to join the guild. It is a professional association.

What we are trying to ensure is that professionals are writing our feature films. It makes no sense to entrust a multi-million-dollar project—\$6 million, \$7 million, *Beowulf & Grendel* was \$14 million, to \$17 million—to someone with no experience, someone who doesn't know how to write and craft a script for the screen, who doesn't know how many characters they can afford. Can you afford the car chase or not? There is a craft; there are practical questions you have to ask yourself. What is the audience looking for? All those things come with experience, as we know around this table.

Thank you for calling us young, but we're really not.

You learn things. Life teaches you how to do things a little better as you get along, and that's what we want to invest in.

I think Telefilm should be looking at who wrote the script. If it's not written by a professional, they should not be investing in it.

• (1000)

[*Translation*]

Mr. Marc Lemay: It's not part of the points system to have a professional screenwriter.

[*English*]

Mrs. Maureen Parker: No, you have to have a Canadian. That could be a Canadian landed immigrant who has actually never lived in Canada, or you can have a Canadian citizen with no experience, someone who's written a couple of shorts who has friends in the industry and who has a good idea.

And this is one last thing I want to say—sorry, I'm going on myself. Another trend we have noticed is that we've had a decrease in the number of contracts funded through Telefilm, but we see an increase in the number of story consultant contracts.

Judith is a very renowned playwright and screenwriter.

This is a new way of getting something produced. You don't want to pay for a professional writer, so you have it written by someone who has relatively little experience. You can't deliver the script because it's not working, so you hire an experienced writer as a consultant for a fraction of the fee. Our members need work; they'll take it. That's just a cheap way around the system, and again, I think what we keep focusing on is the lack of respect for writers and directors in this system. There's a complete lack of regard.

Producers? We love them, we need them, and we can't survive without them, but they don't write and direct the film. They need us.

As the last thing about the writers in television, I just want to say, Marc, writers in TV absolutely have experience, especially our writers on very big-budget TV programs. I know that Sturla in particular has directed long-form for television. You have to work. Judith has worked in TV as well. You have to work in both.

Again, I think the issue...and we use Quebec for this. When we talk about a star system, we're not just talking about a star system for performers. We need a star system for writers and directors, where it's recognized that Judith has worked in her profession for 25 years. She has completed and written some beautiful feature films. Why is she struggling to get work? Why is she being offered a \$3,000 story consultant contract?

Sorry, I didn't mean to let them know.

It's really disgraceful.

Ms. Judith Thompson: As far as the movie starting with the script is concerned, absolutely, that's what we say over and over. I just noticed, for instance, most films are from books now. Books are optioned by producers, and I would say a very high percentage of film scripts are adaptations of books. Well, we screenwriters would write original screenplays if we were commissioned to do so, original stories that aren't adapted from a book but are something to honour our art.

I noticed an example of support for the arts in other countries such as France, for instance, when I was there with a translation of one of my plays. The play required five actors. There were 25 actors in the

atelier for three weeks, because the government promises all actors an opportunity to participate in two workshops, or ateliers, and that's a guarantee.

Just to translate that into what we're talking about, if there was real support for the voice of the screenwriter, we would be commissioned to tell our own stories. And it would be a tiny amount of money. For professional writers, you consult the guild and say, we're going to commission ten writers every two years, and then work with a director. And then we have a wonderful product. It's not a book—it doesn't have to be adapted—but an original story, written for the cinema, for the screen.

• (1005)

The Chair: I would like to pass now to Mr. Silva. Normally Charlie Angus would be our next questioner, but Charlie—

Mr. Marc Lemay: I'll be Charlie Angus too.

The Chair: No, no. Charlie had to return to his riding for a funeral this morning.

Mr. Mario Silva (Davenport, Lib.): Maybe like our previous speaker, Marc, I will make a series of comments and questions as opposed to just asking one specific question.

I don't want to draw too much on the star system, because it's a complex issue in English Canada. We do have a star system of sorts, because we have a lot of great actors, a lot of great directors, and a lot of great screenwriters as well. Unfortunately, too many of them are living in the U.S. We do have a lot of incredibly talented people, but it's a much larger market and they can make much more money in the U.S. They are internationally recognized as well as very talented directors, screenwriters, and actors.

I wanted to focus on some other issues and priorities. I want to also make sure they get their priorities right in supporting the feature film industry. Yes, it is a question of putting more money in it, but are we putting the right money in the right place? We have heard over and over again that we're not putting enough money into marketing, into developing scriptwriters, and into developing those talent tools. We need more people in Canada like Judith Thompson, no question about it. Maureen Parker talked about putting more money into developing more Canadian movies, and I want to know if that really is the issue or whether we need to direct more money into things like marketing and scriptwriting.

The other part I want to talk about is distribution. In Toronto, for example, where I know the market quite well, I was on the film festival board for seven years and I was on FLIC in the city of Toronto for about eight years. Basically, we're known to have two major players in Toronto that have to answer to shareholders. Famous Players answers to the U.S. They know if they can't make any money on a movie they have to pull it out really quickly, and so they make decisions based on numbers.

Unfortunately, too many Canadian films are disadvantaged. People don't know that they even exist, because there's no marketing moneys, there's no promotion whatsoever. It's very hard to find where they're playing, even when you do know about it. And when they are playing, they play for about a week or two, and before you know it, they're off.

So it's very difficult. I think they also have to come into play in this whole equation.

The other thing—again, I'm asking a series of questions—has to do with how to protect the Toronto film industry. We have also benefited tremendously from the U.S. coming to Canada, and particularly to Toronto, to produce films. Part of it has to do with the low Canadian dollar, and part of it also has to do with the fact that we have a great talent pool in Toronto that has developed over the years. There's now a sea of protectionism in the U.S., and of wanting to start doing things back in Hollywood. Are we in fact worried that if we do more protectionism of Canadian feature films—and that's one question I wanted to be assured of—we may be jeopardizing that type of market as well, when it comes to Canada?

So that is the series of questions.

●(1010)

Mrs. Maureen Parker: Perhaps I could start with that last one. I hope we'll have the same opinion about this, but I have to say that last question really upsets me, because you're not talking about a Canadian film industry when you ask about U.S. movies shooting in Canada. What you're talking about are U.S. movies taking advantage of the lower dollar and our tax and credit systems.

That's all fine, because they employ a lot of below-the-line people, but that's not Canadian film; that's American film. If we're here to talk about American film, that's a very different agenda. Canadian films are written by Canadians, they're directed by Canadians, and they're starring Canadians. It's not about making films for the U.S.

I understand that they're going through difficult times, with SARS, the U.S. dollar, and so on. That's going to happen. If there's a fluctuation in currency, there is absolutely nothing you can do to prevent that. If we spend our time chasing that type of production... You cannot change world economics. They are going to go where it's cheaper to make a film. The only way we can ensure that we have films is to make our own.

So I really hope that will not be the focus of this committee, because it is not in any way benefiting Canadian features.

Mr. Sturla Gunnarsson: Mario, perhaps I could just pick up on that. The service sector is important, certainly to our membership—not so much the directors, but our below-the-line people and some of our directors. But honestly, I do not see any linkage between support for our cultural sector and whether or not the Americans will come to

Toronto or Canada. They will come here because they do a spreadsheet. They do New Zealand, they do Australia, they do Tennessee, and they factor in the tax credits and the exchange rate and they go where it makes the most sense for them financially. It's as simple as that.

In fact, if anything, most of the people I speak to in Los Angeles, when we explain to them what we are doing with our films, totally understand that. Where they get upset, understandably, is when our public funds are in fact being used to subsidize the Viacom and the foreign corporations that choose to shoot here.

There's an argument to be made for our doing it, and I don't want to get into that, but I honestly see no linkage between working towards a strong, vibrant indigenous sector and the level of service production that we see.

As for the protection of Toronto, this is the national pastime of our nation, to beat up on Toronto—and I say that as somebody who grew up in Vancouver. We have had systemic policies that discriminate against Toronto. The basic attitude has been that Toronto has the service sector. So in fact, the way the financial structures are set up for production in Canada favours production anywhere but Toronto. I have not made a Canadian film in Toronto in 10 years. I have shot American films in Toronto. My Canadian films I shoot in Newfoundland and I shoot in Vancouver. I shoot in Iceland. I shoot in India. I don't shoot them in Toronto. That's a shame.

Third, on the question of the exhibitors, you are absolutely right, the exhibitors are not regulated. They are in business, and on Monday morning the distributor calls the exhibitor and says, "What are the numbers?" Whoever has the lowest numbers is out because there is something else coming in. There is no question about that. But how an American distributor responds to a film that is performing poorly is that they then assure the exhibitor that they will throw money at it. They assure the distributor—the exhibitor—that they believe in the film. Why should the exhibitor believe in the film if the distributor doesn't believe in the film?

●(1015)

Ms. Arden Ryshpan: Let me follow up on something Sturla said about distribution.

We use the American model when we look at distribution; it is quite true that it becomes a very economic argument. That is perhaps not really a valid argument here in Canada. Outside of the United States and India, there are no film industries that are capable of surviving without substantial government support.

The Americans look at film as entertainment product. They treat it to some degree as they would the export of a coffee cup or the pens we carry, in some respects, and it is enormous business for them. We call it “culture”, and we call it culture for a reason. To reduce it, as I think perhaps some of the distributors or exhibitors in this country have, to a strictly economic argument I don't think is particularly valid, as I said, outside the United States. The Canadian taxpayers have to a large degree paid for these films. I think they have a right to see what they've paid for, and I think they want to see them as well. I just don't think it is an argument we can entirely accept here.

There should be—there are—things in our society we put money into about which we don't say, it's reduced to the economic argument; either we see a direct dollar figure back or we ditch them. Not every industry works that way, and God help us, we don't want to reduce everything in this country to a strictly ledger, “dollars in, dollars out” kind of factor. We really have to look at the enormous benefit films provide this country. We talk about how they tell our stories. Sturla opened this morning by asking, how do our children understand anything about our country if they don't think anything important or interesting has ever happened here?

Anyway, I will stop. I have made my point.

Mr. Sturla Gunnarsson: I'm sorry, Arden, just to pick up on that, I personally do want my films seen; it does matter to me. It is heartbreaking to put four or five years of your life and sacrifice into something and then play it at a film festival, get some nice, polite applause, a tepid, mainly positive review in *The Globe and Mail*, and a couple of weeks somewhere. What is that about? That is ridiculous. No grown human being should be forced to endure that.

So I agree we have to get people in to see our movies. It is not about the bottom line; it is just about making something that is on the radar screen, that has some consequence. That is why I was referencing the distributor.

I don't know what we can do about the exhibitors. They are multinational corporations. They are in business. If you want to try to regulate them, that is great. I am ready for it. But we have been down that road—I am showing my age again—we have been there.

What we do need is what was proven a couple of years ago with a mediocre Canadian film that was a pilot project for commercial cinema. They spent a lot of money releasing it, they put it on a lot of screens, and it sold a lot of tickets. It didn't last that long, but it had an impact. Had the film been good, it might have even been a hit. But it is axiomatic that the more you spend on the release, the more people are going to go to see it. If people don't know it is there, they can't go to see it.

Mrs. Maureen Parker: I'm sorry, you had two very quick questions for us on development.

Development. We have an expression: if it doesn't work on the page, it won't work as a production. Really, that's how we need to look at it. If you have kinks in the script, if you can't figure out how to move from A to B, if characterization is not fully developed, it has to stay in development. What you have to do at that stage is throw some money at it. You have to pay someone to actually fix the script. You can't say, “Look, you need to do draft 11 for me, please. This

isn't working”. There has to be money in the system for the people who actually get this script ready for production.

Promotion and marketing are absolutely essential. That's what we are talking about. I believe Telefilm has already created new regulations that came about as a result of this policy—about spending more money on marketing and promotion. I think this very much is working and will continue to work, but it has to remain a focus.

On the last thing you said about the talent pool, that we have a star system, it lives in LA, yes, but not by choice. Some people want to move to LA, and that will happen in any country, because LA is the centre of our industry, without a doubt. People like Jim Carrey, etc., will want to move to the States. I have several very talented writers who have never wanted to move to the States.

I will just mention Hart Hanson for a quick second. He is the writer/creator of *Traders*. He couldn't get another development deal in Canada. He is now in the States. He is a showrunner on *Judging Amy*. Scott Gemmill from Toronto is a showrunner on *ER*. These are huge, enormous jobs...millions of dollars a year. If you would offer him a job back in Canada, I guarantee that he could get a show into production and he wouldn't have to go through the CTF lottery system. He would be back here in a flash. It doesn't work that way. What we want is an industry where Canadians can choose to stay here and expect some type of decent living.

Thank you.

• (1020)

Mr. Mario Silva: I would like to make one last comment, Madam Chair.

The Chair: I am sorry, Mario. We are well over 10 minutes and I have to give Ms. Oda a chance.

Mr. Mario Silva: Since the statement was made, I just want to let you know that although I do share a lot of the concerns and sentiments, I also have a concern for the many people who are employed in the industry in Toronto.

The Chair: Ms. Oda.

Ms. Bev Oda (Durham, CPC): Thank you, Madam Chair.

Thank you very much for coming today. It's nice to see you here. I would tell Mr. Lemay that to invite Ms. Parker to be more aggressive is an invitation....

Some hon. members: Oh, oh!

Ms. Bev Oda: But I do support your encouragement, because I think we've got to make sure we hear you, and hear you loudly, but also hear you with some clarity. I want to make some comments, and I'm going to also pick up on another trick of Mr. Lemay's, which is to ask all my questions at the beginning and then allow you to respond to them as we go along.

One of the things that have come across very clearly to me this morning is that we have a feature film industry, a broadcasting industry, and we have policies, but we haven't actually deciphered... and I think we have to understand that service productions do serve a purpose, but it's an industrial purpose, a human resources purposes. It helps in training. What will help the Canadian feature film, the Canadian cultural product, is that we will then have a more skilled workforce. I think we have to understand that one is not in lieu of the other, but we need to regard service productions for the benefits and for the purposes that they do serve, not to the exclusion of feature films.

I think when we have a feature film policy we should recognize that, but focus our attention what we would call the cultural Canadian feature film. What happens when we encompass everything together is that we hear impressive numbers about the number of people working in the industry—you know, how many dollars are added back into the economy, etc., and that's great. But when we want to focus on how we get Sturla's product seen by Canadians, it has to be different, and we have to focus on that. That's the way I see it, clearly.

I would like to ask you for a number of other things as a follow-up to today—in writing but with more specifics—so that we can come out of this process with some concrete recommendations, some specific recommendations. You talked about the distribution plans, and you've said here that you recommend specific requirements for distributors vis-à-vis their distribution plans. Canadian distributors are non-regulated, but they do get an advantage because of the existing policies; they get an advantage in the form of support through taxpayers' dollars. So there's no accountability. We've heard that before. But what I would like to hear from you—and maybe this is one you can do as a follow-up in writing after you've given it some thought—is what specific requirements you would recommend Telefilm ask of them.

I have another question here. You mentioned something in your presentation about eligible performance bonuses for directors and screenwriters. Can you also provide us in writing with some more specific recommendations on how that might happen?

You've also asked—and not only you, ACTRA has done this as well—for more creative representation on boards. If I were to say to you, I'll take one representative from one of your sectors, would you be satisfied? How do we do it? Do we pick a director, a screenwriter, an actor—because that's always the dilemma—and who gets to pick? Again, if all the creative sectors could come together and say...you know, the process is being debated and discussed publicly now around Supreme Court appointments. There are various processes being suggested, and one of the processes involves the presentation of a slate of candidates. Can you come up, from your creative side, and say, for the boards of these organizations, here's the process that we collectively could support?

● (1025)

Again, government may say they'll name this one person and find out that 80% of the creative community isn't necessarily in agreement with that one person, even though that person comes from the creative community. What we want is an open, transparent, accountable process suggested by you.

On the reversal of the 1999 CRTC.... And I want to say this clearly for the record: I am in no way defending the commission or endorsing their activities. I do see a purpose to be served by the CRTC, and there's also always room for improvement. I think that in fairness we have to represent the 1999 decision accurately. There was not a negation of Canadian drama or feature film. What it did was expand the category called priority programming to include other program categories that may have been less costly. Also, there was an addition of Canadian content in prime time, so there was an increase in Canadian content.

If you ask for a reversal, what you're asking for is the removal of documentary entertainment programs. There may be some flaws in the promotion of Canadian talent and a reduction back to the number of hours that were there. The statement of reversing the 1999 decision has impact, and I want to make sure that's really what you're advocating and you're asking for, because I think in one case, the entertainment programming.... I'll be very interested to see what you've filed with the commission.

The two-thirds content: does that include the hosting as well? That's my question. Is it a matter of clarifying the definition of what qualifies to meet the objective, or is it a flawed approach? Can we achieve the answer?

I really appreciate that you've come forward with some specific recommendations, absolutely. I think this is going to make this committee's review very effective. But again, take the opportunity to try to move the process another step further; I'm asking you to respond with a little more clarification on some of your things. I just want to hear from you on the specifics of how it's going to be able to increase our support.

The Chair: Ms. Oda, you've asked for some feedback on a number of things, and since we're just about at the end of our time, unfortunately—this is a frustration we've been feeling since we started our hearings—maybe we could give Mr. Simms an opportunity to get in on this round of questioning, and you could ask for the feedback.

● (1030)

Ms. Bev Oda: There were a number of things I did ask for feedback on, and I suggested that be in writing. I would appreciate it, if they wanted to say anything verbally today for the record, if they had a short opportunity to do that. Not everything I asked for was to be in writing.

Mrs. Pamela Brand: I just want to say for the Directors Guild that with respect to your opening comments about the service production being industrial, certainly the DGC fully agrees on that. We believe it does create the infrastructure and the training for our members, and that in turn allows them to work better on Canadian film, and we at the Directors Guild fully agree on that.

With respect to the others, we were the ones, the DGC, who made the recommendations on the distribution and on the eligible performance bonuses. We will provide to the committee within two weeks, if that's sufficient, specific recommendations in writing. With respect to the reversal of the 1999 policy, I understand exactly what you're saying, and again, we will address that in writing to the committee.

Thank you.

Mrs. Maureen Parker: Thank you for those questions. We too will respond in writing. We do support our colleagues with respect to the two policies that they are proposing.

Reversal? Absolutely. In fact, I was very careful when I made today's presentation to say to reintroduce expenditure and exhibition requirements. I'm quite aware of how the category was expanded, but it's always good to have a pro tell me how to look at it a little more carefully. So thank you. We'll take that into consideration.

Regarding the boards—I just want to stress that we've been at this a long time. In fact, I make it part of my regular letter-writing campaign. Susan Peterson at Heritage loves me. She probably doesn't think I need to be more aggressive either, but never mind.

But the one thing about the boards that we want to stress is that one representative is not enough; you are right. But why are we tied to one? We have dual markets, different languages, and as you were just mentioning earlier, we have different concerns. We have a service sector that serves a very—and I'm not denying it—valuable resource for below-the-line crew and experience, but we also have an above-the-line sector. My members don't write these American films. They are not usually directed by Americans. So if we were to appoint one person, an actor let's say, who worked on American production, where is the rest of the community represented?

So you have to really look at that. We can absolutely guarantee you that we will have commonality and agreement. We have also said let's use the unions and guilds to appoint spokespeople. If you appoint a renowned writer or director, they may not know the issues. They may not make every meeting because they are working. Use the unions and guilds to find a proper spokesperson for you.

We will respond in writing as well.

Thank you, Bev.

The Chair: Thank you very much.

Hon. Sarmite Bulte: Madam Chair, I have a point of clarification. When you say “below the line”, we don't know what that means.

Mrs. Maureen Parker: It's a budget term in our industry. Generally the producers, writers, and directors form part of a category in the budget called the A category. The stars are at the A line of the budget. “Below the line” refers to cast and crew, other than the stars. Sorry, that was a little industry term there.

Mr. Sturla Gunnarsson: And just for further clarification, there are Canadian directors directing on the service productions.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** *Merci bien.*

Sturla, I have a quick question, a point of clarification as well. You said something earlier about the CTF lottery; is that correct? What is that?

Mr. Sturla Gunnarsson: How much time do you have?

Mr. Scott Simms: Oh, goodness. Well, I want to get into something else, so is it a point of sarcasm or what? Okay.

Mr. Sturla Gunnarsson: It's just that there is a grid system, and these projects that are applying for funding move through the grid, and they have to get certain points for this, certain points for that.

What it basically ensures is that the projects that make their way through the grid are the ones that didn't offend anybody. You know, there are certain points for regional representation, certain points I'm sure for gender representation, certain points I'm sure for race, and all manner of things, and for nature of financing. I can't even begin to explain it.

It's like Kremlinology; I'm in the business and I don't understand it. But the point is that it has nothing to do with who made a good film last time and whether they are making another one.

• (1035)

Mr. Scott Simms: Okay.

I want to touch on an issue that came up yesterday. Of course, being a member of Parliament from Newfoundland, I'm always big on regional development. And I'm a big fan of your movie and as big a fan of the book as well. But at the crux of the story, which is a good one, I think—and correct me if I'm wrong—a middle-aged man wants to have some changing circumstances in his life; *ergo*, he is surrounded by colourful characters. That is not typical of Newfoundland, but the setting certainly added to the story.

However, coming here yesterday, I realized that the disincentive that's there—and I don't know the full details—to keep the production away from Toronto is one that I do not, on the surface, agree with. I haven't said this too often, but this is the centre, and this is a place that allows a good script to be a good movie and to be seen by as many people as possible, and I'm a believer in that now.

If that disincentive was not there, what would you have done differently in this production? I mean, the book is set in Newfoundland. I am assuming you would have shot it there.

Mr. Sturla Gunnarsson: *Rare Birds* was an organic production. The novel was set there. The writer and the producer were both Newfoundlanders, and they flew me out and took me for a test spin at the Ship Inn. When I passed, I became the director. Everything about it came from that place, from those roots.

The kinds of films that you will see moving are the ones that are less organic. They're not coming from a specific place; they're more industrially based. In my view, removing the disincentive for production in Toronto would not culturally disadvantage any part of the country. It might, however, disadvantage some service producers in certain parts of the country—producers who've become attached to Toronto producers who need a regional front.

Mr. Scott Simms: A question that came up yesterday was, why should there be an incentive for Vancouver when it is already a thriving industry centre? Would there be certain stages of doing this? With regard to these incentives built into the system to bring production away from the centre, should all of this be thrown out, or should we keep some of it?

Mrs. Maureen Parker: There's a wonderful book by Peter Grant called *Blockbusters and Trade Wars*. I'd like to recommend it because it deals with something called the cluster theory. The cluster theory refers to the fact that in every country there's a centre where artists gather. In these centres, they can be supported by their community and receive services. It's a natural phenomenon that's happened for thousands of years. Here it just happens to be Toronto and Montreal. Vancouver is also something of a centre, but it seems to be more of a service location.

It's abnormal for us to fight against that cluster, and I think this is something we just need to address. I'm not saying that there's a way of removing regional incentives, but we need to support the places that the majority of our artists choose to live.

Mrs. Pamela Brand: In the DGC brief, we have a recommendation about regional incentives. What Maureen said about Peter Grant's book is true. And it's not just the film industry; it's every industry. Whether it's software or fishing, they all tend to cluster in certain centres.

However, we feel it's important to have a level playing field. There should be no disincentive for Toronto and there should be no disincentive for English-language production in Montreal, which there currently is. The most important thing is to have mobility of creators across the country. Without that, you are going to have films that do not work because they do not have the necessary artistic and creative vision.

As long as there is a level playing field across the country, which we hope this committee can work towards, I think things will work well.

•(1040)

The Chair: Thank you very much. I know a lot of time has gone into your preparation for this morning, and we appreciate it.

•(1040)

_____ (Pause) _____

•(1052)

The Chair: My friends, I think we had better get back to work here. We kept our next round of witnesses waiting, and I apologize for not keeping us bang on schedule.

PS Production Services, and Women in Film and Television.

Mr. Doug Dales (President and Chief Executive Officer, PS Production Services Inc.): I could use some company here. After having six people in front of me, I feel—

The Chair: While we are waiting for Gary, Gord, and Marc to rejoin us, Sam has raised an issue—that I have been letting the questioning go on a little longer, meaning that not everybody gets to question every panel of witnesses, though it does mean that everybody does get a chance throughout the morning.

I'm caught in a dilemma here, Sam, because I know how frustrating it is to have five minutes only to develop a line of questioning and pursue an issue; at the same time, I know how frustrating it is to sit here through a whole panel of witnesses that you are dying to question and not have a chance at all. What I have been doing in fact is letting the questioning by each go on longer, meaning that with every panel of witnesses not everybody gets to

question, but that throughout the morning everybody does get to question and pursue a line of questioning.

So perhaps we can continue that way for this panel of witnesses and then, as we start our afternoon session, we could discuss whether you'd prefer that I cut off everybody a little sooner. The difficulty, of course, in doing that is finding that the questions and answers are not short, but I'm in the hands of the committee as to how you would prefer I handle that. So if we can proceed, I'll make sure that everybody who didn't get time this morning certainly does get time with this panel. Perhaps as we start this afternoon, we can talk about whether you would rather have shorter question and answer sessions so that everybody gets to question every panel.

I think we had better go ahead, as we've kept our witnesses waiting long enough.

So from PS Production Services Inc., Doug Dales, president and chief executive officer.

•(1055)

Mr. Doug Dales: Thank you, Madam Chair. Good morning, members of the committee. It's a pleasure to have the opportunity to address you.

As a preliminary comment, I want to note that the information contained on the Canadian feature film policy information paper provided on the Canadian Heritage website is extremely accurate, concise, direct, and comprehensive. I think it does a fairly good job of portraying the issues and problems as they exist. Most notably, in a world full of bad news, the sections highlighting the successes of such notable Canadians as Atom Egoyan, David Cronenberg, and Denys Arcand illustrate that certainly something's going right; it's not all bad news.

My role here this morning is to add some perspective and detail from a point of view that's seldom heard, and that's the independent business part of the industry, the support businesses, all of which are part of making the industry work as a whole. I provided some briefing notes a while ago, but I guess you didn't get them. I don't know whether they were circulated or not, so I'll give you a quick rundown.

Production Services is a specialty rental company that provides, by means of rental, the camera equipment, lighting equipment, grip equipment—that's the dollies and the camera cranes and silent mobile electrical generators—to producers of feature films, television dramas, commercials, and documentaries. It's very expensive equipment. For example, a single 35-mm camera with its ancillary lenses and so on costs in the range of about \$1 million Canadian, so it's an industry that is very capital intensive.

There are actually four large suppliers that are competitors in my specific business across Canada, and there are probably 20 or 30 smaller companies that compete in the same way, supplying the same goods to the same customer base.

We provide on a cost-effective basis—because the equipment's shared amongst a pool of many producers and customers—on demand, the production equipment for shooting in all kinds of different situations. We warehouse, inventory, maintain, and repair all of the equipment required to shoot feature films, televisions, documentaries, commercials, and even student films.

It's an extremely capital-intensive activity, as I mentioned. Productions vary widely in their demands for resources. For a car chase one might want to light up an entire street at night. Another scene might be an intimate bedroom scene. Both of them are completely different in their demands for lighting equipment, camera equipment, and so on. The car chase may require several cameras, while an intimate bedroom scene might require only one.

Our customers range from the major Hollywood studios to senior producers of Canadian drama, right down to students in the Canadian Film Centre and people making their first films.

PS started in 1973 in a 3,500-square-foot warehouse in downtown Toronto and struggled far too long with two employees. We currently have about 150 employees. We occupy about 150,000 square feet of space in Vancouver, Halifax, Toronto, Winnipeg, and Regina. Our inventory is valued somewhere in the \$60 million range. The fact of the matter is that the growth of PS reflects the growth of the production sector in Canada.

Most of our business over the years has been supplying equipment to domestic Canadian productions, although that is changing. Our principal competitor, William F. White Limited, grew based on supplying the foreign business, largely the American business from Hollywood.

We are a support subset of the business directly dependent on the film and television production industry. Others in our sector that would fit into the same kind of business include studios; laboratories; picture and sound editing facilities; costume houses; set construction; prop rental and manufacture; vintage car rental; caterers; speciality vehicle rentals, meaning wardrobe, make-up, and dressing room vehicles; special effects houses; music recording and mixing studios; screening rooms; film-to-video and video-to-film transfer facilities; sound effect libraries; and the list goes on and on.

• (1100)

Those are companies that provide direct support specifically for the production industry, and in addition there are a host of other indirect suppliers. Hotels, restaurants, car and truck rental, taxi and delivery services, other caterers, dry cleaners, and even paid duty police officers and the odd fireman all benefit directly from the production of film and television programming in Canada. The hundreds of companies listed in the Toronto film guides, the *Reel West* guide, and other privately and publicly produced source guides to filming across Canada show the vast breadth of resources and disciplines that go into making a film.

All of these companies, or most of them, are committed to the support of the domestic Canadian film industry. Most of them, including PS, actively support the production of Canadian feature films beyond the commercial case by providing goods and services on either a pro bono, deferred payment, or investment basis.

I think there are several reasons we do this. We're proud of our country. We believe we have an interesting history and many stories to tell. We believe in a distinct Canadian point of view. On an industrial level, we believe we should not be dependent on American work that comes to Canada, as it can and will disappear as quickly as it appeared, and by building a strong, Canadian-based industry we can best mitigate foreign market fluctuations.

Standard industry practice—and this was addressed a little bit earlier—locates production in centres that contain all of the infrastructure elements required to support productions, studios, equipment, laboratory technicians, and talent, all of the core items you need. The historical Canadian government policies to support production equally across Canada in all areas have created a bit of an anomaly, and we now have high-quality films made not only in Toronto, Montreal, and Vancouver, but also in Halifax, Newfoundland, Winnipeg, and Regina. It is a bit of an anomaly for Canada that this exists; it's a good thing from a culture point of view, but it's a little difficult to support from an industrial point of view.

That being said, it's clear the Canadian production sector—and you have heard it this morning from other panellists—is pretty much in a perpetual struggle for survival. Many of our long-standing customers ask for commercial favours on virtually every project they produce.

I see our cultural identity problem most clearly defined by Peter Gzowski's famous *This Country in the Morning* "As Canadian as" contest, where the winning entry was "As Canadian as possible under the circumstances". The truth found in a simple declaration is at least as unfortunate as it is true. If we don't actively work, and aggressively work, to protect our unique Canadian identity—our culture—we won't have it at all in another generation.

We need to have a clear idea of what Canadian culture is. We can't just rely on the old adage that it is defined as "not American". There is a distinct Canadian identity; we have to acknowledge it and promote it.

With respect to feature films, I'd like to quote Rock Demers, the eminent Quebec producer of many wonderful children's films since the early 1980s, who states that "Feature films are the window through which the rest of the world sees a nation". We know Sweden from the films of Ingmar Bergman. We know Japan through the lenses of Akira Kurosawa. While Canada may well be known internationally through the films of Atom Egoyan, David Cronenberg, and Robert Lantos, we do not do as well in defining ourselves to ourselves.

It isn't the product. Many years ago a friend of mine preferred the popular opinion that he could always tell a Canadian film in the first three minutes. I took that as a challenge, not as a truism, and went to the Telefilm Canada website. This was a number of years ago; I haven't been able to find the list anymore. But if you go and survey a list of Canadian feature films CFDC-Telefilm has invested in since its inception, you will, I can assure you, find a lot of very good feature films there. We can and do make good films.

• (1105)

The Chair: Mr. Dales, can I interrupt for a second? I hate to interrupt a witness, especially when so much has obviously gone into crafting his presentation, but the thing we need is lots of time for back and forth discussion with you. I'm wondering if you might come to your main points about what we need to be considering and recommending to improve the situation.

Mr. Doug Dales: Absolutely, Madam Chairman.

The thing that is missing is the audience. We'll never have the big extravagant budget that the Americans have. What we need to do is promote our films much more effectively. Americans typically are known for spending one-to-one on their marketing and sales efforts. There have been comments this morning about the development of a star system. There have been comments about marketing and so on. I do believe that the problem is in the promotion.

Sturla made the comment earlier that he wanted his films to be seen more than anything. There is nothing more disheartening for a filmmaker than to find out that only one or two hundred people have gone to the theatre to see his film. They need to be seen by many people.

It is imperative that Canadian Heritage continues to insist on supporting Canadian culture and Canadian production, but the issue is actually about films being seen. The three-screen, three-week release, which I refer to in my written document, is actually, to be clearer, three screens, one week per city—Toronto, Montreal, and Vancouver. This is not a case for developing or promoting a strong business going forward.

I do have a problem with using a stick to drive the distributors to insist on a quota system. I think that is very difficult to enforce. It isn't necessarily going to fill the theatres. I do think we need to promote Canadian artists. We need to spend a lot more time and money and attention in the sales and marketing efforts of the films to draw the audiences to the theatre, to create the audience base that will actually, in turn, evolve into a healthy business.

Most of the Canadian distribution system is geared around Americans supplying existing marketing materials for American films. There isn't much in the way of knowledge or discipline or experience in terms of marketing Canadian films. That's an area that needs to be expanded on.

Simply, if there is no promotion, there really won't be an audience. The Canadian distribution marketing thing is often to spend as little as possible under the circumstances. That needs to be changed. Until the Canadian distribution system spends the same amount of money marketing and promoting the Canadian feature films to Canadians as it spends on the production, Canadian films can't possibly be

expected to succeed in an environment of immense competition for viewers' eyeballs.

Perhaps Canadian Heritage sees spending money on marketing as not the Canadian way to do it—if they like the films, they should come and see them. Frankly, we have to compete with American product coming from the south. If they are going to promote their films, we really have to promote our films. It's just as simple as that.

Thanks very much for your time.

• (1110)

The Chair: Thank you very much, Mr. Dales.

Now we'll have Kate Hanley, president, and Natalie Kallio, communications coordinator, from Women in Film and Television-Toronto

Ms. Kate Hanley (President, Women in Film and Television - Toronto): Good morning. My name is Kate Hanley, and I'm president of Women in Film and Television-Toronto. Beside me is Natalie Kallio, WIFT-T's communications manager.

WIFT-T is a long-standing Canadian professional organization that trains, promotes, and advances women in film, television, and new media. Operating locally and nationally, WIFT-T serves close to 900 members as well as the industry at large with over 300 hours of year-round training, national research, and respected awards.

We'd like to thank the committee for inviting WIFT-T to make a submission today and want to ensure that everyone did receive the information about WIFT-T's national employment study, *Frame Work*, because my comments will be based on that study. We would be more than happy to send hard copies to anyone on the committee. One hard copy has been sent, and it's also accessible in a searchable manner on the website. It's basically a phone book, so we don't carry it around with us a lot.

Frame Work is a fairly new study, released last June, that was commissioned by WIFT-T and supported by 23 industry and government partners, including Canadian Heritage. It provides the first-ever statistical snapshot of our national, film, television, and new media workforce. The framework allows us for the very first time to see who's working and how we work and to look at our skills preparedness for an increasingly global future.

Today I want to present just a few highlights of the study and the issues it raises. The committee may want to look at the study for other things, though. It goes into everything from size of companies, to where they're located, to primary activities. It's a very extensive study. It also looks at participation by women, visible minorities, aboriginals, and people with disabilities and looks at skills needs and future skills needs.

We were very encouraged to see that the standing committee's review of the feature film policy takes into consideration the need to develop our talented creators and the need to foster diversity in Canadian films, because if we are going to grow a sustainable film industry, we must effectively utilize and develop our most important resource—our intellectual capital. In other words, we need to start asking ourselves: Are we utilizing the skills and talents of all Canada's diverse populations? Are Canadians fully participating in the cultural landscape? Will our feature film artists, entrepreneurs, and craftspeople have the skills to compete in a global marketplace in the face of massive technological and business change?

These are questions that other markets around the world are asking, and a wonderful example is Britain's Skillset, which is a public-private partnership and has resulted from the U.K. government's desire to ensure that their workforce is inclusive and is prepared and competitive on an international basis. It's a massive project, and it's very interesting to look at in comparison to the little attention that we've paid up till now in this regard.

So if we're going to grow this industry we need to look at these things, and indeed the study does show very serious gaps in the development of our feature film talent base. There's significant under-representation by all our equity groups, and there are key skill shortages across the country.

As digital technology, globalization, and a changing Canadian population transform the landscape, these gaps, if left unchecked, will grow significantly in the years ahead, and they will affect productivity, economic success, and cultural sustainability.

To give you a couple of examples, if we look at gender diversity, which for WIFT-T is our major priority, we see that women certainly are better represented in the film and television industry than they were 15 years ago when WIFT-T did a study on women's participation. However, they remain virtually shut out of the most senior creative roles and are still seriously under-represented in senior management and technical positions. Just 10% of members of the Directors Guild in the director category are women. This is not a reflection of the Directors Guild. They're one of our biggest supporters and partners. It is a reflection of a larger industry trend. This is the most influential creative role in the film industry, and clearly, women are not participating. They make up only 15% of film and video camera operators—another position of great creative influence. They represent only 27% of senior managers in the film and video sector. Women entrepreneurs are having trouble growing their companies; they represent only 27% of large production firm owners.

• (1115)

Women need to have an equal opportunity to share their vision and to tell their stories—and, of course, it makes sense economically to be utilizing the whole of our talent base.

There is a lot of information in this study about the other equity groups. I'll quickly note that visible minorities, aboriginal persons, and persons with disabilities are under-represented throughout the entire film and video sector. As an example, visible minorities represent just 5.6% of senior managers in the motion picture and video sector compared with their 12.6% participation in the Canadian workforce overall. Aboriginal people and people with disabilities are all faring in a similarly difficult fashion. But on a positive note, we now have a study that can set benchmarks and an industry that is showing a lot of interest in changing this.

On the women's side, women's issues are not in vogue today. We were quite shocked by these numbers, because the women's story is generally a very good one. This points to something very serious that we believe needs attention.

If we look at skills gaps in training, which is the other side of building a competitive workforce and developing our talent base, the study shows that massive change is impacting the Canadian filmmaker at every level. Filmmakers must be increasingly multi-skilled, technically savvy, and able to handle a range of what used to be highly specialized roles, whether it be doing digital special effects or non-linear editing—sometimes even their own camera work—not to mention sophisticated business development, corporate finance, and international marketing roles.

This is a result primarily of two things in technological advancement. It used to be that if you wanted to edit a film, it was very, very specialized and done with big film cutters—and it still is done out-of-house—but more and more, the rough cut or beginning phases have been brought in-house because the digital technology is so inexpensive. Anecdotally, we've seen these changes everywhere.

The expectations of our filmmakers are absolutely enormous today, and the pressure on the industry is already clear. Forty per cent of Canadian film and television production companies report experiencing at least some difficulty in finding people with the skills they need. These current shortages are mainly in the technical, business, and financial skills areas, the very areas that are going to grow exponentially in the future.

Will our feature film strategy address these issues? We think it should, and we're pleased that the committee is taking a holistic approach to feature film policy. If we are to grow a domestic Canadian feature film industry and truly succeed at home and around the world, we need to focus on our most valuable resource, our human capital. In the knowledge economy, we're not mining diamonds; our diamonds are our artists, our entrepreneurs, and our skilled crafts people.

It will mean giving fresh attention and increased support to women, who are in real danger of being left behind. It will mean integrating cultural diversity as a critical human resource issue and cultural imperative in all policy planning, something that I'm sure you know far better than I do. It will mean using this study as a benchmark and continuing to regularly measure diversity, including gender diversity, in Canadian film.

Finally, we believe it's going to mean shaping an innovative national training and lifelong learning strategy, one that's properly funded, one that considers the realities of an industry that's dominated by micro-companies and freelance artists with no access to job training, and one that recognizes the need for affordable, accessible training for working artists at every stage of their careers, not just at the beginning.

• (1120)

Finally—this is my last sentence—it is one that needs to recognize the reality that the greatest concentration of the film and television labour force and production companies and distribution companies is found in Toronto.

Again, the study covers far more than this, and you may find it interesting.

Thank you very much. I would be pleased to answer any questions.

The Chair: Thank you.

Mr. Brown.

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

This whole process has been very interesting. We've heard from many different components of the feature film industry, and there are a lot of divergent views out there. But what we really want to hear is recommendations and potential policy improvements from each of the various components. So I'll start with Mr. Dales. Is there anything that you think we could do specifically to improve your area in terms of policy improvements?

Mr. Doug Dales: The point I wanted to make was that the things Canadian Heritage has done over the years to promote the Canadian production business have been very good.

A lot of comments about the CRTC's 1999 decision have been made to your committee. There are lots of components in terms of diversity and so on and so forth that are, I think, accurate issues in the production sector. They're pretty small in comparison to Canadians seeing Canadian feature films on a widespread basis. I think that until that happens, the industry is always going to be one that needs to be heavily subsidized. It's always going to be a second-

class citizen from a taxpayer point of view—well, it's just money we give those filmmakers to keep them quiet.

There are great films being made. We have supplied equipment to some wonderful productions. We've also supplied equipment to productions where, if they fell off the back shelf, it would be a good thing for everybody, including the filmmakers and their reputations. But there are some wonderful films out there. They deserve to be seen. The filmmakers who make them deserve to have their films seen and recognized.

When it comes to the exhibitors and distributors and private and public businesses that owe their shareholders the best return on their investment, we need to encourage Canadians to go and see those films, and I believe the only way to do that is through putting substantial amounts of money into the sales and marketing efforts surrounding those productions. In the long term, that will provide stability to all of the industry, including my sector, which, as I said earlier, involves significant amounts of capital.

Mr. Gord Brown: My next question is for Kate. What do you see as the impediments to women getting into the industry? Are they any different from those that women meet in society in general in terms of women not being in leadership positions or in smaller percentages? What can we do in terms of recommendations to help get more women involved in the industry and move them into leadership positions?

Ms. Kate Hanley: Well, I think that getting women involved in the industry is actually not a problem as opposed to when you look at cultural diversity, where there is a much larger problem at that stage. So on your comment about moving them into leadership and technical positions, that's where we see the major issues.

It seems to me from our experience that it often needs a very holistic approach, where there are supports or potentially incentives. We would not want to make any comment on that right now, but we would be pleased to work with a larger group to talk about that. And at the same time, we find that fairly intensive mentorship and training are extremely important at that level, because when someone moves into a leadership role it's not about taking a Ryerson course anymore. This is always described as an insider-outsider industry, and the things that work for us for moving women at that level are intensive mentorship, intensive training for career, leadership, and for creative...and then at the same time opportunities.

So I would like to give you an example. One of the things we do—which certainly doesn't solve the whole problem, but we feel it's somewhat effective—is have a mentorship to help very promising female directors who have had their shorts at least in a major film festival. We set them up with the mentorship—this year with Patricia Rozema, who is one of our leading female directors, and also with Dan Lyon, who is one of our leading executive producers. The purpose of the mentorship is to get them ready for the Toronto International Film Festival, because quite frankly that's a festival that very few filmmakers in Canada are able to participate in, not because the festival isn't welcoming, but because we have so little infrastructure, we have so few people who are at the stage of being able to effectively work a festival like that.

So those are the kinds of things that need to be done.

Second, I believe that if you take the mystery out of things and you build infrastructure, it creates opportunities for all. So we have the best opportunity, I think, to have more female directors, to look at the people who are already in the industry who may be doing other roles, who have a creative vision, who want to now move and take some leadership.

We have a member of the Directors Guild working with us on a major project who went to do her first feature film. She has been 15 years in the industry as an AD, a top assistant director, and she literally could barely figure out from a business point of view how to do it, because there is so little infrastructure in terms of knowledge and learning.

So it's about intensive one-on-one, it's about mentorship, it's about opportunities, and it's about building learning infrastructure so that people everywhere can have access to the very complex information that they need to understand in order to, from a business point of view, make a feature film.

Mr. Gord Brown: Okay. Has there been any private sector support for mentorship or scholarship, or any programs to help?

Ms. Kate Hanley: Oh yes.

Mr. Gord Brown: Can you explain some of that to us, please?

Ms. Kate Hanley: Absolutely, and in fact I think what is a very important point here is that it was the Directors Guild, Ontario region, that came to us and said, "We have a fund that our members have set up for developing the future for the industry, for themselves, and we would like to take a portion of that fund and give it to you to build a website that is an interactive guide for first- and second-time feature filmmakers of how to make a feature film". It was amazing, because the impetus was coming from the Directors Guild, and it was then supported by the Ontario government with Trillium, and there just aren't those kinds of supports at the federal level.

• (1125)

Mr. Jim Abbott (Kootenay—Columbia, CPC): Telefilm does a great job. They've been very supportive of us. Another one is the mentorship we talked about with Patricia Rozema—that was Kodak.

I think we have 60 partners in WIFT-T, but what we don't have is the core stable funding that some of the recognized national schools have, to enable us to make a large dent and really do the work that needs to be done.

Almost as an aside on the women's issue, we're running a year-round school now. We did 300 hours of training, because that's what our members needed, and then the rest of the industry wanted to come. We had 3,000 people come through our courses last year. That speaks to the whole notion of women and visible minorities. The more you can build infrastructure, and train and develop...it's not the whole story, but it is a part of that story for increasing diversity and equality.

Mr. Gord Brown: Thank you, Madam Chair.

The Chair: Thank you very much.

Ms. Bulte.

Hon. Sarmite Bulte: Thank you.

Mr. Dales, I have three questions regarding your comments on the marketing and the promotion. I was interested to hear you say—and

I tend to agree with you—that you get more with a carrot than you do with a stick in all situations.

Yesterday we had with us the head of ThinkFilm, one of Canada's distributors. He talked about how Canadian distributors cannot.... I think the reality is they cannot...because we don't have the same money for marketing and promotion as the American studios. There's probably consensus even around this table about that. He spoke about alternative ways of promotion and marketing and cited one example of how they got people to see a film they were distributing. They gave a rebate for half a ticket, so it was sort of an unconventional way of doing things.

I agree it's a huge problem. Jack Blum came here, on behalf of the new Toronto Film Board that has been created by Mayor Miller, to talk about their innovative ideas, such as going into the schools to try to build audiences. We have the example from the Royal Conservatory of their Learning Through the Arts, which serves another purpose, but they're going into the educational system.

I guess I'm looking for more specific examples of alternative ways to the millions of dollars of promotion budgets the U.S. studios have, and to see if you have anything in mind. Do you have any suggestions on the carrots or the incentives we could offer the distributors to do this?

I was in a school the week before last where I talked about the work the committee was going to be doing on Canadian film. I've repeated this story, but it really.... A grade 11 student looked at me and said, "Canadian films? Well, where do you see Canadian films?" There was one they did know. When I asked them to name a Canadian film they said, *La Grande Séduction*. I happened to be in a French class, but it doesn't matter. The fact is that a grade 11 student who lives in an almost completely anglophone riding knew *La Grande Séduction*.

There's obviously a problem, and if we can get into the schools... But help me with specifics. We can always go to Ms. Oda's.... You don't have to answer it right now, but what specific carrots could we offer? What alternative ways of promotion can you think of that we could recommend or endorse?

• (1130)

Mr. Doug Dales: I guess my overriding thing is the stability of the industry. The Canadian industry can be stable. It isn't stable at the moment, because it is not market-driven; it is largely driven by subsidy. The American business doesn't provide any stability at all, from my point of view. It's good business, but it's not particularly stable.

It is an issue of money with respect to marketing, but it's also an issue of expertise. The Americans truly know how to promote their product. I do believe it's not just the box; it's how you actually promote a film successfully, how you take a Canadian film.... I agree with you entirely that Canadian distributors, by and large, don't have deep enough pockets to be able to do it. I don't know the best way to do that. I can identify the problem but I can't identify the solution. You're the policy-makers, and I don't know what you'd do from a policy point of view—

Hon. Sarmite Bulte: You're the expert.

Mr. Doug Dales: No, sorry, I'm an expert in one area. I can tell you from an industry point of view that what we need is long-term stability, and I think that's the way to get it.

Perhaps it's something like setting up a separate marketing fund inside Telefilm that is equal to the production budget. I don't believe actually that it is a 30-second solution; I do think it's a 5-, 10-, or 15-year thing, not any different from the Canadian radio issue 30 years ago or whatever. Nobody even blinks an eye now, but it was a major issue in the sixties when the Canadian content issues with respect to radio came up.

I will say that things like the Toronto high school project—which Jack Blum is working on, and I'm working with him a little bit on that—is the kind of thing that will have long-term rewards. It's a relatively low-cost program in terms of its level. If you did that across the country for 10 years, you would have people who were interested and you would have kids who were interested in going and seeing Canadian films, I believe. It's that kind of thing. It's properly marketing—creating an environment where going to see a Canadian film is actually something you want to do, not something you do because you have to do it.

• (1135)

Hon. Sarmite Bulte: Certainly, we have been hearing across the country that marketing is key, and even the NFB has addressed it through these e-theatres and the potential of that. We've heard about the work that the Toronto International Film Festival does on the film circuit, which is great, but again it's limited. So we have some good best practices, for example. I think we are looking to you and your industry to try to not just give us the problems but to help us with the solutions wherever you can. Again, as Ms. Oda has been doing, I'm encouraging our witnesses to submit something at a later date if you can think about ways that we can improve this.

Clearly, the message seems to be that we need to invest more in the development side and more on the marketing side. Through this Canadian feature film policy, we seem to have been able to put some of the tools together to ensure that the production occurs, but what do we do on the other side?

Ms. Kate Hanley: I think if we are looking for best practices, from what we've seen in our world of training and supporting women, Quebec is really the place to look. We often talk about the language barrier and how it's so much easier for Quebec because they don't share the same language as the U.S., and those things are very real. At the same time, they have a very advanced understanding of grassroots marketing—everything from taking the stars of a movie on a bus to spaghetti dinners all around the outlying regions, before even thinking about marketing in Montreal.

This is not the whole story, for sure, and we would never want to say that, but I think we should be looking at Quebec, consulting with them. They also have massive cross-promotions on television. Their cooking shows are having the stars of movies on them, so that's another way to create a familiarity in the audiences of their stars, and that helps to drive the pictures.

We see with television and shows like *Corner Gas* and *Trailer Park Boys* that people are very interested in intensely Canadian stories that are not necessarily high budget, but we need to create an opportunity for them to build that loyalty and trust.

Hon. Sarmite Bulte: I'm sorry I had to step out, so please let me know if I'm duplicating anything Mr. Brown asked.

With respect to the training, how does your training differ from what the National Screen Institute or the Canadian Film Centre does?

Ms. Kate Hanley: Our training is quite different, and it actually developed around a need. You really have to look at training as a continuum. We have the Film Centre, which we partner with. They are doing incredible work. We have the NSI.

The Film Centre is where you go away for months and you train. It's primarily creative training, extremely important and critical, and tends to be at the beginning of your career. You have the NSI, where the commitment is somewhat less. You don't have to physically leave your job, but you have to make a major commitment to programs that are often a year long. Again, they're primarily aimed at the people who may have been to the Film Centre and now are out doing their first film, and they're going to be supported in an intense way. They also can support only a certain number of people, and those would be the high potential people, which is extremely important to do.

What we're doing is everybody else, which started with junior people, but now it's become more intermediate people who are working, who have done a short film, who may even have done a feature film, and they need short, affordable, accessible training where they can come after work. It needs to be taught by industry professionals, because it has to be up to the minute since it's changing so fast. It can't be expensive; they don't have any money. We've had 3,000 people come through, and they want more.

At first we started with panels. They said, oh no—they wanted individual instructors. These are filmmakers, who we didn't think would want to...you know. They want desks; they want PowerPoint; they want handouts. They need to learn.

As an aside on the marketing distribution, a very small part of the problem but one that is real is simply a lack of skills in that area, a lack of the very sophisticated business skills that you need to have to survive.

So we're doing the lifelong stuff, and that really needs to be recognized. Training at the beginning is no longer going to be enough for your whole career.

• (1140)

Hon. Sarmite Bulte: Where do you get your funding from?

Ms. Kate Hanley: We have 60 partners. We get a little bit here, a little bit there. The only tiny bit of core funding we got was from the Ministry of Culture of Ontario. We get project funding from everybody else. It's really tough to service the industry the way we're doing it without stability.

Hon. Sarmite Bulte: Do you get anything from the federal government through HRSD?

Ms. Kate Hanley: No.

Hon. Sarmite Bulte: Do you get any federal moneys? I'm trying to find an envelope here to help you.

Ms. Kate Hanley: I'll tell you, there really isn't one. The envelope would be...without taking away funding from the existing organizations, institutions that we fully support, there needs to be a bigger commitment to training. And I believe Heritage really needs to lead that, because it is a cultural industry and very specific.

Hon. Sarmite Bulte: Thank you.

The Chair: Thank you.

Mr. Schellenberger.

Mr. Gary Schellenberger: Thank you.

I only have a couple of questions, and Ms. Bulte just asked one question that I was going to ask, the one on the national training schools. We've heard that they hoped they could do all the training. Granted, there's training at various levels that maybe can't be...so I've listened to your answer on that one.

I'd like to comment on one thing you did speak on, how the French film industry takes some of its stars out on buses to spaghetti dinners and things like that. I think that kind of loyalty and ingenuity to help the film industry should be there. We have to keep thinking outside the box on how some of these things should be done. It's amazing that in an industry that works from ideas and dreams and stories, there can't be something very different in how we get our films out there.

A thing that keeps going through my mind—and I come from a little town just outside of Stratford, Ontario, but I do know that most of the Canadian films.... There was a film thing at the library, a group that showed only Canadian films, whether it was once a month or whatever. Some of those things could maybe be promoted—and outside of the libraries, maybe into bigger venues—so that it would be done on a regular basis.

But getting back to some of the other things, as I read some of the numbers and I hear the percentages and everything like that, are you suggesting there be a quota system on the employment of women or visible minorities or whatever? Again, in an industry that grows on talent and ability, I would suggest that this might be defeating the purpose.

Ms. Kate Hanley: Yes, I want to be clear. We're not suggesting any specific remedies at this point. However, we feel that with

women there needs to be a new discussion about the issue. There's been very important discussion around cultural diversity, but we need to now get back, get the women around the table, and talk about what will work. We're not in a position today to advise, but we think there are solutions, and there are probably some really good solutions; there just needs to be a discussion now. And I wouldn't rule out incentives.

Mr. Gary Schellenberger: Okay. You suggested that we build a learning program to enhance the skills of women so they could advance to these senior roles. As for the role you're playing right now, are you suggesting you are the vehicle that can enhance these skills?

• (1145)

Ms. Kate Hanley: I've never thought about it; are we? Yes, we definitely are. I mean, we are very representative. There's no other women's organization that represents the entertainment industry. Canadian Women in Communications, which is a very important group, represents broadcasting and cable and telecom. We are the only people out there advancing, supporting, and promoting women in film, television, and new media—less so in new media.

Mr. Gary Schellenberger: When you were talking about aboriginals or visible minorities, were you only talking about women, in your case?

Ms. Kate Hanley: Yes. A quarter of our members are visible minorities, and we feel our role in that effort is best served by certainly doing the research that we did and now promoting women who are aboriginals, women from visible minorities, who are fighting, as you can imagine, the double whammy. They've got a tough road ahead.

Mr. Gary Schellenberger: Okay. I am going to pass my question to Bev.

Ms. Bev Oda: I just wanted to clarify something. I'm very familiar with WIFT-T, as you know, but would you consider yourself a national organization? And secondly, there is a small amount of funding at Telefilm for training. Are you excluded from accessing that fund because of some criteria?

Ms. Kate Hanley: I'll answer the first question. WIFT started as a Toronto-based.... It's an international network around the world that's really set up around the notion of production centres. We're the third largest chapter of 40 after LA and New York. There are other WIFT chapters in Canada; we are the largest.

Being in Canada's production centre—certainly not the only one, but a very major one—we began to take on more and more national work. We do national training, and that'll lead to the Telefilm, as well as national research, and there are our Crystal Awards, where we promote excellence with women in the industry; they're all national. I think it's fairly organic that this would happen.

With respect to your second question, Telefilm has actually been quite good with us. We are eligible for their much smaller pots of project-based professional development. It started that we were in the regional, and then they opened it up to us for the national. However, to even do the national, we have to go through a huge effort to ensure people come from all around the country—and in some cases it makes a lot of sense.

What we are excluded from is funding for the day-to-day mass training we do that happens to be in Toronto. We're also excluded from the operational funding, and that is because of the criteria that have been set up and because the schools that get that funding need it. We wouldn't ask them to have less money so we can have some; we don't feel that's going to help. We feel there needs to be an expansion and a recognition of the realities here.

Ms. Bev Oda: Thank you.

The Chair: Thank you.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: I have a question for Kate Hanley. I didn't see anything in your report concerning Quebec. I do believe we're different, but are we that different? I'm a bit surprised. Nothing in the report refers to the situation in Quebec. Is that deliberate?

[*English*]

Ms. Kate Hanley: Sorry, I don't speak French well enough.

• (1150)

[*Translation*]

Mr. Marc Lemay: Very well, we'll proceed slowly.

[*English*]

Do you want that in English?

Ms. Kate Hanley: It would be very helpful, yes.

Mr. Marc Lemay: No problem. I would like to know why we don't have any notes in your reports concerning the Quebec situation.

Ms. Kate Hanley: Oh, our report is national and we're very careful to.... First of all, all of the research that was done, the primary research and the surveys, was all translated into French. We developed all of our lists with input from people from Quebec to ensure the people we were surveying were representative.

In the larger study we do regional breakdowns of almost every part of it, and you will find Quebec being addressed in that. Also, when you look at the unions and guilds, you'll see we spoke with the major ones in Quebec.

And the study is in French as well; we have the full study in French, so we really did go pretty far to make sure we looked at the whole country.

[*Translation*]

Mr. Marc Lemay: That's not a criticism of the translation. It seems to me the situation is different in Quebec. The example that immediately comes to mind is of Denise Robert, who's the producer of the *Barbarian Invasions* and the owner of a marketing firm. I was wondering whether your association had a Quebec component.

[*English*]

Ms. Kate Hanley: Oh, I'm sorry. Yes, there is a WIFT-Montreal chapter.

It is interesting that you mentioned Denise Robert, as she was the person I learned about the spaghetti dinners from. She was on a panel, and everyone was grappling with the distribution marketing issues, and she said, "Well, this is what we are doing, and it's really working". She is wonderfully forthcoming with information as well.

[*Translation*]

Mr. Marc Lemay: Thank you.

The Chair: That's all?

Mr. Marc Lemay: Yes.

The Chair: Thank you very much.

[*English*]

Mr. Simms, I'm going to give you the floor next, because you were shortchanged in the last round.

Mr. Scott Simms: I get shortchanged a lot, but that's okay.

I just have a quick question.

Mr. Dales, I want to talk about infrastructure when it comes to studios and the equipment you have, because I'm from the television industry and have some understanding of the film industry, but not quite enough. I'm just trying to comprehend the infrastructure needs of a city that is a good place to do a movie in and what kind of equipment you need. I assume that Toronto has it all, and so do Vancouver, Montreal, and all of those areas.

For Canadian productions to be done in the outlying areas, I'm wondering how difficult it is, given that they don't have the right infrastructure.

Mr. Doug Dales: I think there are two sides to that: one is transportable infrastructure, and the other is permanent or fixed infrastructure, which is what I guess you'd call it. There is an economic driver to both of those.

It's very difficult to have a large sound stage. As Atlantic Canada knows, it's very difficult to have large sound stages on any kind of economic basis, because there just isn't the work to support them. In fact, that's the case everywhere but Montreal, Vancouver, and Toronto. It is the same kind of issue when you are talking about fixed infrastructure with respect to the support industries, the hotels, the restaurants, and so on, so that when a foreign production comes, for instance, it's there.

The issue of transportable infrastructure—it is really what we do, as we ship our equipment not only all across Canada but also around the world in many countries where we have done films. It's reasonably transportable. That isn't an industry; it's location shooting. It's pretty inconceivable to think that somebody is going to build a laboratory and post-production facility the size of either Deluxe or Technicolor in Toronto, or Rainmaker in Vancouver, or some of the other labs in Montreal. It's pretty inconceivable that there would be a large enough volume of work anywhere but in the large population centres.

My last point on that would be that there is a population base with respect to talent and crews. In Toronto, Vancouver, and Montreal, you have large bases of support structure to be able to do multiple films at the same time.

Now, the anomaly in Canada is that against all odds, infrastructure at the personnel level has been built in Halifax, Winnipeg, and to a lesser extent in Calgary, Regina and, recently, in Newfoundland. It's questionable in my mind whether there is ever going to be a sustainable industry in those markets. There are certainly very good films produced there and there are good resources.

I would look at the core of the industry as being in the large population centres where there is the talent pool and the fixed resources to pool that talent. That being said, of course, you can move the people in when you need them, and you can send your film off to the labs in Toronto or Montreal to be processed. So those things can work.

• (1155)

Mr. Scott Simms: I guess that's really the crux of my question, which is what I'm sure we will hear when we get to Halifax, where they will be saying they have infrastructure requirements. Now, I'm pre-supposing their testimony or making assumptions, and I apologize to them, but I just want to get your opinion on this before we actually get there, and on how the government can play a role in this as far as regional development goes.

Mr. Doug Dales: Just so you know, we do have an office in Halifax.

Mr. Scott Simms: Yes, okay.

Mr. Doug Dales: It has been there for 15 years.

Mr. Scott Simms: That's good for you and good for us.

Mr. Doug Dales: Yes, it has been good. It has been difficult. It has been a struggle, and I am personally very proud of some of the films we have done there. They are really wonderful things, and there are some great projects that come out of that part of the world, and obviously Newfoundland as well, and the other provinces in Atlantic Canada.

But we are transportable infrastructure. We move equipment in and out of Atlantic Canada as it is needed. We do have fixed equipment there that deals with the base of stuff. There has been the development of an industry there, and far be it from me to say there isn't an industry there because some of the best producers in Canada live and work in Halifax.

There have been attempts at building and supporting stages in those markets. They are very difficult to manage on a commercial basis. And from an infrastructure point of view, they are a component that really provides a good vehicle for a public-private partnership of some sort.

The fact of the matter is, and I go back to my original point, in the production sector, you are fiddling with the last 10% in terms of improving it. The big issue is getting people out to see Canadian films.

Mr. Scott Simms: Okay, so having the sound stage is imperative for any city that wants to be a serious contender for any type of moviemaking?

Mr. Doug Dales: We are talking here about core industry. I don't believe people go to Atlantic Canada because there are sound stages. There are certainly sound stages there.

Mr. Scott Simms: They go there because...?

Mr. Doug Dales: They go there because of the location, because the story is set there, because they can set the story there, because it is visually beautiful. The infrastructure that is there, for one, two, three films at a time is quite adequate. That is a different scale of industry from what exists in Montreal, Vancouver, and Toronto.

Mr. Scott Simms: Do I still have time?

The Chair: Yes, and then I would like to give Mario—because this is kind of his home turf—a few minutes to rest up.

Mr. Scott Simms: In my former life I was involved in the broadcasting industry, and we had quite a lobby going to get physically disabled people to be recognized under the federal guidelines. I know there are the four groups as you pointed out. Did I get that right—four groups?

Ms. Kate Hanley: Women, visible minorities, aboriginals, people with disabilities. Yes.

Mr. Scott Simms: Right, okay.

Now, there is this huge problem with middle to upper management, I am assuming. And did I hear this correctly, that a lot of it has to do with the skill sets that women have and the barriers they face in acquiring a skill set?

• (1200)

Ms. Kate Hanley: Actually, I wouldn't say that. The barriers are very complex at those levels. What I meant to say was that the solution usually has to do with a combination of things that might include incentive and, at the other side of it, often mentorship and training and preparation. Often what we see is a holistic approach, but I wouldn't want in any way to say that women are not moving up because they are not skilled or they are not talented. That is absolutely not true.

I am sorry if I wasn't clear about that.

Mr. Scott Simms: No, maybe I wasn't. But one of the things I notice a lot of companies doing—and maybe this is pandemic of all industries, not just ours—is moving towards hiring from within. And I find doing that is much easier for the employer, I am sure. But when it comes to the numbers of women in upper management, do you think most of them come from a “hire from within” or do you think they are actually coming from outside?

Ms. Kate Hanley: The broadcasting industry is made up of fairly large public corporations. But the film and television production industry is made up of, with few exceptions, micro-organizations, SME companies at best. Workforces are also small. The internal workforce is about 40% freelance, and it's moving more that way.

Creative people like directors are often not with any company. So a big part of it is about recognizing talent. We need to teach skills that enable women to become more recognized, to move in the circles that they need to move in. This is why we do our awards. When we do a mentorship, we almost always have an award presentation at the end. Recognition is in some ways as important as training. These awards say, look, here is someone who's really good. That shows everyone that women can be really good and it also helps them achieve a profiling stature to get snapped up.

Mr. Scott Simms: How are women faring in the freelance market? In the last little while, has it improved?

Ms. Kate Hanley: We don't have numbers on freelance, now versus then.

Mr. Scott Simms: I'm just looking for general impressions.

Ms. Kate Hanley: When you are dealing outside of a large corporate structure, it's harder. You don't have the mentors in-house or a clear playing field on which to be successful and show how good you are. You're dealing with major competition. You have to find your own mentors, your own training. You have to gain profile.

This is why we do these mentorships. On the TV side, we do a market mentorship. We take an individual producer with a micro-company, a woman, and we pair her up with a very senior person. This year it's going to be Loren Mawhinney from Global, on the television side. This mentor works with the woman, leading up to the Banff Film Festival. This way, the woman starts looking at herself more as a company than as a little producer. It all culminates in an award ceremony at Banff. We're providing the framework that would have been there in a large company.

● (1205)

Mr. Scott Simms: It's nice to hear that. I've never worked as a freelancer in media, and I've always wondered what avenues were open for them.

Mr. Mario Silva: Kate Hanley, thank you for focusing on the human capital and the importance of mentorship. What you're doing is very worthwhile.

Turning to diversity, about half of Toronto's population was born outside the country. In looking for a Canadian voice, we have to make sure that it speaks to all those people who, like me, were not born in Canada.

In dealing with diversity and human capital, you talked about shortfalls. I want to tie some of your argument into what Mr. Dales said about not forcing Canadian films onto the screens. If you don't do this, how do you get dissemination of the Canadian voice, the diversity voice that Kate was talking about? I'd like some clarification on this question.

Mr. Doug Dales: Maybe you do have to use a stick, I don't know, but just a stick by itself is going to make empty cinemas. You have to create a consumer demand, and that's a long process and it's a process of marketing.

I think it's interesting, the two films in particular that Mr. Lemay referred to. Actually, the marketing efforts in Quebec have spilled over, so those films are known in the English-Canadian market. That's a testament to the strength and power of the promotional machine in Quebec cinema.

The English-language sector in Canada has none of that, none of the experience. The typical Canadian distributor response is one poster. What else do you expect? That just isn't going to compete with the sophisticated professional American marketing machine.

This is a long-term process. I don't think you can do it overnight. I do think it's years. It's things like the high school project, which will, in the long term, create a demand for seeing Canadian films by Canadian audiences.

The Chair: Thank you very much again, to our witnesses, and to those of you who have been here listening patiently, for your interest in the subject.

We will adjourn now until 2 o'clock.

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