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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 on our study of feature film in Canada.

Welcome to Mr. Guy Mayson, president and chief executive officer of the Canadian Film and Television Production Association. On behalf of a couple of us who were there, first let me say thank you for your hospitality in Banff during the festival.

Mr. Guy Mayson (President and Chief Executive Officer, Canadian Film and Television Production Association): It was our pleasure.

We have two more people coming, Marlene. They're just in the washroom, actually. They're a bit late in from Toronto. My apologies for that.

The Chair: We'll wait for a couple of minutes, then.

We are going to have to end our meeting early, because there will be a vote sometime around 10:30 to 11, in that time span. So what I might suggest is trust us to read your brief or to have read it and perhaps just get to the nub of the issues you want us to have a look at, so we'll have more time for discussion.

Mr. Guy Mayson: That works fine.

The Chair: Thank you.

Mr. Guy Mayson: Will I kick it off then?

The Chair: Yes.

Mr. Guy Mayson: Good morning, everyone, Madam Chair and members of the committee.

[Translation]

Good morning, everyone. We are happy to be here.

[English]

The CFTPA wants to thank the standing committee for the opportunity to participate in these proceedings. We're aware that you've heard from a number of our feature film members as you travelled across the country.

I want to also congratulate you personally on your effort and energy that you put into this, the work. I had the opportunity to read your interim report, and it's clear you've done a huge amount of work in a very short period of time. So you have our congratulations on that. You're asking all the right questions.

I promise I won't just read our submission. I'll assume that you've all read it. It's brilliant, I know, but we'll stick with giving you the key highlights.

I have here with me today two of Canada's prominent feature film producers, members of our board, Alex Raffè from Savi Media, and Sandra Cunningham from Strada Films, who you met, I think, previously during your hearings in Toronto. While Alex and Sandra are from Toronto, I would like to underscore that the CFTPA has members from across the country, obviously, including Quebec.

Sandra—go for it.

• (0910)

Ms. Sandra Cunningham (Strada Film, Canadian Film and Television Production Association): I think we'd like to leave as much time as possible, in the little time we have, for any questions and discussions, because in the past I think we've all found that is the most dynamic way.

We've had a chance to begin to scan your interim report. Obviously you know the situation and you know we're all concerned about improving the success of English-language feature films in the country, notwithstanding the success stories we can point to from the past.

As producers, I think one of the secrets for us is to improve our competitive position, both internationally and domestically. I think that means being able to find mechanisms across media in a way to develop, finance, and distribute our feature films. And that points to renewal of the Feature Film Fund and continued ways to work with Telefilm, particularly at the development level in developing new talent. It also means having meaningful partnerships with broadcasters and it means meaningful partnerships in distribution and exhibition. Those are some of the things I think we'd like to anchor in this discussion today. We feel it's very important for any feature film policy to include broadcasters as meaningful partners in the production, financing, and promotion of our feature films. And I think we all recognize that we need meaningful access to our screens.

I know you've met with both broadcasters and distributors, and I think we would agree it's a tough market out there. They have a tough business to run, in both cases, and we need to develop those partnerships. Producers are used to being in partnership—whether it's co-productions, whether it's partners with directors and writers, we do collaborate.

One of the particular things we're looking at, going forward, in addition to further wanting to foster the relationship with Telefilm, is also looking at ways in which we can find new mechanisms to encourage investment, to increase the amount of money on the table. We can't increase the volume and the competitive advantage without increasing some of the budgets and the kinds of films we're able to make. In order to do that we can't exclusively rely on the financing that's currently available from Telefilm, which works exceedingly well for lower-budget films and for films that stay within Canada, which are very important.

We're currently undergoing, I think, a study on which we may have more news in the fall, which is a proposal to find mechanisms by which private equity could once again become a player in our domestic industry and give Canada the possibility, as we go forth in the world, to internationally finance films. It's simply more money to bring to the table.

Another means by which we feel it's important to increase the volume of films and the budgets available is to make broadcasters meaningful partners at the development stage, and certainly at the promotion stage. We'd love to talk a bit further about that, because I know you've had broadcasters here. I know Richard Stursberg was here the other day, and we support him in wanting to increase Canadian drama on television.

I think what we also want, though... I think it's a numbers game, and I think it's important to point out that CBC, while wanting to encourage drama, hasn't really come forth with the numbers for our feature films. To put up 2% of a budget or 5% of a budget just clearly isn't enough.

I want to pass off to Alex, because we've had lots of discussions about all of this over the past month, since we came to see you last time.

Ms. Alexandra Raffé (Savi Media Inc., Canadian Film and Television Production Association): I'd like to reiterate some of the things we've talked about across the country as we've gone through.

We have a large number of buried federal supports that are directed public money, some of which is explicitly and some of which is tangentially directed towards feature films. You heard Richard on Tuesday talking about the CBC's role.

We do believe there is a need that we can enrich the resources available to feature films, not just the monetary ones, but also the different elements of the system, as Sandra has been talking about—meaningful partnerships with the CBC, with broadcasters. The system has become a little dysfunctional, and through some harmonization of the mandate and policies and practices of the various federal institutions involved in film television financing, economies of scale and harmonization of purpose can be achieved. The system is currently a bit dysfunctional. We've talked about this before. We think it could be better.

The other thing we would like to reiterate—and I won't go into the difficulties we have in financing projects—is that for many years all the subsidies have been directed to project financing. There's a lack of corporate structure, a lack of corporate strength. There are a number of issues, some of which are more easily solvable than others. We need to build production capacity in the production

companies, because that's what allows the companies to grow more self-reliant and more internationally viable. So there is a need for infrastructure development. How those funds are meted out should be looked at carefully to ensure that there's corporate health, as well as project-by-project basis, because you can't make an industry on one project after one project after one project.

The third thing, I think, is just to touch base on the things around the Feature Film Fund that were interesting and unusual when it started off. You've had successes and I know you've had complications on the television side with the CTF, with the mix-matched board of interested parties, but on the feature film advisory committee that was formed, while it was definitely not perfect in its execution, the principle of having a senior body of players from the community as advisers to the minister was a very important element for us. We are concerned that this conduit seems to have been dissolved. We're worried that there's a signal that Heritage Canada is standing back from involvement in the policy and the constituency, and delegating everything to Telefilm. You know, Telefilm is not involved in every feature film that's made in this country, by any means, and we have some issues with Telefilm, so there's more work that we think needs to be done in that area.

• (0915)

Mr. Guy Mayson: I think we've covered off a lot of our priorities in a relatively short period of time. I think specifically we need to streamline and simplify the support systems with CAVCO and Telefilm. Many of Telefilm's current practices in the area effectively compete with the producers' interests and reduce their ability to self-finance development and earn an appropriate return for the risk they have assumed.

We're encouraged by the government's recent announcement related to the CTF. It's an example of government's willingness to simplify bureaucracy and keep more money on the screen. We urge the government to apply the same scrutiny in that area in the area of feature film.

As Sandra mentioned earlier, I think new innovative measures need to be developed with a view to encouraging greater private sector investment in large-budget features and dramatic series. We're doing more work on that, and we'd like to talk about that. Broadcasting policies need to reflect the substantial role played by the independent production sector in the supply of programming within the broadcast system.

So just to wrap up, we'd like to reiterate that through a balance of government policy and creative entrepreneurship, the independent production sector in Canada has grown over the years to become an important component of the cinema and television sectors. A new strategy from government can help move the industry to the next level and better position it for even greater growth.

The core of a new feature film policy must recognize the existence of two distinct linguistic markets in Canada and strive to address the specific realities in each market.

[Translation]

I believe it is quite clear that these two markets are distinct in Canada. This fact must be acknowledged and policies must be based on the reality of each market.

[English]

Despite some successes over the last number of years, problems persist for English-language film. To address this, I think it's necessary for the federal government to renew its commitment to Canadian feature films for at least another five-year period. Really, to help Canadian feature films to move aggressively to compete for greater audiences, I think that public assistance will have to be increased.

We want to thank you for allowing us to participate, and we're happy to answer and deal with any questions you might have.

The Chair: Mr. Schellenberger.

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

Thanks again for coming before our committee.

You did touch on the announcement that the minister made in Banff that Telefilm and the Canadian Television Fund are going to be put together. You mentioned that this should also be done with the feature film industry. With the announcement that was made, with Telefilm and the Canadian Television Fund coming together to be kind of one board, does that not help the feature film industry?

• (0920)

Mr. Guy Mayson: My quick take on that, Mr. Schellenberger, is that I think there's a pretty clear distinction being drawn between film and television. I think the new structure for the CTF is pretty focused on television, and I understand a lot of the feature film funding that currently exists in the fund will probably be moved over to Telefilm to administer for the feature film area.

It's kind of clarifying the roles for Telefilm in some ways, but our suggestion was more that when the Feature Film Fund was first put together, we saw the advisory body that was put together as having a much stronger role in helping to direct and administer the Feature Film Fund, sort of the way the CTF administers the fund now on the television side. I think that's really where we were going. We'd like to see more of a public-private partnership established on the feature film side, rather than just a bureaucracy administering the funds.

Mr. Gary Schellenberger: At the same time the minister made the announcement for Telefilm and the Canadian Television Fund to come together, she announced that the Feature Film Advisory Board was going to be dismantled. One thing I always felt was that the stakeholders should be part of some of the policy. I know it's been touched on here too that it was not necessarily a good thing. Is this then another sign to support you, in that feature film is getting left behind to move over to television?

Mr. Guy Mayson: I'm going to let Alex and Sandra comment on that too, but my own basic feeling on that was that we were very disappointed in that announcement. We felt there wasn't enough consultation on that at all. The advisory group I think had been left drift a little and had become a bit dysfunctional. It was too big, and its role wasn't clear, but it doesn't mean you get rid of it with no industry consultation. We were quite upset about it, actually.

Mr. Gary Schellenberger: It's like that saying, and we heard it yesterday I don't know how many times, never throw the baby out with the bathwater. Sometimes what you do, if it's not working.... If your car isn't working, you don't throw the whole thing out; you fix

it. It might be a spark plug, or it might be a bad wire, or something like that, but you try to fix those things. I was, myself, a little taken aback by that.

Ms. Alexandra Raffé: One of our issues is that \$100 million is a vast amount of money to administer into an industry that is so highly complex, moving rapidly, changing all the time, driven by international factors all over the place, by people who are not directly in the stream of that business. I'm not suggesting that bureaucrats can't administer well, but that formalized structured input from a very diverse group of people who live in the business with competing interests.... It's not what the producers want or what the distributors want; there were a lot of voices around the table. I know it didn't work all that well for some reasons, but the integrity of that input has to inform better delivery of money targeted more intelligently where it's needed in the right places in the industry. It's just too big a chunk of money to be administered by bureaucrats, who, no matter how well-meaning, intelligent, or hard-working, have political masters and all kinds of other issues to deal with, and not necessarily the utility of the funding.

Mr. Gary Schellenberger: Go ahead.

Ms. Sandra Cunningham: I would only add that in this, the producers association is quite united with entities like CAVCO, and we are in conversation about how to try to encourage the establishment of some form of consultation protocol with Telefilm. A body like that, we believe, as you have said, should have a stake in consulting any time there are new decisions and new events arising. We are actually not letting up on those efforts, together with our partners in distribution, broadcast, and exhibition.

Mr. Gary Schellenberger: I know another one we've talked about at various times was the distribution of films and promotion. I know again we're talking about television production, but when the CBC were here the other day they were talking about feature film, and they intend to promote their films a little differently. They would like to get a little different spot in the pecking order. Instead of waiting three or four years for a film before they can put it on, they would like to come number two, maybe, for a short shot on something like that.

Would something like that be advantageous to the industry?

• (0925)

Ms. Alexandra Raffé: Yes, we were interested in that, because we hadn't heard that before. But the reality of how you finance a film in Canada requires you to make deals with the broadcasters, so with the pay TV, specialty, second window, terrestrial, showcase, whatever. You take all of those pre-licences, you work with your theatrical distributor, who gives you then an advance against the theatrical, the whole shebang—they own Canada—and they take the value of those licences. And that's basically how they fund their advance to you and their willingness to take it out and spend the money on a theatrical release.

Richard's theory works very well, to the point to say I can absolutely see how it could make sense for the CBC to have a film right after its theatrical window to displace the market order. You know, change is complicated, but it's not necessarily a bad thing. The problem is that unless the CBC is willing to put the money on the table to take out that whole back end, which now your film no longer has value to, or a very diminished value to, it won't work, because I can't finance my movie. I need all of those windows. They pay in declining order of when they get the property and how exploited it's been before they get it. So pay TV pays higher, because nobody else has seen it except in the theatres. If it's been on CBC and they've been successful in achieving an audience of 1.5 million or 2 million persons, its value to pay is different.

The CBC does not put up a huge amount of money for Canadian films—and Sandra can tell you from personal experience—even on fairly big films. Instead of it being \$100,000 or \$200,000 and screened either at two o'clock on Friday afternoons or at 11:30 on Thursday nights, which are currently their two slots for screening Canadian films, which might also explain why they only get 93,000 people watching them, they're going to have to put up something in the order of \$500,000 or \$1 million for a serious film to take out those windows. If the CBC has the appetite and stomach to do that, hell, let's talk.

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

Monsieur Lemay.

[*Translation*]

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

This is the third time that I read your brief.

Mr. Guy Mayson: Really?

A voice: In French?

Mr. Marc Lemay: Yes, in French. I read it once in English. I always find something interesting in it. It is not negative, quite the opposite, in fact. I think we should spend more time reviewing the briefs that are introduced. We might set them aside, then come back to them and reread them as we do with a good book. Yours is a very good book.

Mr. Guy Mayson: Thank you.

Mr. Marc Lemay: I have a few questions. Quite a few things have happened since your brief was tabled last February 18.

Are you aware that on June 20, a few days ago, the minister introduced a bill to amend the Copyright Act?

[*English*]

Ms. Alexandra Raffé: Copyright.

[*Translation*]

Mr. Guy Mayson: Yes.

Mr. Marc Lemay: Do you intend to examine it, produce a brief, make recommendations, etc.? I scanned it rather quickly, to tell you the truth. I am a lawyer, and I found it quite complex, enormous. Do you intend to intervene on that bill?

Mr. Guy Mayson: I believe so. It is a bill that is important for the future. Our association has a copyright committee and it will probably make recommendations on the bill.

Mr. Marc Lemay: It might be a good idea for us, as a committee, to take a better look at it and hold hearings. Your study might help to complement our work in that area.

I listened to Ms. Raffé and Ms. Cunningham. I think that everything is in order. One of the new pieces of the puzzle will be the new Copyright Act, which could come into force in 2006 or 2007, depending on whether or not we have an election. In any case, we know where we are heading.

● (0930)

Mr. Guy Mayson: Yes.

Mr. Marc Lemay: I think this is becoming quite important.

You spoke of a study that you were undertaking. I must admit that I was still reading the brief, I was looking for a quote, and was not paying attention. I would like to know more about the study that you are working on, which will be made available this summer.

[*English*]

Ms. Sandra Cunningham: Well, the summer is perhaps a little early, but we are very committed to studying in very short order a series of mechanisms that might provide further incentive for private investment. This would be for CAVCO-certified productions and on top of what Telefilm might contribute. The idea, though, is to allow for Canadians to actually go out in the marketplace with more than simply tax credits as a percentage of the budget, not always for larger-budget productions that necessitate a larger market interest, and not necessarily depend on a Telefilm equity investment in the film.

We understand that you're going to be having further sessions in the fall, and I think at that time we would be better placed to articulate this for you.

[*Translation*]

Mr. Marc Lemay: We have seen so many people, I am not sure if we discussed it. No, it was not you. I think it was in Vancouver.

Have you done any studies on coproductions, on agreements? For example, Germany or Great Britain investing in films in Canada. Are you looking at that type of thing?

Mr. Guy Mayson: Yes.

Mr. Marc Lemay: That is what you are studying.

Mr. Guy Mayson: Yes, for the time being. The aim of our study is to examine the mechanisms that we have in Canada, but we must also take a look at the systems in other countries.

Mr. Marc Lemay: Why did I ask that question? Because I am a good lawyer, I already knew what the answer would be. For \$100, here is my trick question. I would like you to take a close look at the principle of flow-through shares. I do not know how the interpreters will manage with that one. Thanks to flow-through shares, there has been a boom in mining exploration.

Mr. Guy Mayson: Oh yes, we call them flow-through shares.

Mr. Marc Lemay: What do you call them?

Mr. Guy Mayson: In English, I believe the term is flow-through shares.

Mr. Marc Lemay: Finally, we have it! My friends across the way and I were looking for the term.

Mr. Guy Mayson: I think that's it.

Mr. Marc Lemay: In any case, the principle was explained to us. We have started to look at it. I find it quite interesting, because I come from a mining region. Thanks to flow-through shares, there has been an unprecedented boom in mining exploration, and it is continuing. I do not know if you intend to consult the Department of Finance, that is up to you.

A woman appeared before the committee. She was from Vancouver or Calgary.

Mr. Guy Mayson: Trish Dolman.

Mr. Marc Lemay: Yes, that's it. She was very interesting. She talked about private investment and film production. I believe that is what you are studying.

[English]

Ms. Sandra Cunningham: That's definitely one aspect, one mechanism.

Ms. Alexandra Raffé: It's one of the key things we want to look at, but we'd like to try to structure our studies so that we're not just picking one system and asking if we can adapt that. We'd like to try to look at various mechanisms to come up with a proposal that provides the lion's share of the incentive through to the production.

We know there are issues around tax policy and the previous tax shelter that we had, where so much of the money ended up in the hands of middlemen. There are a lot of issues around things like that.

So we are very interested in the flow-through shares, and we are going to look at that, but we don't want to carve the pie too small. As we do this analysis, we want to find the most effective leveraging that will satisfy government and satisfy our sector, with less middlemen. They're expensive.

[Translation]

Mr. Marc Lemay: Thank you.

[English]

The Chair: Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Thank you very much.

I think all of us agree on the importance of building stronger audiences. That's crucial. But one of the things mentioned by the distributors, by the different theatres that have come forward and presented before the committee, was the problem in terms of no marketing moneys being put into the films and also no trailers being done for these films.

How do they get the chance to even put this on the screen if in the budget of the movie there's been actually no allocation for either marketing or even a simple thing like a trailer?

• (0935)

Ms. Sandra Cunningham: We support entirely, Mr. Silva, the concept of more moneys going into promotion and marketing. We also feel it's very important that producers play a role in that

relationship. Telefilm used to give moneys to distributors to invest in minimum guarantees; therefore, in the acquisition of films prior to production. They have shifted the focus for this very reason, in a very clear attempt to try to shift the moneys towards marketing. That was under the 2000 script to screen policy. However, that is triggered at the moment....

Notwithstanding the marketing plans put in place prior to financing a film, I think we all agree that it is only when a film is actually complete—we see the job the director has done, the job the actors have done—and it hits a test audience that as partners in this venture we all see what chance there is for the film. If it's up to the distributor to then decide its value and what moneys go into the marketing, the producers are left with a product they've worked on for five or ten years, with a very clear idea of where they were positioning this, with no actual funds.

We would actually like to see producers become a key player in the whole marketing and promoting of films, together with distributors.

Ms. Alexandra Raffé: Perhaps I can make a comment as well. I do not know of a feature film that's been made in Canada for a budget larger than \$25,000 over the last ten years that did not have a trailer. Certainly nothing that I or any of my colleagues have ever been involved in and certainly nothing put through the Telefilm system ends up without a trailer.

Secondly, there are difficulties with the marketing money. There is a lack of resources and a number of problems. But I know that nobody will run harder to get it out there than the people who have made the film.

We've had a lot of difficulty in the past. The distributors do what they're comfortable with. Understandably, they do what they know is cost-effective. They've done it on previous releases. They're trying to get the maximum amount of money for the minimum amount of spend, and they don't really have high confidence that there's going to be a great deal of revenue from box office, because that's a very risky proposition. They know there are going to be revenues from television sales and video and the other things down the line.

So they will cut their losses on their spend. They can calculate exactly how much they're going to get in the back end. They will cut their losses on the spend to ensure they break even on the back end that they know is coming through over the next x years of a film's life as it runs through television. And the incentive to spend more money is complicated. It's very hard to do that.

Touching on Sandra's point about producers being involved to some degree in the back end, you're not allowed to put marketing expenses in a production budget. Telefilm won't allow them, the investors won't allow them—nobody wants marketing expenses in the production budget. If I'm giving you \$5 million, you put every penny of that on the screen. Marketing is somebody else's job. Distributors paid for the privilege to exploit this territory. They're supposed to put the money in.

We can talk about the necessity for supports. One of the difficulties producers have is that there is an enormous belief in grassroots work in supporting films, especially lower-budget films that don't have huge marquee stars and the trappings of the Hollywood world or international co-production. Producers have been very good, with very minimal resources, at web campaigns, at papering campaigns, at community newspapers, at taking the films on the road to remote communities that the distributor has no interest in taking the film to. They're cut off from the resources to do that, and the distributors are uninterested in them getting involved.

So yes, it might not make a huge amount of difference to Michael Kennedy at Famous Players if Sandra Cunningham has access to \$100,000 to do a cross-Ontario community campaign or web campaign or this, that, and the other—they don't all live in downtown Toronto—but it would make a difference to the grosses of the film.

We need to look at that more intelligently. The world is changing very fast. And they could play trailers if they wanted to play trailers.

• (0940)

Ms. Sandra Cunningham: One adjunct here is that producers are interested in not just the domestic marketing of our films but also international. I think we've seen that when films are successful abroad, they become more successful at home. I think there's no question that Annette Bening's Golden Globe and Academy Award nomination actually resuscitated the release of that film here in Canada. It will actually increase its DVD sales and will probably help it draw an audience three years later on CBC Television.

Ms. Alexandra Raffé: That's *Being Julia*.

Ms. Sandra Cunningham: Yes, *Being Julia*.

So I think when we talk about P and M being able to market films, producers have a stake in actually going out and ensuring the international marketing and success of their films. That's where I think we have to put some focus. It's something the domestic distributors inherently don't have an interest in. They acknowledge that they benefit from it, but they don't control it.

Mr. Mario Silva: Thank you very much for that clarification.

Madam Chair, I guess we're short on time here, so I won't ask any more questions.

The Chair: We are trying to speed things up a little bit.

Ms. Oda.

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

Thank you very much for coming this morning.

I know there are a number of areas, and I think this is a continuing dialogue between us. Some of the issues were moved forward at Banff and will continue to be moved forward.

I was particularly interested in three things, and I know we don't have the time to talk about all of them.

I note that on page 8 of your submission you suggest that the government consider putting in place a system of incentives to encourage broadcasters. We have an incentive program that the CRTC had put forward. I find it interesting that we have not had a

chance to see whether that's going to work or not. I know there's a lot of skepticism. It seems that even the minister herself has some skepticism, because she's overridden that period of trial and asked the CRTC to review its policy. I just note that.

I'm particularly interested in two things, though. One is terms of trade. Where is the industry in developing agreements on terms of trade with the broadcasters? Can you bring us up to date on that?

Second, you spoke about production capacity, and as you know, that's an area I'm particularly interested in. As I said earlier, there will be producers who choose to go project by project, but I think in order to have a mix of different kinds of production companies and producers, we have to look at how we can establish, on a solid base, some companies that could possibly have three or four ideas, or productions, in place so that we continue. That's the only way we're really going to get stabilization in the industry.

First of all, I would like an update on terms of trade and maybe some ideas on how we can increase production capacity with that objective.

Mr. Guy Mayson: I'll comment on that very quickly, Bev. Thanks for the question.

Terms of trade are very important to us, as you know. We do have an existing terms of trade agreement with the CBC. It's been in place for a number of years. We're actually talking about reviewing it with them and renewing it. We have yet to establish a proper terms of trade agreement with any of the private broadcasters, and not through want of trying. I think it's been basically changing personnel and a certain lack of interest, to be fair, at the broadcaster level too. We've initiated discussions with CHUM, and we've had preliminary discussions with CTV. I think with the changes at Global, CanWest Global will probably be looking at a renewed effort there.

It's extremely important to us because it basically defines the terms and conditions under which a lot of the relationships go on between independent producers and broadcasters, which in our view is a very unequal relationship in terms of who ultimately has the power and who says yes and no. But we take them very seriously, and so at our Banff board meeting we basically decided we really have to renew efforts and take them to a higher level within the broadcasting entities to make sure we follow through with the private broadcasters.

Ms. Bev Oda: And government encouragement might be of assistance.

Mr. Guy Mayson: Indeed.

Ms. Sandra Cunningham: Very much. Thank you.

Mr. Guy Mayson: Just as a footnote to that, because the commission has shown interest in terms of trade, we'd like to see that followed through on, because it gives the commission a reason to pay more attention to our business.

On the capacity issue—and I'll let Sandra and Alex deal with that one—capacity, to us, is really about viable companies and making the funding system work, not just for project production but for ensuring that companies that are central to producing those projects continue to survive. That, to us, is basically a revision of telephone policies and tax credit policies, more than anything, but also looking at ways of encouraging corporate dollars to flow into production companies down the road.

• (0945)

Ms. Alexandra Raffé: Especially in the feature sector, and especially with the new intake and the new talent that comes onto the scene, there will always be the small movies—I did it, Sandra did it—that you make out of your living room, painfully, over two, three, four, five years on tiny budgets that are just horrifying to even think about now, in my old age. Some of them are wonderful, and they start your careers, but there comes a point when it's unsustainable to do this, to live like a student when you're 50. It's just crazy.

Many of us—my company, certainly, and Sandra—have a diversified portfolio where we are trying to do both television and feature films because of the difficulty of sustaining feature films. Those mean overhead, those mean staff, and each product has an afterlife of two years. You're filing paperwork and tax credit returns, you're hustling the distributors, you're trying for international sales, you're out promoting. There's a lot of work while you're still developing the next one and trying to raise the money. It would be a challenge to do as a solo operator, which is the one-film-at-a-time kind of way.

The difficulty we have with all of our financing mechanisms at the moment, because of the paucity of funds and probably very well-meaning attempts to make the money stretch further, is to extract every penny out of the system going into the production financing. I was instrumental in getting the Ontario tax credits created when we lost our equity funding in the 1990s. The buy-in, very explicitly, was to improve the corporate structure, to help you stand on your own feet, goddammit, so you didn't need so much government money. Telefilm just immediately scooped every penny of it.

So there has to be some looking at the nature of the relationship between the various...and back to the rationalization of a dysfunctional system. Some of those moneys...the notion that somehow overhead is a dirty word and it's just profit element for the producer is hokum; whatever overhead you extract from a production budget deals with the five years you've worked, unpaid, to get the project this far and the five years more you're going to deal with it. I'm still putting reports in twice a year on a film I made in 1986, and sending in cheques. That actually does take some time.

Ms. Sandra Cunningham: Those of us who work in English Canada are quite envious of some of our colleagues in Quebec who have managed to actually create a distinct policy with Telefilm with regard to recoupment of tax credits—with a lot of help from SODEQ, clearly—whereby Telefilm has a different policy vis-à-vis recoupment of federal tax credits for the producer than they do across the country. Certainly that speaks volumes about the support that province shows for capacity in companies.

So it's hard for us to have capped fees, to split them with co-producing partners both across the country and around the world,

then have to defer them, to then put our tax credits into the productions and to not ever see that recouped. That's a very tough situation to be in.

Ms. Alexandra Raffé: Yes, and spend 18 months cash-flowing them through the bank.

The Chair: Thank you very much.

Mr. Kotto is next.

[*Translation*]

Mr. Marc Lemay: I will sit in for Mr. Kotto, who is working hard on the drafting. As you will see, my questions are not very tough.

I listened and I was very surprised. I know where you are coming from. I think you will be in need of some good lawyers to defend your claims. Eighteen months makes no sense at all!

Last Tuesday, we heard from Mr. Stursberg, the CBC executive vice-president, and I learned a new term. I will share it with you. It is called simultaneous substitution. Do you know what I am talking about?

Ms. Sandra Cunningham: Yes.

Mr. Marc Lemay: That is good. I have been thinking about it for two days and I cannot let it go. I am happy that you are here because you are producers. You do your work and you are involved in marketing. In French Canada, in Quebec, there is no problem. We do not have simultaneous substitution, but you do. I do not know how you will manage to sign agreements with CTV, Global, etc. You will have to fight and make representations to the CRTC to establish guidelines. It is harmful to you. If you think that money and a bad conscience are a problem, there is not much hope that CTV will air one of your films. It is impossible—unless I am way off base—according to all that I have heard. Have you thought about or analyzed this problem with simultaneous substitution? The people at the CBC have already started to do it and intend to continue on a larger scale. They say that as soon as the film is released in the theatres, it could be shown on television. You support this project. It seems fine to me. But what about the other networks, Global, CTV? What are they doing? Have you thought about that? I think I have asked a tough question.

• (0950)

Mr. Guy Mayson: That is the great challenge.

Ms. Sandra Cunningham: You have a good grasp of the issue.

Mr. Guy Mayson: I think it is very difficult. It is an important matter. Simultaneous substitution represents a huge challenge for the English-speaking market. It shows how important it is to regulate broadcasters' expenses. It is not only a matter of hours. If we want our broadcaster to air Canadian content, if we are paying for that, it is essential and it is not only a matter of hours.

Mr. Marc Lemay: I agree with you.

[English]

Ms. Sandra Cunningham: This doesn't relate directly to the conventional broadcasters, but what's interesting to point out is that the private-public venture of pay television contributing a portion of profits to Canadian talent and the development of Canadian talent has been very successful in helping us finance our feature films through The Movie Network and these channels. I'm not sure that would have been there naturally or organically without government legislation that insisted that a certain amount of cable profit be turned back in.

What's interesting is that TMN certainly has taken up the challenge and tried to find innovative ways to make that interesting for them. I think that's an encouraging step. We've concentrated our efforts to date on CBC because they have the open—

Ms. Alexandra Raffé: You've raised something that's very interesting, which is the challenge in a simultaneous world of... First of all, CTV doesn't have an appetite for movies. They like their movies of the week ripped from the headline kind of thing; that's their programming choice. So you're right about changing things. But how does one get CTV to agree to put *Being Julia*, which is a lovely film and certainly accessible to a large audience, in prime time rather than *CSI* when they know their audience will just switch over to the American channel? You can get that too. That is an issue.

[Translation]

Mr. Marc Lemay: No, because the channels can be blocked.

[English]

Ms. Alexandra Raffé: Right.

[Translation]

Mr. Marc Lemay: I have been looking into this for two days. If CTV broadcasts in simultaneous substitution at the same time as CBS, there is no control. However, as soon as you can block... CBC, that is fine, but that only represents 2 per cent, 3 per cent or maybe 10 per cent of the English-speaking audience. That is not very much.

[English]

Ms. Alexandra Raffé: Which is why Sandra's point about the pay and specialty, which we have.... I mean, the pay and specialty, TMN, have had very strict requirements to air Canadian movies, to buy them. The interesting thing is that it's been enormously helpful—it's required of them, it's not out of the goodness of their hearts—to us in the financing of our films and it's been sufficiently profitable for them that there are new entrants attempting to get into the marketplace.

The argument of the broadcaster is always, if I have to put that Canadian stuff on in prime time it's going to bankrupt me. The reality is that this is not quite true—some films, yes, perhaps, but some films not.

Ms. Sandra Cunningham: Which comes first, the chicken or the egg? If the public doesn't have access to its own stories, how do you know what they want, quite simply?

[Translation]

Mr. Marc Lemay: We have to educate the public. *Being Julia* is a very good film, but if I had not seen *Saint Ralph* on the flight between Montreal and Vancouver, I would never have seen it.

● (0955)

[English]

Mr. Guy Mayson: Yes. I would have seen it.

[Translation]

Mr. Marc Lemay: I do not understand. We must absolutely intervene to put a stop to that. I am talking about simultaneous substitution. I think it is a huge problem.

I have heard what you are saying. Thank you.

Mr. Guy Mayson: Thank you for your questions.

[English]

The Chair: Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): I will defer the first part of my time to Ms. Bulte.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): I just want to follow up on Mr. Lemay and the pay TV, that they have to invest. Don't they play a little game with you as well? They say they invest a dollar, but you have to pay the money back too. There a little bit of an anomaly that exists.

Ms. Alexandra Raffé: That's come again and gone again, and come again and gone again, but there is nobody in the feature film business internationally, in either market or government, who doesn't play games.

Hon. Sarmite Bulte: But if we're looking for money to help, let's say, with marketing or whatever, we're trying to examine not just new money but other ways to figure out—

Ms. Alexandra Raffé: They're not doing it at the moment.

Hon. Sarmite Bulte: For my colleagues, can you explain what happened?

Ms. Alexandra Raffé: This is not licence fee money. Some of those channels also put in equity funds. So the Hal Greenberg fund will put in equity; they're related to Astral. As for what the requirement was on the equity portion, they'll give you your \$100,000 or \$150,000 for the licensing of the movie, and they would also be asked for equity. Sometimes the request was, if I give you another \$350,000 in equity on top of that licence fee, I want a guarantee of a third of it back.

Ms. Sandra Cunningham: Or up to 50% to 60% of it.

Ms. Alexandra Raffé: Oh, really? Well, that's dating me.

Ms. Sandra Cunningham: But since November, that has actually not been the case.

Ms. Alexandra Raffé: And it needs to continue to not be the case.

Ms. Sandra Cunningham: It needs to continue to not be the case, the argument being that if they're required to spend, that's not a true spend; it's actually being demanded back as a guarantee. It's no longer an equity investment. I think for the moment they recognize that.

Ms. Alexandra Raffé: Yes.

Hon. Sarmite Bulte: Thank you.

Go ahead, Scott.

Mr. Scott Simms: Thank you for coming.

Alex, it's good to see you again. We didn't finish our chat in Toronto; you touched upon so many issues, and quite passionately, I might add.

You mentioned earlier not so much economies of scale, or maybe it was, but we talked about the production facilities and how things need to be...I don't know if you'd use the word "centralized" or not. When we were in Toronto we did touch on sound stages and the like, and the infrastructure in place for production of our movies. How do we get more involved, as a government, in that area?

Ms. Alexandra Raffé: Infrastructure development? This is a funny thing. A lot of people have a lot of criticism. I know Robert Lantos is a defender of some of the tax credits, the tax shelter years in the seventies and eighties, which is when I first got into the business, on the heels of that. What it did, though, was create an infrastructure in Canada overnight that, once that flow of movies disappeared, had trained crews, infrastructure companies, wardrobe supply houses, sound stages, grip rental houses, etc. I made my first film on the goodwill of people who had made a lot of money off service production and were happy to do a no-budget Canadian film for a fraction of the price.

Mr. Scott Simms: Sorry, service production...?

Ms. Alexandra Raffé: Service production for the Americans or service production for the shelters.

The thing that sustains and grows the infrastructure is volume. It's as simple as that. As a matter of national policy, we should be recognizing that the foreign productions that shoot here and the domestic productions that shoot here both feed off that same infrastructure. The crews and the houses, the people who support it—my productions, Canadian productions—also support Patrick Whitley's American productions or whatever. There are different producing approaches at the top, but that entire infrastructure supports equally both sides of the domestic and foreign equation.

The way to grow that and to keep it booming is to have a volume. I believe the policy requirement, the federal and provincial role in this, is to ensure that the balance of domestic and foreign production is a felicitous one, so that we don't find ourselves unable to control our sector, at the vagaries of decision-makers completely, and where too much of our industry is in the hands of American decision-makers or depending on the vicissitudes of the co-production treaties with Germany or Ireland or wherever; that enough of our production is solidly rooted in a healthy domestic slate that the infrastructure has enough fuel to keep going, no matter what happens with the fluctuations on the foreign side.

• (1000)

Mr. Scott Simms: In essence, basically you'd be looking for safeguards so that the big American production doesn't trump a smaller Canadian production whenever it wants to.

Ms. Alexandra Raffé: It doesn't trump it, because I don't think we compete on a head-to-head basis. A big American production has vastly more money to spend than I might have on a \$5-million movie. I'm going to be going after a different crew, different people, different levels of actors. I don't think there's a big competition on the ground in any way in that respect.

In Ontario we went from a situation, when I first started to run the Ontario Film Development Corporation in the early nineties, where

we had a product mix, if you like, in Ontario that was about 65% domestic and about 35% or 40%—it fluctuated—foreign service, mostly MOWs and American pilots for television.

Mr. Scott Simms: Is that a healthy mix?

Ms. Alexandra Raffé: And over the five years I was there, because of the Harris government and a number of other things, the overall levels grew every year. So everybody seemed to be happy. Politicians and everybody were happy because the dollar numbers were going up.

But the mix shifted to about 70% foreign services and about 30% domestic. This is catastrophic when the dollar rises. This is catastrophic when the WGA goes on strike or when SAG goes on strike, because all of a sudden our infrastructure.... People were selling their homes. People couldn't make their mortgages last year. I don't mean people like us, because we can never make our mortgages; I mean people like the grips and the gaffers. People leave. It's a mobile industry. If I can't get work in Ontario.... I remember when Alberta lost its infrastructure; the entire infrastructure just melted over the Rockies into Vancouver. Alberta was wiped out. It's grown back because other funding sources have been put in place.

That is the biggest risk. That's the area of concern with infrastructure. Yes, the person who's built a sound stage is stuck in Toronto, but the guy who rents out grip equipment, the wardrobe house, the crewmen—they'll go. Last year people were leaving Toronto en masse for Nova Scotia, because Nova Scotia was booming and Toronto was just dying because there was no domestic side.

That's a policy matter. It's ensuring that the volume stays high and that the mix is healthy, so that we actually have some control over our own sector.

The Chair: Last question, Mr. Simms, very quickly.

Thank you.

Mr. Scott Simms: So then we're talking about a mix, some government intervention to look at the mix and the ratio of how the infrastructure is managed.

Ms. Alexandra Raffé: I think it's a policy matter. There's a need to ensure that funds are targeted in such a way that all the supports, because there are supports made to the other side as well...to ensure that we have as our priority our own sector being healthy, and that we use whatever opportunities we can to increase the volume through foreign services, but that we not come to rely on it and find that we've lost control of our own market five years from now.

Mr. Guy Mayson: I have a quick comment. It's a very good question, Mr. Simms.

We're at this new stage for the production sector. We need a bit more of an industrial policy for our industry as much as a cultural policy. We are a creation of cultural policy in this country; let there be no mistake about that. But I think we're at the stage now where some more industrial means may be needed to sustain the industry. So looking at it more as an industry...which is the way the provinces look at their industries respectively. The provinces are involved in the production sector more as an industrial and employment engine in their respective provinces.

Mr. Scott Simms: They have the volume, but not necessarily the mix. So the government is somewhat absent—

The Chair: I'm just keeping...*[Inaudible—Editor]*

Mr. Scott Simms: You're going to tell me to shut up, aren't you?

The Chair: I know Ms. Oda has another question, and we now know how limited our time is.

Mr. Scott Simms: All right, with all due respect, Ms. Chair.

Ms. Bev Oda: Perhaps I'll follow up on TMN and the specialty channels having an obligation to commit dollars. That was based on the fact that they get subscription fees, and they're guaranteed that income on a per-subscriber basis. As you know, the conventional broadcasters are now looking for a fee-for-carriage situation on the basis of a transfer of viewership and actual advertising dollars to that category of broadcaster or licensee. Would you support fee-for-carriage if a portion of that fee were directed to Canadian production?

• (1005)

Mr. Guy Mayson: I'll take a run at that, unofficially or officially. It's a very good question, Bev, and I know that issue has been around a long time. We're probably going to have to look at it much more closely, because it seems to be taken more and more seriously. It seemed that for a long time it wasn't really being taken that seriously.

Certainly we're very interested in anything that requires an injection of funds into production and maintaining an equitable market between the BDUs and what they're carrying. But would we commit to that right now? We'd have to look at it more closely.

Ms. Bev Oda: I suggest that you do look at it, because I think the conventional broadcaster vis-à-vis that whole spectrum of specialty, pay, etc., is shifting. The scenario was based on a system in another age. We are now into a new age. If you look forward, as they propose, that is going to be a dramatic shift. They feel they're going to be more equalized with those, and therefore they're asking for the same terms in the form of fee-for-carriage. But consequently, if that's the case, if the movie networks and the specialties have an obligation to contribute, I think your industry should look at and devise a position on supporting fee-for-carriage if, as for the movie networks and the specialties, there is a commitment or an obligation.

Ms. Alexandra Raffé: I think there's quite a lineup of people who potentially have priority in the queue for access to any funds that come from broadcasters...which is the woeful Canadian drama landscape and the simulcast issues and all the rest of it.

The drama issue as well, that's a vast one.

Ms. Bev Oda: But we've been also told that the more we do in Canadian drama, the training, the stepping across....

Ms. Alexandra Raffé: The English market has a reality. I don't know of any Canadian star, with the possible exception of Mr. Gross, who can open a feature film that costs more than a couple of million dollars. I certainly can't get any international financing for any film that stars a Canadian lead; it doesn't matter if it's Sarah Polley, all those people. The reality is that in English Canada, because it's not a closed market like Quebec—and God bless them, they've done a lot of things really right—when you start to do well as an actor, you go to Hollywood.

Ms. Bev Oda: Thank you.

The Chair: Thank you.

Are there any other last questions?

I think, everybody, that was just the House convening a little bit later than usual.

[Translation]

Mr. Marc Lemay: They will be calling us.

The Chair: Yes, I am sure they will.

Mr. Marc Lemay: Do not worry, Madam Chair, they will call us.

[English]

The Chair: I think the dropping of the second slipper is imminent, so we perhaps should proceed.

I wanted to raise just one question. A lot has become clear to us, and one of those things is that there isn't the same level of many elements in the industry working together in English production as there is in French film production, where there does seem to be a community of interests, where everybody works towards the common goals. The advisory council could have been, but I gather wasn't, a vehicle for that to happen. Who should take the lead on that?

In particular, I wanted to ask a question that wasn't in our interim report but maybe should have been. What is the role of the film commissioner? Is that a leadership role that should be looked at and either strengthened or abolished? I don't know. We've had very little discussion about that during our hearings.

Mr. Guy Mayson: When you talk about the film commissioner, you're asking about the commissioner of the National Film Board?

The Chair: Yes, which is a legislated role—which I don't understand very well—as the film commissioner.

Mr. Guy Mayson: It's an interesting question. We would agree; I think there is room for building synergy on the English-language side. I think exhibitors and distributors, producers, guilds, and unions would all agree that something needs to be done there, whether or not it's to have a government film commissioner.

My sense is that the NFB is seen traditionally as being a strong public producer. It's not seen, really, as central to the independent sector or to the commercial industry generally; it's seen as a producer of a sort of high-quality, socially relevant documentary and in some cases longer form and animation.

I had this discussion with the new head of Telefilm the other day. I was strongly suggesting that any advisory group that's put together represent some of the main associations and main players in the industry, who are basically wrestling day in and day out with exactly these issues. I think that's probably a better area to focus on, building a strong advisory group that can build synergy.

The government film commissioner is an important role but is not really seen as central to the commercial industry.

• (1010)

Ms. Alexandra Raffé: Well, is it an important role? What does he do? Twenty-five years I've been in this business, and I have no idea what they do other than promote the NFB—which is fine, but—

The Chair: My question is, then, if it's Telefilm that puts together an advisory group, does that advisory group then become advisory to Telefilm, and not to the minister, on behalf of broader interests?

Ms. Sandra Cunningham: We've talked about it, the fact that the executive director of Telefilm reports to the minister. I think it's important that an advisory group report to the board as opposed to directly to the minister. That's something we've discussed, although that's more a personal than an association belief. But for us, it's the fact of having some sort of protocol for consultation that is really important for Telefilm.

The Chair: So that's something you might want us to comment on in our report.

Ms. Sandra Cunningham: Absolutely.

Thank you.

The Chair: Thank you very much.

We have another couple of things we wanted to address this morning.

We very much appreciate your coming again and the work the association does. My goodness, I think you're our best source of statistics when we want to know about film production.

Ms. Sandra Cunningham: Well, we look forward to reading the interim report more thoroughly. We just scanned it briefly before coming.

The Chair: Thank you very much.

Mr. Guy Mayson: Thank you very much indeed.

The Chair: My friends, we were going to talk about future business this morning. I don't know if the committee feels we need to do that in camera. I personally do not.

Concerning the invitation to the minister, it now looks almost certain we will be sitting next week, so let's operate as if we will. If we're sitting next week, we will certainly have a meeting on Tuesday and possibly, but not quite so probably, one on Thursday. So let's plan a Tuesday meeting, and is the priority then to have the minister report on Canadian Heritage's response to the committee's report on broadcasting? Yes or no?

Mr. Gary Schellenberger: Yes.

The Chair: That's if she's available, obviously.

I think, Jacques, you did some checking with her office.

The Clerk of the Committee (Mr. Jacques Lahaie): Yes. I spoke with her assistant a minute ago and told him I thought you wanted to meet with her on Tuesday, so he's going to check again.

The Chair: She was planning to be out of the country next week. Obviously it's more than likely she's not going to be, like a number of us, so hopefully she has nothing else scheduled then.

The second thing, under "Other Items", is the copyright bill, which has been tabled and is to be referred to a legislative committee. I know Ms. Bulte had suggested last time that in the fall we might want to start having a look at the medium- and long-term issues of copyright. I would hope that members of this committee will be involved in a review of the copyright legislation when it finally gets to committee.

I don't see how we can do both and finish the film report, and those are not the only things we have on our agenda.

Mario.

Mr. Mario Silva: I need some clarification. My understanding from the minister is that there's going to be a joint committee, both the heritage and industry committees together. Are we meeting as a full committee or are you going to be asking that separate members of the heritage committee meet with separate members of the industry committee?

The Chair: Frankly, I think this issue was only resolved fairly recently, as to where the legislation would be referred. I haven't had a chance yet to talk to the House leader. Normally the House leader and the whips of each of the parties would consult on who they're going to assign to such a committee, Mario.

Mr. Mario Silva: In other words, it will be members from this committee and members from industry who will make up the other committee.

• (1015)

The Chair: I would expect so, but there would possibly be people who aren't on either committee.

I'm not sure the industry committee has given the same attention to copyright issues over the last few years as the heritage committee has, frankly. That is of some concern to me, that they don't have the background members of this committee have.

Mr. Mario Silva: I needed some clarification, because I've told our whip I'm interested in being part of that committee. However, when I spoke to the minister, he said it was going to be a joint committee and as I was already on the heritage committee, I would be on that committee.

The Chair: I doubt it's going to be a joint committee that includes all members of both committees. I'll have to consult and find out.

Ms. Bev Oda: I think we need to clarify whether it's a joint committee or a legislative committee.

Mr. Mario Silva: I was told by the minister it was to be a joint committee.

Ms. Bev Oda: That's what I heard, but nobody has said it definitively yet.

The Chair: It says on our agenda “Second reading and reference to a legislative committee”. I presume that's what was tabled in the House and that's why it's here this way, but the intention is that the legislative committee would include members of both committees.

Ms. Bev Oda: I think there is confusion, because when you speak to the minister and the minister's staff, they're still referring to it as a joint committee.

Further to your first point, I would agree that we should scope out our work, not just for next week but as we head into the fall. My concern is that we complete the film report and do a good, adequate job. I would suggest that once we get a draft we're going to have a lot of discussion on the elements of the draft, and we have to allow ourselves time to do that.

The other thing is to ensure that we're doing a good job on the work that comes up, because if we just focus on something, then other things get pushed, and we may be holding up legislation and such things. Also, I can foresee that there may be some other issues coming before this committee in the fall, so we have to leave some time for ourselves.

At this point, to consider moving into stage two or stage three of copyright when stage one is actually before the House and various committees might be a little too premature. Until we get a reading of the scope of the discussion on the existing copyright legislation, I think it may be a little premature to go ahead and plan that we spend time on stages two and three.

The Chair: Are there any other comments?

I generally agree. From what I know of copyright and what the committee went through before, just getting through the legislation and the number of people who will want to appear before a legislative committee, knowing that it will involve members of this committee, I don't see how we could possibly launch another study and do that, finish the film study, handle the private members' business, and I'm not sure what else we see that might come to the committee.

Ms. Bev Oda: There are a number of outstanding recommendations and reports from the Auditor General, in the area of heritage, that we've paid no attention to at all.

The Chair: Yes.

Ms. Bev Oda: That would be my suggestion.

[*Translation*]

The Chair: Mr. Lemay, you have the floor.

Mr. Marc Lemay: I agree with Ms. Oda. I think it is obvious, unless I am way out in left field, that we should discuss copyright, since it involves culture. It involves culture, it involves the Standing Committee on Canadian Heritage, of which we are members. Unless someone tells me that we are not going to do it, we should at least be consulted and work on it, even if we have to set up our own subcommittee. In any case, it involves what we will be undertaking and the substance of my questions to Ms. Raffé and Mr. Mayson. It is clear that it is directly related, in the same way as the authors, television, everything that surrounds culture and film, broadcasting, the Internet, etc. We must obviously be consulted on this issue and if we do not strike a committee, we will be missing the boat. I would

have to then wonder about the real purpose of our committee. It is obvious: I have nothing more to say.

However, we do have a heavy workload. We will have to reorganize our schedule to work on this because...

• (1020)

[*English*]

The Chair: Okay. On the private members' bills that are before us, I would suggest that our analysts possibly consult with you or with whoever else as the critic, with the critics of the other parties... well, with you as mover of the motion as well as critic on these issues, and with Mr. Mark—

Ms. Bev Oda: Right.

The Chair: —and with Ms. Bulte as parliamentary secretary, to see what witnesses we might want, too.

[*Translation*]

Mr. Marc Lemay: I will tell you right now that the private members' bills, particularly the one dealing with the Ukrainians, are of great interest to me because...

The Chair: Mr. Lemay...

Mr. Marc Lemay: A large number of Ukrainians came to my riding to work in the mines, etc. Believe it or not, there was even a concentration camp, in my riding, in Amos. It was called Spirit Lake, and I am very much interested in it. I am being lobbied...

The Chair: Mr. Lemay, may I finish speaking?

Mr. Marc Lemay: Yes, Madam Chair.

The Chair: Our analyst will consult with the two movers of the bill and suggest a work outline to the committee, so as to keep the witnesses informed. The committee will decide how to proceed.

[*English*]

Mr. Marc Lemay: Go ahead, Joe and Sam.

The Chair: If they could bring proposed witnesses and so on, then we could say yes or no. We could decide how much time we're going to spend on that and have that chunk done, because I do agree that we should give priority to what the House has referred to us.

Mr. Marc Lemay: Okay.

The Chair: Secondly, on film, as I see it shaping up, we've given people a deadline of mid-September to respond, so it will take a couple of weeks after that, minimum, to put those comments together. I presume they won't all come in, but a lot of them will probably come in. It will take a few weeks to put that together, as well as the work that's been done over the summer on other subjects.

My guess would be that we might have one meeting before Thanksgiving in which we get a briefing on the work that's been done over the summer, and it will probably be after Thanksgiving before we get a full analysis of what's come in from our witnesses. At that point, we will have to decide whether that's enough or whether we want to organize two or three round tables to hash out some of these issues. That's a tight schedule for the fall. And as I say, some of us then will be dragged off to do copyright.

Gary.

Mr. Gary Schellenberger: I just have to explain one thing. I did sit on the committee last year when we brought in the first report on copyright. I know that out of that committee, only Sam and I are here now. Once we get into the report when it comes back, it's going to be very complicated. I'm quite sure there are going to be many questions asked before we go to second and third stage. I know that was already set, but we have to realize that we should get through number one. That's my look at it. Realize that in 1996 the WIPO Treaty was signed, and it hasn't been ratified. It's almost ten years. So if we don't stay on something we'll never get it through; it will be another ten years, and we'll still be fumbling around. So let's finish off number one.

We're into the film industry—let's finish that off. Bill C-331 and Bill C-333 need some time. They can't be rushed through. They're very important, as Mr. Lemay has said and as Ms. Oda has said. We have to take time on those things. Put them on the agenda, but let's not try to work them in. I think we're going to have two things, and if we could get those off the docket, the first stage of Bill C-60, and if we can get rid of Bill C-60, and then move on and get a full report on the film industry, then we've concluded that and we can place some of these other things after that. I know they're important. There are a

lot of important things. I have things I'd like to bring up on museums and archives.

Anyway, that's where I stand. Let's do one or two things. Let's get a couple of things that are sitting out there. As I say, the WIPO Treaty was signed in 1996, and I think it's pathetic that we're this late.

• (1025)

The Chair: By the way, I had this discussion with Sam after she brought up that suggestion at a previous meeting, and I think she now agrees that we can't possibly do anything else on copyright or in addition on our schedule to what we already have in front of us.

Mr. Gary Schellenberger: It is complicated.

The Chair: And now we've added lighthouses to the preservation of cultural heritage properties.

Is there any other business?

We will adjourn this meeting a bit early.

The bells haven't started, so you have time for some phone calls, everybody.

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