



CFTPA

*Representing television, film
and interactive production in Canada*

ACPFT

*Porte-parole de l'industrie de la production
cinématographique, télévisuelle et interactive au Canada*

Canadian TV & Movies are Worth the Investment

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Check against delivery

Thank you and thank you to the Canadian Club for inviting me to join you today. I can't think of a more appropriate place to speak about whether Canadian television and movies are worth the investment!

One of the stated purposes of the Canadian Club is to promote Canadian identity and few things are as important to our sense of selves as seeing our own stories, our own humour, our own corner store – indeed, our own perspective - reflected in the television shows we watch and the movies we attend.

I want to begin by telling you a little about the organization of which I am President and CEO - the work we do and why I think it's important. And then I'd like to talk a bit about the challenges we face - all of us as Canadians - in the face of technological innovation and globalization.

The Canadian Film and Television Production Association is a not-for-profit, private sector organization, representing some 400 Canadian film, television and interactive media production companies.

Before I go any further, let me explain exactly what a producer is and how they fit into the picture.

Producers are the builders in the production process. They bring together all the elements of the production including the financing, the talent, facilities and distribution. It is the producer who assumes all the financial liabilities and responsibilities associated with a production. Producers are the major employer of Canadian creative talent—actors, directors, writers, technicians. In fact in many ways, producers are the cornerstone of the Canadian television and film industry.

The CFTPA is the voice for these producers - lobbying government on issues like tax, immigration, trade, copyright, as well as broadcasting and film policy. We also do the tough jobs like negotiating and managing labour agreements.

Our Association is also involved in promoting Canadian productions abroad, encouraging the right environment for co-productions, as well as ensuring that our films and television programs are seen in countries around the world. In fact, you might be surprised to know that "Cold Squad" is a big hit in South Africa!

One of the activities that I'm most proud of is our mentorship program, which provides young Canadian talent with opportunities in the film and television industry. These are the Atom Egoyans and the David Cronenbergs of tomorrow, the technicians and talent that will shape what we see in the future. Last year, more than 85% of those involved in our mentorship program continued to work in the industry following their internships.

We have four CFTPA interns in the audience with us today. Sarah Vermette is currently working on a documentary through the Corus Young Filmmakers program; Sandra Ppolucci is one of our CTV Cross Platform interns working with Decode Entertainment

on convergence projects; Peter Rhee is a graduate of our program and is working with Real to Reel Productions and Anne-Marie Leger was an intern in our international program, sponsored by the Department of Foreign Affairs and International Trade, who worked in Vietnam last year. She is now an associate producer with her mentor company Hg80 Media.

So who are these TV and film producers and what kind of work are they doing? Well, if you have children and have seen "Angela Anaconda" or "Franklin" or "Cailloux", then you have seen their work. Maybe you've seen "Degrassi the next generation" on CTV, "Little Miracles" on Life, "The Designer Guys" or "Savoir Faire" on HGTV, "DaVinci's Inquest" on CBC or "Profiles of Nature" on the Discovery Channel. Perhaps you are one of many Canadians who has seen "Bollywood Hollywood" in your local theatre.

Like many Canadians you probably watched the Trudeau mini series on CBC. Perhaps you saw last year's stirring mini-series "Blessed Stranger" starring Kate Nelligan on CTV. It was important to me not because I know the producers or the good folks at CTV but because I knew someone on that flight. He had a wife and two young sons. "Blessed Stranger" reassured me that his family had been embraced and comforted by the good people of Peggy's Cove. Yes, it was a Canadian story but the themes and the messages were universal.

You may be surprised to learn that Canadian television and film production is now a major industry in this country with total activity over the past year of nearly \$5 billion. Since 1995, our industry has grown by 130% - making it one of the fastest growing sectors in the Canadian economy.

It now accounts for some 135,000 jobs, many of which are highly skilled and knowledge intensive - the very essence of the new economy. While production is focussed in major centres like Toronto, Montreal and Vancouver, our industry is growing in all parts of the country. In fact, the wonderful mini series Random Passage - which incidentally was watched by more than one million Canadians even though it was scheduled opposite the Super Bowl - was a co-production involving Newfoundland, Quebec and Ireland.

We have some tremendous successes to celebrate. Speciality channels such as Showcase, History Television, and Discovery now collectively spend more on Canadian programming than do the conventional services and they often get larger audiences for this Canadian programming than for foreign shows. City-TV with its innovative approach to programming brings all sorts of Torontoians to Canadian movies and they generally schedule them right in prime time—9:00 p.m.

There's a reason for this: their business model was not based on mainly foreign content, with a little Canadian on the side. They designed their programming with Canadian content front and centre and audiences have voted with their remotes. This point needs to be made again and again. If given the opportunity to choose Canadian shows, Canadians often do so.

This brings me to an article by John Gray that appeared in last Tuesday's Globe and Mail. It was entitled "Canadian TV and natural (channel) selection." He was commenting on a recent speech given by CRTC Chair, Charles Dalfen. Mr. Gray bravely but not too wisely waded into the debate on Canadian drama.

Mr. Gray is to be congratulated for recognizing "Da Vinci's Inquest" as a spectacular example of Canadian drama. However, at the heart of his article, Mr. Gray suggested that Canadian drama is an endangered species for two reasons (1) it has been over harvested or (2) the habitat can no longer support it. Considering how little there is available, I think that "over harvesting" is not the issue. And, if he feels the habitat can no longer support it, he clearly has forgotten that drama is the most watched type of programming around the world.

If we walk away from Canadian drama or worse "put it to sleep" as Mr. Gray proposed, we might just as well cede our broadcasting system away. Already our children (or at least my 15 year old) are unsure whether CNN is actually Canada's news voice. Before we put up the white flag, we need to ensure that Canadian drama has a real chance in terms of development, financing, promotion and scheduling. To a large extent, up until now our broadcasting system has been built around the schedules of the US networks. We need to change that and we need to consider the impact on our young people if the shows they watch are always from another country, with a different political system, different values, different gun laws and health system where the local police chief is elected.

So, how do Canadian producers do it? How can they afford to make these films and television shows? The answer is we help them - all of us Canadian taxpayers. Through vehicles like the Telefilm Canada, the Canadian Television Fund, and The National Film Board as well as a range of provincial tax programs, loans and equity investments, funding is available - provided they meet Canadian content criteria. And we also supply our skills and ability to make popular Hollywood movies like Heist, The Score or this year's runaway success, "My Big Fat Greek Wedding."

You may not be familiar with the Canadian Television Fund. It was started in 1995 by the Canadian Cable industry to encourage the creation of distinctly Canadian programming in traditionally under-represented areas such as primetime dramas, documentaries and the performing arts. It was increased substantially in 1996 when it became a partnership with the Canadian government. The CTF is now generating more than \$683 million in production activity and over 18,000 jobs. In this past year, it generated over 2800 hours of new Canadian television programming.

The Federal Government's contribution to the Fund is up for renewal in March 2003 and we are very hopeful that it will be allowed to continue its excellent work. Now is not the time to lose the momentum it has created.

To give you an idea of how tough this business is in Canada in terms of Canadian

television programs, our broadcasters - such as CBC and CTV - pay license fees for these programs that amount to 15 to 35% of their actual production costs - compared to the 70 to 90% paid by U.S. and British broadcasters.

In other words, Canadian producers deliver quality programming at a very reasonable cost, both through the financial structure I've just described and because they happen to be very efficient business people. They are great entrepreneurs!

But, of course, the question still remains - are Canadian TV and movies worth any investment at all? Why should they be supported with public money at all? What value do they bring to you and me as individual Canadians? Now, obviously, I'm biased.

Well, part of the answer of course is the economic activity they generate, the jobs they create and the innovation they inspire, but that's not the whole story.

They also help us to define ourselves as Canadians - to one another and to the world.

For the remainder of my time today, I'd like to try and tell that larger story.

First, some statistics. I know, statistics can be made to say anything, but just consider:
80% of Canadian homes receive nearly every conceivable U.S. television service - from NBC, CBS and ABC, to Fox, PBS, CNN and TBS.
Canada buys more U.S. television programming than any other country in the world. We are their best customer.
Only 2% of our movie screens are available for Canadian features. The rest are playing foreign, primarily American, movies.
Under CRTC regulation, only 8 hours, or a maximum of 35% of the 28 hours in the heart of prime time programming over seven days, has to be Canadian.

So where does that leave us? It leaves us with 98% of our theatres running foreign films and 65% of our prime time television choices taken up with mostly American TV shows.

Some of you may have found yourself nodding in agreement with Jack Valenti, the president of the Motion Picture Association of America when he said in Ottawa last year, "no government can order citizens to watch what they do not want to watch."

Hard to argue with that. But what Mr. Valenti overlooked - and what sometimes gets lost in this whole discussion - is that you can only decide to watch from the choices you are offered. If you take away the Canadian content rules, you won't have very many Canadian choices.

Our TV sets will end up looking like our movie screens - 2% Canadian, 98% non-Canadian.

I happen to believe - not only as head of the CFTPA, but as a passionate Canadian -

that preserving what is uniquely ours is a fundamental part of how we define ourselves. A country that loses its voice and its ability to tell its own stories, in its own way, is one that risks losing those very points of difference and differentiation.

And, remember, we're one of very few countries in the world that actually includes U.S. programming and channels as part of our daily TV diet.

Some of you may be following the federal government's innovation initiative. Some of you may even have participated in one of the regional summits or will be attending the National Summit on Innovation which begins this evening

The stated purpose of the government's innovation strategy is to position Canada to succeed in the knowledge economy. It sets specific targets for things like research and development and for improving our productivity. While its benchmark is the United States, it also recognizes that we are now part of a wider economic world; that distance is increasingly irrelevant for businesses and that *our* best must now be the *world's* best.

A great deal has been written about what this means for businesses and economies at large, but less attention has been focussed on what this all means for cultural industries such as ours.

Sometimes we've looked at innovation only in terms of the technology it can generate - on gizmos and gadgets, faster networks, portable DVD players, more broadband and plasma televisions.

What's been missing from the debate is an appreciation for the other side of the equation, which is the content that will be shared and transmitted by the technology innovation creates. What will we see on those thinner TVs? What movies will we watch on those portable DVDs?

Will there be a place for Canadian programming or Canadian films? Or will our future be one dominated by Vivendi or Disney, AOL-Time Warner or G.E.? This is far from a rhetorical question. And it is far from just a cultural concern. If we let others provide the content, we will not only have foregone the opportunity to tell our own stories, we will have taken a pass on major components of the knowledge economy - the creation of ideas and the development of new technologies.

As technology gallops ahead, the internet and broadband technologies will be delivering more and more non-Canadian programming into Canada on an unregulated basis.

Juan Enriquez, head of the Life Sciences Project at Harvard Business School, once said that, "Technology is not kind. It does not wait. It does not say please. It slams into existing systems and often destroys them."

We're already getting a taste of this with respect to the growing black and grey market in satellite transmission. There are now over half a million illegal satellites users in Canada – they are stealing signals and hurting Canadians.

The rights of producers are being violated and money is being lost – money that could be going to create Canadian jobs, provide Canadian programming and contribute to the Canadian economy.

In April, the Supreme Court of Canada ruled such decoding is illegal. Recent seizures by the RCMP are now just beginning to bring this issue to national attention. As business people you can certainly appreciate that nobody can compete with what is free.

We also need to begin to think about cultural sovereignty not just in terms of North America, but in a much broader context. Indeed, in a global context.. And in a wider world, we need a clearer voice.

That's the real issue. How do nations retain their individuality - indeed uniqueness - in the face of globalization?

Many of you may have read Thomas Friedman's wonderful book, "The Lexus and the Olive Tree". In it, Friedman argues that globalization has replaced the cold war as the organizing structure of our world.

He points out that if the defining symbol of the cold war was the Berlin Wall, which separated people, the defining symbol of globalization is the internet, which unites them.

Today, "enemies" have been replaced with "competitors" and the defining document is no longer "the treaty", but "the deal".

This is a fundamentally different reality from the one we've all been raised in and we need to adopt a fundamentally different set of rules to govern ourselves.

Technology may be creating a global village, but should it be creating a global culture? Should every inhabitant of this village speak the same language, wear the same clothes or watch the same TV shows? In such a world, what happens to culture?

I like the way Friedman puts it: He says, "Few things are more enraging to people than to have their identity or their sense of home stripped away. They will die for it, kill for it, sing for it, write poetry and novelize about it. Because without a sense of home and belonging, life becomes barren and rootless. And life as a tumbleweed is no life at all."

So how do we protect our roots? How do we prevent Canada from simply becoming a place through which other cultures pass?

The answer isn't higher walls or lower standards. Globalization is not the "big enemy". For Canada's talented creative community, it is the big opportunity. But only if they're given a fighting chance. Only if room is made for them.

As satellites, the internet and other new technologies conquer space and shatter borders, many countries - and not just Canada - are waking up to the fact that while the entertainment options expand, the truth may be that the shelf space for their own stories and culture is actually shrinking.

That is why the Canadian Government is investing in the Canadian production industry. That is why it is promoting the concept of a new international instrument designed to safeguard cultural diversity.

This isn't such a novel concept. In fact, in other areas, it's already being done. Let me give you an example.

Friedman points to the unique qualities of southern France - the rolling countryside, the pastoral beauty - and, my favourite part, the wine!

How does that region retain its character? Well, southern France is preserved as southern France partly because Germany, through the European Union, subsidizes French agriculture so that small French farmers - and therefore small shopkeepers and small villages - can survive intact, despite global pressure for consolidation and the attempt to turn every village into a strip mall.

In other words, what we like about southern France is based on a new type of politics that assigns real value to cultural preservation.

My argument is that we need this same kind of forward thinking when it comes to culture - here in Canada and throughout the world. We need to be able to say, "this is important", "this is worth preserving", "this means something to us", "don't touch it".

Globalization, technology, innovation - all of these are wonderful things and represent wonderful opportunities. But they also require a new way of thinking - about ourselves and how we hold on to the essence of ourselves.

We don't want to be like the cell that is invaded by a disease - a disease that disguises itself as a perfectly natural part of the cell, that "feels right" to the cell, until it takes over and pretty soon the nucleus of the cell is gone.

We don't want to wake up some day and realize that there's nothing left of our national soul.

Are Canadian TV and movies worth the investment? Yes, because they bring jobs and expand opportunities. Yes, because they are knowledge intensive and key parts of the new economy. Yes, because Canadians should have a right to choose for themselves.

And, yes because Canadian TV and movies are *needed* more than ever - to define us, to stake our place on the world stage and to ensure that we can hear our own voice amidst the noise of the global village.

That is the challenge we face And that is the challenge I am confident Canadians will meet in the days ahead.