
**A REVIEW OF
CANADIAN FEATURE FILM POLICY**

Summary of Submissions

June 1998

Copies of this document are available from:

Cultural Industries Branch
Department of Canadian Heritage
15 Eddy Street, 4th Floor
Hull, Quebec K1A 0M5

Telephone: (819) 997-5690
Fax: (819) 997-5709

Internet: <http://www.pch.gc.ca>

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1. INTRODUCTION

On February 4, 1998, the Minister of Canadian Heritage announced a comprehensive review of Canadian feature film policy, with the release of a discussion paper entitled *A Review of Canadian Feature Film Policy*. This paper addressed some of the key challenges facing the Canadian film industry and raised a number of questions in order to stimulate discussion. Canadians were invited to comment on these issues in writing before March 20, 1998, and, subsequently, to comment on the first round of submissions until April 17, 1998.

This document summarizes over 110 submissions received during this exercise. The summary document will serve as a basis for discussions during regional consultation meetings scheduled for June of 1998, which will be followed by a national forum on feature film. Other consultative mechanisms were also introduced to support the government's efforts throughout the review process: an advisory committee on feature film, comprised of members of the Canadian film industry; a liaison committee with federal agencies involved in the film sector; and on-going meetings with individuals and organizations with a stake in the long-term success of Canadian cinema.

The enthusiasm and commitment generated by the review of Canadian feature film policy is encouraging. A wide range of people responded, including production and distribution companies, professional associations and guilds, individuals working within the industry, public and private broadcasters, training institutions, cooperatives, film festivals, provincial funding bodies and foreign companies. This process also raised the interest of Canadians who are not working in the film industry but are consumers of its products.

On reviewing the submissions received, it was possible to draw some highlights in a number of areas. A significant number of respondents shared the following ideas:

- measures must be introduced to heighten support for the creative sector (screenwriting, directing, performing), particularly at the development and screenwriting phases of a project;
- a fund, based on a public/private partnership, should be established to support the production, promotion and distribution of Canadian feature films;
- additional resources and greater cooperation among the various sectors of the industry are necessary to improve the promotion of Canadian feature films;
- Canadian ownership and control of production and distribution companies are key to ensuring the development of the Canadian film industry;
- many problematic practices that were reported in the mid 1980s in the area of film distribution are still valid today. The first among these is the fact that Canadian distribution rights for foreign films produced by independent producers are generally

packaged along with U.S. rights in a North American rights deal;

- regulation, in the form of screen quotas, would not be appropriate for the theatrical exhibition sector;
- Canadian broadcasters can contribute more to enhance the financing, promotion and exhibition of Canadian feature films and should be allowed to share in the "risks and rewards"; and
- particular attention should be given to training in order to ensure the rejuvenation of talent in all sectors of the Canadian film industry.

There was less consensus over issues pertaining to:

- whether the Canadian feature film policy should focus on cultural and/or commercial imperatives;
- the degree to which various financial partners should be involved in decisions related to a production; and
- potential sources of additional funds.

To facilitate the organization of this summary document and to highlight the participants' diverse points of view, comments are grouped under the following themes: creation and development, production, distribution and marketing, exhibition, broadcasting, ownership and control of production and distribution companies, potential sources of additional funds, and, finally, cross-sectoral issues.

2. CREATION AND DEVELOPMENT

Creation: A Neglected Sector

Based on the comments received, there appears to be a consensus that the role of creators, in the film production chain, has all too often been neglected and underestimated. Most submissions confirmed that it was vital to seek out measures to guarantee that the Canadian feature film industry can nurture and sustain a sufficient pool of creative talent.

Insufficient Resources

A large number of respondents, including producers, distributors, directors, performers and screenwriters, pointed to the lack of resources generally earmarked for the writing and development stage. Creators identified a number of financial burdens that hamper the growth of this sector. For example:

- there are few avenues of direct financial assistance to support the initial development stages of a script;
- under the guidelines of the existing development funds, screenwriters have to defer part of their fee, which is payable in full only on the first day of shooting (if the film is shot). This situation does not help reduce the financial risk taken by screenwriters;
- screenwriters' fees sometimes represent less than 50% of the budget allocated for development; and
- the expenditures associated with the first phases of development are not eligible for tax credits.

Some creators' associations were opposed to involving a distributor or a broadcaster before a first draft of a screenplay has been prepared. Some broadcasters, on the other hand, noted the importance of involvement in the creative development phase to ensure that the final product has suitable production values for broadcast. In addition, as part of its feature film strategy, the CBC has proposed to support the development of a stream of scripts, and to provide expertise, resources and support to Canadian screenwriters.

Many Avenues to Explore

While the vast majority of respondents indicated a need to inject new resources (public and/or private) to support the creation and development process, there was no consensus on eligibility criteria or the specific uses of this funding. Professional associations representing screenwriters tend to favor direct funding for script development right up to the first version, without having to be associated with a producer; this would help build a supply of high quality scripts from which a

producer can choose. These respondents also believe that there should be a realistic success-to-failure ratio (one film produced for every 10 projects developed). Others, and more specifically producers, felt that any development-oriented funding mechanism should be triggered by a producer.

Several respondents suggested the creation of a special fund or incentive measures to support future generations of filmmakers and first works. Some also suggested that incentive measures such as a tax credit be implemented to encourage producers, distributors and exhibitors to invest in screenwriting and development.

Other avenues proposed to provide greater support to screenwriters were to shift currently available resources and/or to modify existing programs. Specific examples of this approach included:

- allocating 85% of a project's development budget to the screenwriter;
- making the first phases of script development eligible for tax credits;
- modifying the criteria of Telefilm Canada's feature film development fund to include screenwriters' first works; and
- funding fewer projects through tougher criteria, to select only the highest quality scripts with the best chance of being made into films that audiences would want to see.

Other respondents suggested:

- having more productions that address a wider range of genres and budget frameworks in order to compensate for the lack of continuity in the creators' work;
- experienced script editors be mandatory in the screenwriting and development process, and be brought in at a much earlier stage of development (treatment to first draft); and
- creating an infrastructure — possibly a new division of Telefilm Canada — in several regions across Canada to accept and bank quality scripts.

A number of respondents also suggested establishing measures related to training and professional development. This issue will be addressed in Section 9, *Cross-Sectoral Issues*, since the majority of the comments received on this subject cover many different sectors of the industry.

3. PRODUCTION

Most respondents felt that the volume of marketable Canadian feature films produced annually is insufficient to sustain domestic or international growth. They also maintained that the objective of public policy must be to produce films that are of high quality. However, these respondents did not specifically define what they consider to be a quality production.

Annual Volume of Production and Average Production Budgets

Ideas on the issue of whether an increase in average Canadian production budgets should be achieved by decreasing the annual volume of production varied considerably among respondents. Replies ranged from those agreeing that an increase in production budgets devoted to fewer feature films will increase the quality of Canadian films, to those believing that decreasing the number of productions would only enrich the few companies that have access to public money and result in homogenized films that no longer reflected the diversity of Canada. These same respondents also felt that this approach would hinder new talent, smaller budgeted projects and small- to medium-sized companies — all of which are critical to the survival of the industry.

The majority of respondents commenting on this volume/budget issue stated that Canada should increase both the annual volume of feature film production and the average budget of these productions. These respondents asserted that it is important to ensure that high-quality productions are produced. This, they added, often demands higher budgets.

Establishing a Public/Private Sector Feature Film Fund

The vast majority of respondents representing all industry sectors felt that the most effective way to support the industry was increased funding for feature films. In particular, many respondents recommended the creation of a public/private sector feature film fund. Some respondents suggested using the model of the Canada Television and Cable Production Fund (CTCPF). This fund would have to take into account the different market realities and needs of English- and French-language films, as well as regional film productions. Some respondents also suggested that certain funds should be earmarked for Aboriginal and other visible minority filmmakers.

Finding Funding in Non-Regulated Markets

Respondents recognized the difficulty in identifying sources of financing for a feature film fund. The policy and regulatory environment in which the CTCPF was established is very different from that of the feature film industry. Distributors, video stores and movie theatres, unlike broadcasters, do not operate under a regulatory regime to support Canadian content — establishing a mandatory contribution to a feature film fund would pose many practical difficulties.

Distinguishing between Commercial and Cultural Films

Many respondents stressed the need for public policy to differentiate more clearly between

commercial and cultural films and that any new fund should support both cultural and commercial cinema. For instance, several respondents were in favour of a production fund whose criteria differed by type of feature film. First, a cultural fund would assist productions — including art films — with distinctively Canadian points of view. Second, a commercial fund would exist for projects with widespread public appeal, higher budgets and financial commitment from the marketplace. Here, producers with proven track records in producing films for theatrical release could find more easily triggered funding. However, respondents did not clearly articulate how to distinguish between commercial and cultural films, in practice. Some other respondents cautioned that Canada’s cultural and economic goals are incompatible and that trying to reach both will result in a failure to achieve either goal effectively.

Funding Emerging Filmmakers

There were also many pleas for a fund for emerging filmmakers: support for Canada’s next generation of filmmakers is critical to ensure the future success of the Canadian film industry and to increase the volume of high quality productions.

Other Production-Related Suggestions

A number of other suggestions were put forward by respondents:

- review Canadian content rules. (There was no overall consensus on this issue. Some respondents stated that there is too much non-Canadian participation in Canadian content productions and suggested increasing the points required to 8 out of 10, for tax credit purposes, while some others argued that more foreign creative involvement should be allowed.);
- promote the production of more official international co-productions;
- create a tax shelter system to encourage private investment in feature films — modeled on the former Capital Cost Allowance program, with some adjustments;
- have federal film agencies create a separate category and incentives for animation features to capitalize on Canada's strengths in animation talent and technology;
- create a special fund for feature films that are using new technology;
- seize opportunities presented by large-screen formats such as IMAX and help Canada become the world’s leading producer of IMAX films; and
- ensure that government programs encourage Canadian producers to look for funding outside Canada.

4. DISTRIBUTION AND MARKETING

Canada: A Distinct Distribution Market

Some respondents believed that the tied sale of U.S. and Canadian rights for foreign independent films should be prevented to enable distributors to purchase Canadian-only rights. However, the submissions varied with regard to how this issue should be addressed.

For instance, numerous respondents gave their general support for a major government initiative in the area of film distribution. Of those, some endorsed the idea of revisiting the proposed importation legislation of 1987 and 1988. One submission stated that in light of the World Trade Organization (WTO) rules, the government should proceed without discriminating in favour of Canadian-owned distributors and that the purpose of any potential legislative measures should be to encourage fair competition in the feature film distribution market in Canada.

Some specific support was given to Canada's foreign investment policy guidelines in the area of film distribution. Some suggested that Industry Canada, under the *Investment Canada Act*, should be more aggressive in exacting long-term commitments from foreign interests which invest in the film distribution sector. This policy has been beneficial to many film organizations, such as film festivals and training centres, over the years.

Marketing: Overlooked and Underdeveloped

There is almost complete consensus from all respondents about how critical marketing is to the success of a feature film. However, many respondents stated that, despite its importance, this aspect of feature filmmaking is often overlooked and underdeveloped. Canada needs to increase the quality, scope and budgets of its marketing campaigns for Canadian feature films. Ideas about how to do this differ widely. It is clear from the submissions that a variety of industry players must play a complementary role in marketing and promotion.

Suggestions Related to Distribution and Marketing

Suggestions regarding distribution and marketing include the following:

- review Telefilm Canada's current Feature Film Distribution Fund, in light of criticisms made in some submissions. (For example, some respondents felt that the Fund has conferred considerable financial advantage on a very small group of distributors and created barriers for new players. These respondents argue that the need for a strong national distribution sector must be balanced by smaller distribution companies that are often more closely associated with — and have more faith in — the films they are distributing.);
- create a new marketing fund, beyond Telefilm Canada's present fund;
- encourage a national, non-commercial distribution entity for Canadian feature films that could operate alongside commercial distributors;

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- incite filmmakers to form distribution co-operatives;
 - use audience development strategies to introduce movie-goers to Canadian cinema, and to encourage the development of a stronger film culture. (This was seen as an important first step in marketing the entire film industry and its products. Ideas included creating community and school awareness groups.);
 - require funding applicants to demonstrate effective and coordinated marketing budgets that realistically promote the project;
 - modify the current criteria used in production and distribution support programs to ensure that a minimum level of marketing is dedicated to individual projects and that quality promotional materials are created and put to effective use;
 - in relation to marketing funds, use different criteria for funding commercial and cultural productions (e.g., commercial films would be eligible for significant marketing assistance, while cultural films would only be eligible for marketing assistance where the investors, distributor and producer agree that theatrical release is appropriate for the final product. Some contributors also suggested that marketing funds are needed for low-budget films as well.);
 - have agencies making a production investment supply the filmmaker with a marketing credit, which could be allocated to the filmmaker's choice of distributor;
 - modify and extend the Canadian Film or Video Production Tax Credit to support marketing and promotion costs incurred by Canadian distributors;
 - establish a fund to permit Canadian filmmakers to travel with their films for promotional screenings;
 - expand marketing efforts outside the major centres of Montreal, Toronto and Vancouver; and
 - ensure that producers are more closely involved in the design and financing of marketing and promotional campaigns.

Role of Exhibitors in Marketing

Many respondents felt that exhibitors have an important role to play in the marketing of Canadian feature films. For instance, exhibitors should provide more input and feedback on all aspects of marketing and promotion during all stages of production, and exhibitors should continue to be involved in test screenings and industry seminars with distributors.

Other respondents said that exhibitors should make certain that promotional trailers, posters and in-theatre marketing materials for Canadian titles are treated with the same importance as those of the Hollywood studios. Some respondents argued that marketing quotas should be established to require exhibitors to show a certain number of Canadian trailers and to display a certain amount of posters and display boards promoting Canadian feature films.

Role of Broadcasters in Marketing

Most respondents, including broadcasters themselves, agreed that broadcasters could become more involved in promoting awareness of Canadian feature films. They felt that Canada should use the power of television to build audiences and promote the theatrical exhibition of Canadian movies. Some of the suggestions are as follows:

- the CBC and private broadcasters could work together to find new cost-effective methods of marketing and promotion. For instance, discounted advertising rates could be provided for promotional spots of Canadian films in prime time, while they are playing in theatres;
- the CRTC could broaden its definition of promotional material to include movie trailers for Canadian films, and exclude them from the 12-minute maximum of advertising per hour. Entertainment programs that promote Canadian feature films should be considered programs that fulfill CRTC requirements;
- there should be a mandatory requirement for Canadian television stations to run trailers of Canadian feature films; and
- increase the number of television programs designed to showcase Canadian as well as other films.

Increased Media Exposure Necessary

Many respondents felt that increased media exposure is important for Canadian films and the Canadian film industry to thrive. The names of Canadian directors and actors need to be popularized by the mass media, they pointed out, in order for Canadian cinema to develop its own star system. A few respondents suggested that Canadian film magazines such as *Take One* should be more readily available in theatres and on magazine racks.

5. EXHIBITION

Theatres and Video Retail

Many respondents, including theatre and video store owners, acknowledged that exhibitors have a significant role in complementing film production and distribution by developing ways to further increase the awareness and screening of Canadian feature films. Some respondents suggested that more effort and stronger commitments, financial and otherwise, are needed from exhibitors to support Canadian titles.

Others, including exhibitors, were of the opinion that Canadian exhibitors treat Canadian feature films fairly. Exhibitors stated that they proudly support Canadian films that are attractive to the paying public. Many respondents agreed with the statement that there are too few of these films produced each year. Some respondents believe that theatres and video stores would increase the number of Canadian titles that they screen or carry if the quality of productions were improved, the distribution problems were solved and additional marketing resources were utilized. Exhibition is the last link in the film industry chain. It is at this stage that Canadians see the products. However, if there is a weakness in any other parts of the chain — development, production, distribution or marketing, it is difficult to get the product exhibited.

Exhibitors also mentioned the difficulty of screening artistic films that have specialized audiences and require targeted marketing.

A number of respondents felt that the theatrical exhibition of Canadian films is the most important issue in the feature film review. They stated that this sector requires considerable attention and that the current policy emphasis on the film production and distribution sectors should be complemented by measures aimed specifically at the theatrical exhibition sector.

Suggestions Related to Theatres and Video Retail

Numerous respondents were in favour of an incentive approach to encourage greater exhibitor involvement in ensuring access to screens for Canadian films. Suggestions include the following:

- tax credits for exhibitors based on admissions sold to Canadian feature films;
- a ticket rebate program;
- an exhibitor market campaign incentive;
- incentives to encourage video retailers to provide more Canadian titles and increased exposure to Canadian feature films in their video stores; and
- federal and provincial government grants, loans and private investment incentives to support theatre owners.

Many respondents commented that industry and government should jointly explore some innovative means of exhibiting Canadian feature films. A combination of alternative programs within non-traditional exhibition sites could help to improve public awareness of Canadian cinema and would complement the mainstream exhibition sector. Suggested alternative exhibition outlets include:

- cinematheques;
- independent art houses and repertory cinemas;
- "The Film Circuit" (A distribution network for repertoire films, established in 1992 as the Northern Film Circuit by Cinéfest, Sudbury's International Film Festival, and expanded to the Ontario Film Circuit in conjunction with the Toronto International Film Festival Group);
- "The Moving Pictures Travelling Canadian Film Festival";
- Canadian film festivals;
- airlines; and
- a few variations on the idea of film complexes across Canada that would exhibit exclusively Canadian films, both new and old.

Most of the major industry associations were opposed to screen quotas on the basis that this type of artificial manipulation of the exhibition sector will not change consumer behaviour. These respondents believe that the only way that increased screen time for Canadian feature films can be achieved is through improved quality and quantity of films. Effective marketing would help ensure that the Canadian public wants to see these productions. Some respondents also mentioned the impracticality of such a measure, which is outside federal jurisdiction.

Of those in favour of screen quotas, most asked that the idea be examined further before any decisions are made. These respondents acknowledged the problems associated with this type of mechanism and recognized that screen quotas do not ensure that quality Canadian productions are shown and they do not guarantee box office success.

Given the wide variety of options that exist in the theatrical exhibition sector, some respondents suggested a review of independent, alternative exhibition avenues that would encourage investment, subsidization, release and exhibition of quality Canadian productions.

Audio-Visual Heritage

A few respondents concentrated on the need for the Canadian feature film policy review to address the issue of audio-visual preservation for long term access. They felt that if a film is

worth financial support at the production phase, it is worth also being preserved to ensure that it is available for Canadians to enjoy not only today but in the years to come. They pointed out that the unreliability and fragility of the film medium has resulted in irretrievable losses of important works in the past century.

Recommendations on preservation include the following:

- review the existing film and video acquisition programs of film collecting agencies;
- have film funding agencies require that a master copy and a viewing copy of every feature film subsidized be deposited with a recognized archival centre;
- offer an incentive to encourage feature filmmakers to specifically include in their production costs the transfer of master elements for preservation;
- create a mechanism to encourage broadcasters to make a concrete and substantial financial commitment to feature film preservation; and
- have national film training institutes offer introductory courses on audio-visual preservation.

6. BROADCASTING

Both public and private broadcasters expressed support for Canadian feature films and proposed concrete measures in this regard. Many respondents representing the film industry maintained that broadcasters — specifically the CBC — could play a greater role in supporting the exhibition of Canadian feature films. However, specific suggestions related to the role and responsibilities of broadcasters varied widely.

Changing the Rules of the Game

Collectively, private and public broadcasters were of the view that, in order to encourage their greater financial participation, current restrictions with respect to equity investments in publicly funded feature films should be eliminated. They believe that broadcasters should be allowed to equally share in the "risks and rewards" of these productions. Broadcasters should also be able to act as co-producers and distributors of films that are publicly funded. Their proposal, however, has raised opposition from professional associations in the production and distribution sectors. These associations argued that broadcasters should maintain their primary role as investors, promoters and exhibitors. Many respondents also stress the need to clearly distinguish between theatrical features and made-for-television movies.

Some respondents representing the film industry suggested regulatory changes. For example, the CRTC could require that private conventional TV networks devote a percentage of their advertising revenues from the exhibition of feature films to the funding or acquisition of Canadian feature films. Broadcasters are opposed to adopting a "cookie cutter" approach since for many broadcasters, such as TSN, film is not part of their programming mandates or conditions of license. Broadcasters are generally opposed to additional regulatory obligations but support the introduction of incentives to encourage greater participation.

Respondents also made the following suggestions:

- increase broadcasting rights paid by broadcasters for Canadian feature films to cover a substantial part of production costs; and
- in addition to broadcasting rights, provide a more favourable recoupment schedule to conventional TV broadcasters (and Pay-TV services) investing in the production of independent Canadian feature films than that granted to public investors such as Telefilm Canada.

Inspiring Models for Feature Film in the Canadian Broadcasting System

A number of respondents supported the idea that the Canadian broadcasting system adopt an approach similar to Channel 4 in Great Britain or Canal+ in France. For example, a new "all-

Canadian movie" specialty channel, dedicated to Canadian feature films, could be established. Funding could be secured through public and industry funds, cable TV subscriptions or advertising sales.

However, private conventional broadcasters, specialty and premium services did not support the proposal as these models may not be easily transposed into the Canadian context due to major structural and regulatory differences, and the size of the Canadian domestic market. Some of them believe there already exists a series of exhibition and distribution windows — from Pay-per-View to Pay-TV to specialty channels — and that these services represent an important private source of financial support (more than \$22 millions per year) to the Canadian feature film industry; these services also exhibit and promote virtually all Canadian feature films produced. They believe that the difficulty is the lack of sufficient volume of Canadian feature films suitable for broadcast.

Canadian Broadcasting Corporation

Based on the U.K. Channel 4 model, CBC has put forward a feature film strategy composed of significant new initiatives to support the entire life cycle — from creative development, financing, production, promotion and exhibition — of Canadian feature films. CBC would establish a feature film unit to develop a stream of new scripts, provide in-house technical and creative expertise and commission and market feature films. All films commissioned by the CBC would be guaranteed broadcast on both the English- and French-language national networks with consistent exhibition of high quality films in prime time. The Corporation's proposals are contingent upon access to increased government funding and the removal of current restrictions on broadcaster's equity ownership in publicly funded feature films.

A large number of respondents from the film industry agreed that the CBC has an important role to play in the development of the Canadian feature film industry. However, many of them expressed strong reservations with regard to the relevancy and feasibility of the proposed CBC feature film unit, for the same reasons mentioned in the previous section regarding the Channel 4 model. Some, notably producers, were opposed to the CBC (and other broadcasters, in general) being involved in the creative development and production process. Screenwriters' associations expressed some support for the CBC proposal.

It was also suggested that the CBC should specifically allocate funds from both its French- (\$5 million) and English-language (\$10 million) networks for the acquisition of Canadian feature films.

7. OWNERSHIP AND CONTROL OF PRODUCTION AND DISTRIBUTION COMPANIES

The majority of respondents, including the major film associations and guilds, favoured encouraging Canadian ownership and control of production and distribution companies. These respondents felt that Canadian ownership of film production and distribution is essential to the long-term development of the film industry in Canada and that Canadian films must be created, nurtured and distributed by Canadians. They pointed out that, historically, foreign distributors have shown little interest in Canadian productions; the only chance of having a system that puts Canadian films in a priority position in the marketplace is to require that distribution be done by Canadian-owned companies.

The flipside to the ownership issue came primarily from players and representatives from the international film industry, who felt that Canadian ownership rules regarding distribution may actually be impediments to the cultural goal of telling Canadian stories. These respondents suggested that Canadian ownership rules be relaxed and that the foreign investment policy guidelines for film distribution are unfair to new international players because the Hollywood studios are free to continue to import proprietary and non-proprietary materials.

Others were ambivalent about the ownership issue, stating that there were more important things to address in the industry. However, they still felt that it was crucial to have some sort of promise of performance from foreign distribution companies to ensure that Canadian films are distributed.

It was also suggested that any modification to current policies should be considered only if there is a dramatic new benefit to the creation and production of Canadian feature films.

Foreign Access to Canadian Film Funds

Many respondents felt that foreign production and distribution companies should not have access to Canadian film funds (other than the Film or Video Production Services Tax Credit). However, Canadian producers also want to ensure that they are able to continue developing partnerships with foreign firms without affecting their eligibility to programs.

Use of Foreign Distributors

Some respondents were against the Canadian-content public funding requirement that prevents Canadian producers from using foreign distributors to release their product in Canada. These contributors felt that foreign distributors can provide valuable support and would play an effective role in the distribution of Canadian titles if given the opportunity.

8. POTENTIAL SOURCES OF ADDITIONAL FUNDS

Virtually all submissions called for additional financial resources for all sectors of the Canadian feature film industry. Where this money could come from is less obvious, as demonstrated by the wide variety of responses:

- an established *quid pro quo* system of investment in the Canadian film industry, wherein distribution companies earning large revenues in Canada from non-Canadian feature films have a reciprocal responsibility to reinvest in Canadian culture;
- private sector sources of capital, encouraged through tax incentive programs;
- tax-assisted private investment pools of venture capital;
- redirection of funds from existing federal programs (e.g., Telefilm's Feature Film Fund and the Canada Television and Cable Production Fund) to improve the funding of Canadian feature films;
- new direct government investment;
- Industry Canada requirements, under the *Investment Canada Act*, in the case of foreign interests which invest in the film distribution sector in Canada;
- Canadian financial institution contributions to a Canadian cultural fund;
- lotteries;
- a direct tariff on all foreign blockbuster films;
- broadcaster licence requirements;
- mandatory contribution from distributors and/or videocassette wholesalers;
- mandatory contribution from video outlets and/or theatres, based on the number of non-Canadian titles they rent, sell or screen; or
- a new tax on distributors, video stores and/or theatres.

9. CROSS-SECTORAL ISSUES

Cross-Sectoral Synergy: A Necessity

A majority of respondents indicated that all the industry players needed to cooperate in order to improve the Canadian film industry. Many noted existing tensions among various players but few concrete suggestions were made in relation to fostering such a synergy. It was suggested that the funding of projects be conditional on the involvement of all sectors — from the beginning to the end of a project. However, this suggestion was not supported by all sectors of the film industry.

Training: An Investment in the Future of Canadian Cinema

A large number of respondents indicated the need for additional resources to support training in all sectors of the Canadian film industry in order to build future generations of filmmakers. Suggestions included:

- increasing financial assistance to national educational institutions that train directors, producers, screenwriters, technicians and performers of the industry. It was also suggested that some educational establishments implement regional structures;
- organizing a forum with national training institutes to review Canada's training needs, set objectives and make recommendations to the Minister of Canadian Heritage;
- encouraging mentoring and organizing workshops, especially in the creative sector;
- requiring that training schools include management and business administration courses in their curriculum;
- organizing screenwriting and production competitions, with bursary awards;
- allocating more resources to training in animation; and
- developing an information guide for emerging screenwriters.

The Role of Federal Agencies

Many respondents expressed their support for maintaining federal agencies such as the National Film Board (NFB), the CBC and Telefilm Canada. Some requested that these agencies' parliamentary appropriations be increased to help them better fulfill their mandate and that the NFB's and the CBC's local and regional production capacity be reinstated.

It was also suggested that the federal government develop a national content production strategy

to meet the burgeoning demands for content and to ensure that a reasonable supply of diverse Canadian programming of high quality is available. Key players in this strategy would be the CBC, NFB, Telefilm, provincial film agencies and the independent production sector.

Suggestions from other respondents include:

- restructuring the NFB as a training institution;
- increasing resources devoted to the NFB to produce animated feature films;
- establishing a CBC/Telefilm Canada/NFB consortium through which content could be effectively marketed to broadcasters and programming undertakings, both in Canada and abroad; and
- providing technical support to independent producers, through the CBC, the NFB and other organizations.

Many respondents expressed some frustration with current application procedures for funding administered by federal and provincial organizations. These respondents emphasized the need to simplify application forms and expedite processing time.

A large number of respondents, especially creators and producers, also expressed some dissatisfaction with the current selective approaches to project evaluation. It was suggested that this approach be replaced by a jury system involving members of the industry, similar to the system used by the Canada Council for the Arts.

Others suggested that Telefilm Canada establish a more regionalized structure to accept and process regional projects.

Criteria for Evaluating the Success of Public Policies

Few respondents expressed opinions regarding the issue of indicators or benchmarks to evaluate the success of public initiatives pertaining to feature films. Those who did comment generally suggested that success be assessed on the basis of cultural *and* commercial objectives, namely:

- number of awards won during film festivals;
- revenues generated in comparison to production costs; and
- the size of the audience that watch Canadian feature films on all exhibition windows.

It was also suggested that an advisory board made up of key people from all sectors of the industry be founded to provide on-going policy advice to the federal government in the area of feature films. This board could be based on the example of the *Conseil national du cinéma et de*

la production télévisuelle in Quebec, which operates within the governmental agency, *Société de développement des entreprises culturelles (SODEC)*.

Improving Statistical Data

The issue of collecting statistical data on the film industry was not raised by many respondents. The following suggestions were made by those who addressed the issue:

- revamp the role of existing institutions or create a new entity responsible for the collection of more reliable data for the film and television industry; and
- create an advisory committee to identify both government and industry needs in this area.

Convergence

Some respondents indicated that the new Canadian feature film policy should take into account the current and future impact of new technologies on all sectors of the industry, and be flexible enough to adapt to the changing environment.

10. CONCLUSION

The Department of Canadian Heritage is pleased to receive the wide range of responses, from individuals, organizations and companies, on issues pertaining to feature films. Submissions showed that there are several points of consensus among industry sectors on key issues and that all players are willing to work together to create a new momentum for Canadian feature films.

All respondents are to be thanked for demonstrating their commitment to addressing the challenges of Canadian film and for their willingness to translate their thoughts into ideas and proposals that were posted to the Internet. These submissions serve to advance our thinking and identify the range of views that defines the dilemma of Canadian feature film. More than anything, however, the response to this stage of the review reinforces the common cause that Canadians, the Canadian film industry and government all share in ensuring the success of Canadian cinema. Bridging this range of views and building further consensus becomes the next step in the Canadian feature film policy review.

ANNEX - LIST OF RESPONDENTS

SUBMISSIONS *(as of March 20, 1998)*

Acheson, Keith and Christopher J. Maule
ACTRA Performers Guild (Alliance of Canadian Cinema, Television and Radio Artists)
ACTRA Toronto Performers (Alliance of Canadian Cinema, Television and Radio Artists)
Aguilar, Timm S.
Allan, Blaine
Alliance Communications Corporation
Alliance for Canada's Audio-Visual Heritage
Anonymous e-mail
Arzumanian, Ara P. and Harris M. Rosen
Asimakopoulos, Antonios
Association des producteurs de films et de télévision du Québec (APFTQ)
Association des producteurs indépendants de Québec
Association des réalisateurs et réalisatrices du Québec (ARRQ)
Association of Provincial Funding Agencies
Astral Broadcasting Group and WIC Premium Television
Bailey, Keith
British Columbia Film
Calgary Society of Independent Filmmakers
Canadian Association of Broadcasters (CAB)
Canadian Association of Film Distributors and Exporters (CAFDE)
Canadian Broadcasting Corporation (CBC)
Canadian Conference of the Arts
Canadian Council of Archives
Canadian Film and Television Production Association (CFTPA)
Canadian Film Centre
Canadian Independent Film & Video Fund (CIFVF)
Canadian Motion Picture Distributors Association (CMPDA)
Canadian Screen Training Centre
Chamberlain, Bryn
CHUM Television
Cinéfest, Sudbury's International Film Festival
Cinéma Esperança
Clark, Joe
Clark, Loretta
Clements, Gary
Coalition for Responsible Television
Craig Broadcast Systems Inc. (A-CHANNEL)
Directors Guild of Canada
Domino Film & Television International Limited
Duggan, Bruce
Edwards, Catherine
Engkent, Lucia

Fedorov, Vladislav
Fraser, William A.
Gathercole, Sandra
Gero, Martin
Glowinski, Kent, Fred Kroetsch, Julien Lapointe, and Robert Millang
Le Groupe Coscient inc.
Grover, Warren M.H.
Harold Greenberg Fund
Hays, Matthew
Heartstar Productions Limited
Independent Film and Video Alliance
Kamloops Canadian and International Film Festival
Keane, Laurence
Landau, Sy
Manitoba Motion Picture Industries Association
Martins-Manteiga, John
May Theatres (1984) Ltd.
McMillan Binch
Motion Picture Theatre Associations of Canada (MPTAC)
Muttart, Daved M.
National Archives of Canada
Nixon, Barb and James A. Smith
Nolan, John
North American Releasing Inc.
Peter Rowe Productions Inc.
Piecowye, James
PolyGram Canada Inc.
Producers' Association of Newfoundland
Ratsoy, Ginny
Records on Wheels Limited / ROW Entertainment
Red Sky Entertainment Ltd.
Réseau IMAX
Rieger, Larry J.
Ries, Barry
Rogers Video
Rosen, Harris M.
Shayne, Michael
Sheridan College
Société des auteurs, recherchistes, documentalistes et compositeurs (SARDeC)
Soprovich, Ryan
Specialty and Premium Television Association (SPTV)
Steinmetz, Peter E., Q.C.
Stephen, Alison
Toronto International Film Festival Group
Toth, Henry
Union des artistes
Warner, Glenn
Webb, Philip

Webster, Warwick
Wheeler, Anne-Marie
Winnipeg Film Group
Winnipeg Film Group – The Cinematheque
Writers Guild of Canada

COMMENTS (as of April 17, 1998)

ACTRA Performers Guild (Alliance of Canadian Cinema, Television and Radio Artists)
AFMA
Association des producteurs de films et de télévision du Québec (APFTQ)
Astral Broadcasting Group and WIC Premium Television
Bailey, Keith
Canadian Association of Broadcasters (CAB)
Canadian Association of Film Distributors & Exporters (CAFDE)
Canadian Film and Television Production Association (CFTPA)
Canadian Film Centre
Canadian Motion Picture Distributors Association (CMPDA)
CHUM Television
Directors Guild of Canada
Fédération culturelle Canadienne-française
Le Groupe Coscient inc.
Independent Film & Video Alliance
Motion Picture Theatre Associations of Canada (MPTAC)
Opportunity T.V.
Red Sky Entertainment Ltd.
Rosen, Harris M.
Shaftesbury Films Inc.
Société des auteurs, recherchistes, documentalistes et compositeurs (SARDeC)
Specialty and Premium Television Association (SPTV)
Toronto International Film Festival Group
Viacom Canada Limited
Women in Film & Television Toronto
Writers Guild of Canada