

The following position paper, entitled "Concerning Cultural Politics and their Economic Repercussions" was written by the editors of Cinema Canada last March. It was written just as they decided to combine the trade paper CineMag with Cinema Canada, and refers to the magazine Cinema Canada as it existed prior to this year, not as it is currently conceived.

The paper was prompted by the brochure "Speaking of Culture" which had been published by the Federal Cultural Policy Review Committee. Although the brochure outlined the concerns of the committee and suggested lines of inquiry which it hoped the cultural community would follow, it nowhere so much as mentioned the word "politics." The paper was subsequently submitted to the committee.

Cinema Canada is published by a charitable foundation, the Cinema Canada Magazine Foundation, and was originally the house organ of the Canadian Society of Cinematographers before becoming an independent publication in 1972. Since its inception, it has endeavored to marry elements of the cultural debate with the realities of the growth of a film industry in Canada.

#### MANDATE OF CINEMA CANADA

To publish a monthly magazine concerning Canadian filmmakers and their films, to interview, review and comment. To reflect the state of the industry from a Canadian point of view, covering all aspects of filmmaking: commercial, educational, documentary, theatrical feature and short production. Some attention is also given to distribution and exhibition, censorship, government policy, film education, foreign festivals, etc.

#### CONTEXT

We offer our comments essentially as publishers. Over the last ten years, we have been involved deeply in the development of the film industry in Canada through a variety of publica-

# The war within: culture vs. industry

by Connie Tadros

tions, and also as journalists, broadcasters and teachers.

Because of our intense relationship to the film industry, it is not always easy to divorce the difficulties and successes we have had in publishing from the vagaries of the film industry itself: its strength has, in large measure, determined which possibilities were open to us as publishers. Its understanding of the cultural and industrial tensions inherent in its activities determined the tone and direction of our involvement.

From the beginning, and still today, our interest has been to underline the growth of the industry, with special emphasis on films of quality which make a cultural contribution. Of necessity, we have followed government policy closely over the years, for federal policy is absolutely determining in the film industry.

We are not aware of any government policy which is especially geared to promote publications such as ours,

exception made of Canada Council grants.

As our publications have always been independent of any sponsoring body, they have depended upon three sources of revenue: sales of subscriptions and copies, advertising, and cultural grants. Last year, 73 per cent of our revenues came from advertising.

#### CULTURAL POLITICS

Nowhere in "Speaking of Culture" is mention made of cultural politics. But there is a war on for the minds and money of the Canadian consumer, and the stakes are enormous. The federal government has not been able to stave off the arrival of pay-TV, though there is serious question about our readiness to embrace the new technology. Program production is the key, and naturally one looks to the film industry in an effort to test its battle preparedness. Americans have dominated our theatrical screens since the beginning, and have continued

to mold Canadian sensibilities through the strength of their television production.

Unless the government recognizes the political dimension of the fight for cultural survival, there is little sense in promoting a film industry, or a publication industry. Canadian cultural policy should not contribute to the strengthening of the American hold over the imaginations of Canadians. The United States, by its very vitality, wealth and opportunity, will always prove attractive to Canadians, and many will make their way there. Meanwhile, it is up to Canada to make evident to its citizens just why they should care about the nation and its future. The promotion and sustaining of those elements which contribute to Canada's cultural definition must become a priority for the government and for its agencies.

Among the questions not asked in the discussion paper are the following:

1. Are the Canadian culture and American culture the same?
2. What differentiates them?
3. What price is Canada ready to pay for a specific cultural identity?
4. What political price will it pay to defend this culture?

#### CULTURAL COMPETITION

In several areas - recording, filmmaking, publishing - those working in Canadian cultural industries come up against American interests having a stake in those same industries. Certainly, special support must be forthcoming to shore up the Canadian efforts.

Our experience in publishing *Cinéma Québec*, then *Cinema Canada* and finally *CineMag* should serve as an object lesson in the impossibility of promoting Canadian cultural interests through publications dependent upon advertising from the private sector when that same sector becomes financially interwoven with American interests (Annex I).

It is clear that the film industry must meet the challenge of competing in the American market. But to the degree that it tailors its product to suit American tastes, it dilutes the specific Canadian nature of that product.

The past years have seen a marriage between the Canadian and American film industries which should be of great concern to policy makers. This marriage will last as long - and only as long - as the tax shelter offered by the Canadian government for film production.

Other countries - England, France and Italy - have experienced similar moments, and in every case, the eventual withdrawal of American interests has left indigenous film industries in a shambles.

In light of the current Canadian experience, publishing in the interests of the film industry has been difficult, for there has been no consensus about those interests. Pressures from the United States on the Canadian government and its agencies have led to the promotion of American interests within the industry to the obvious detriment of Canadian culture. In fact, it is not far-fetched to suggest that a climate of cultural oppression has been established (Annex II).

Cinema Canada has seen an erosion of financial support through advertising. Film producers and distributors have clearly said that they are not interested in a publication which promotes Canadian film culture. Neither are they interested in writers who take a critical look at the state of the industry and suggest that things are amiss.

## THE CINEMAG EXPERIENCE

Prior to the April 11, 1978 policy speech on film by the Secretary of State John Roberts, the Americans were nervous about the possibility that Canada would vote for a box-office levy, revenues from which would go into film production. Jack Valenti, president of the Motion Picture Association of America, visited Ottawa, and the Canadian Motion Picture Distributors Association (CMPDA: the major American distributors) lobbied Ottawa vigorously.

In August, 1977, the CMPDA circulated a proposal to create a film trade paper through advertising guarantees from the members of the CMPDA and the two theatre chains, Famous Players and Odeon. This publication, *Film World*, became a reality in December 1977.

We got wind of the original proposal during the summer 1977, but failed to take it seriously. After all, the CMPDA had backed a revival of the *Canadian Film Digest* the year before and, after one issue, the magazine folded.

In November, we got confirmation that the trade paper was indeed

going ahead. Our reaction was instinctive: if we didn't put up a fight and compete with the new paper, *Cinema Canada* would be the eventual victim. There simply had never been enough advertising revenue in Canada to support more than one film publication. In the heated-up atmosphere created by the capital cost allowance, a culturally oriented magazine had little chance against a trade paper with backing from the Majors who control the distribution network throughout the world.

Within two weeks, we had written and published the first issue of what was to become *CineMag*, beating *Film World* to the draw by two weeks.

During the three years that followed, both papers grew and changed a great deal. *CineMag* was consistently first with the news, breaking important stories and eventually becoming bi-weekly to cope with the volume of news on the industry.

After a first lackluster year which almost cost it the backing of the Majors, *Film World* hired new staff, revamped its format, and launched a marketing campaign through controlled circulation. It moved ahead strongly.

During the first year, *Film World* received 73 full page ads from the Majors vs. 14 full pages placed in *CineMag*. Obviously, competing financially was going to be difficult.

As the Canadian industry became increasingly dependent upon Americans for distribution and marketing, the center of decisions moved to Los Angeles. During the release of Canadian films like *Meatballs*, *Phobia* and *Middle Age Crazy*, the Majors placed the ads and nothing was forthcoming for *CineMag*. As Canadians sought to link up with the American connection, what advertising they did control followed suit.

What is most disheartening is that producers who, two years ago, were ready to support a Canadian trade paper with a Canadian perspective can no longer identify with the Canadian cause. As the Canadian film industry grew in response to the federal policy allowing a 100 per cent capital cost allowance, marketing, sales and distribution have caused producers - almost to a man - to accept the notion that Canada and the United States are, indeed, one domestic market. Since the federal government has provided no policy, no mechanism, spent no effort to create an alternative, they have little choice. "I am an American," Stephen Roth of R.S.L. claims proudly. "Los Angeles is my second home," echoes Pierre David of *Filmplan International*.

This is not an atmosphere in which Canadian cultural concerns can flourish.

Although never formally organized, there used to be a Canadian film lobby which backed culture.

Members of the Toronto Film Cop, the Canadian Filmmakers Distribution Centre and the Directors' Guild of Canada could be counted on. Quality was the only criterion of the Canadian Film Awards, and the boisterous Council of Canadian Filmmakers kept everyone active, backing notions like quotas and levies for Canadian films. At the CFDC, Michael Spencer, in a cautious approach, gave leadership and was respected. He built consultative committees and met with them regularly, striving toward the production of Canadian films of significance.

Today, this constituency has disappeared, made obsolete by the chance so many have in the industry to work on big budget films. Hang the content!

During the past few years, structural changes have occurred in various organizations which document the move from a cultural pre-occupation to an industrial, commercial one.

These changes have been made to strengthen the producers' control over the decisions the industry must make periodically.

**Item:** The CFDC has abandoned its consultative committees, and no longer meets with representatives from the actors', directors' and technicians' unions. Only the producers are now consulted about the direction of the corporation.

**Item:** The producers, through the Canadian Association of Motion Picture Producers and backed by distributors and the CFDC, caused the Canadian Film Awards Committee to be replaced by the Academy of Canadian Cinema. Whereas an international jury used to vote on the merits of Canadian films, using quality as the only criterion, now only the members of the ACC vote. The organization is elitist. It is generally accepted that the majority of the members do not screen all the eligible films; they nevertheless vote in all categories for the Genie Awards. The resulting vote is the product of promotion, pressure and industry alliance rather than a measure of quality.

**Item:** The pre-selection committee for the Cannes film festival used to be a large but representative body made up of directors, actors, producers, distributors, critics and representatives of government agencies. Producers were so outraged by the selections made in 1980 - all low-budget, 'cultural' films - that the Film Festivals Bureau changed the composition of the committee. In 1981, only four people, all producers, sat on the committee along with two representatives from the Festivals Bureau.

**Item:** Traditionally, Canadian representation at the Cannes festival was handled through the Film Festivals bureau which has a cultural mandate. In 1980, the CFDC took over that responsibility, believing that Canada needed a higher industrial profile. Culture was nowhere apparent in the CFDC approach to promotion at Cannes. Repeatedly, foreign critics last year asked, "What has become of Canadian films?" "Where are the directors?" "What are you doing to yourselves?"

This last question is worth pondering.

**CAN CULTURE TURN A PROFIT?**

Of late, the idea that culture should be able to pay its own way has been gaining ground. The emphasis is on "cultural industries." Government agencies like the National Film Board of Canada and the Canadian Film Development Corporation are looking for ways to become profitable and projects which can't justify themselves economically find little support.

At Cinema Canada, we long thought that our publications should be able to turn a profit, or at least to break even, given the effervescence of the film industry. What we were slow to realize was the extent to which "culture" and "industry" war with each other.

Cultural content opens the door to analysis, criticism, the probing of intentions and the measuring of quality. Industrial success, at least in film, is often a function of publicity and promotion. Questions of quality for its own sake are unwelcome.

When, as publishers, we met the commercial challenge of moving with the film industry into the economic arena and began to publish a trade paper, there was no longer any pretense of cultural bias. Cultural questions remained the domain of Cinema Canada while reporting on the industry of film became the domain of CineMag. Naively, we thought that by publishing the best film trade paper in Canada, we would receive the backing of those financial giants, the American Major distribution companies which operate in Canada.

By their own admission, those companies were unable to dissociate CineMag from Cinema Canada, and we were found lacking because of our interest in the cultural aspects of filming in Canada. Advertising revenues from the Majors, which were meager to begin with, were simply withdrawn in the third and fourth year of publication (Annex III).

One of the unsettling realities of the Canadian film industry at present is that no one does anything without asking permission from the Majors. The Secretary of State recognized in his April 11, 1978 policy speech (Annex IV) and every producer in this country has made his pilgrimage south to ask the Majors to look kindly on his project.

In the absence of any viable Canadian distribution and marketing system, one has a hard time in the theatrical film industry without an understanding with the Majors. Similarly, one can not publish about film unless the Majors have given their blessing. This has been our experience. And this is the challenge facing the Policy Review Committee.

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**EXCERPTS FROM THE FILM POLICY ADDRESS, delivered by the Secretary of State John Roberts on April 11, 1978**

"A continuing concern to me is the degree to which the revenues generated at the box office in Canada are drained out of Canada, and contribute very little to the financing of Canadian productions. Of a total box office of roughly \$240 million in 1975,

MEMORANDUM

August 15, 1977

TO: CMFDA DIRECTORS  
FROM: M.S. ROTH  
RE: INDUSTRY TRADE PAPER

cc: CMFDA P.R. COMMITTEE  
B. ALLEN D. PERLMUTTER  
W. ANTONISHYN C. POSEN  
C. CHAPMAN B. RICHARDS  
G. DESTOUNIS H. ROSS  
H. GULKIN C.R.B. SALMON  
F. LAWSOON B. SIMMONS  
B. MAYER N.A. TAYLOR  
D.C. MENZIES C. TREMBLAY  
B. MYERS D. WATTS  
J. PATRY M. ZAHORCHAK

For some time now we have been working to develop a concept that would permit the launching of an industry trade paper.

The attached proposal "FILMWORLD" is in our view a sound undertaking for this purpose and we will solicit your support by telephone next week.

The prime co-ordinator for Filmworld will be Mr. Paul Januzzi, the publisher of Showbill. We have met with Mr. Januzzi and in our view he is a knowledgeable and reliable publisher for this purpose, and has agreed that the proposal originally submitted to the CMFDA Public Relations Committee by the late Mr. Richard Schouten and Miss Bette Laderoute, can be viable. The one adjustment that has been made is a reduction in the contractual undertaking from three to two years.

Encl.

**THE ROLE OF THE GOVERNMENT**

Culture can not pay its own way in a country as small as Canada. And cultural enterprises like our own can certainly not compete with American interests without the enthusiastic support of the Canadian government, both through policy positions and through direct and indirect measures from its various agencies.

At present, Canada Council grants are a bit like intellectual welfare. They provide enough to survive, but just barely. And the minute a publication begins to generate revenues for growth, the grant is diminished.

When a publication like ours seeks funds elsewhere among the government agencies, we are told to go back to the Council: funding culture is its job. But those other federal agencies - the CBC, the NFB and the CFDC - are our primary clients, the producers and distributors of culturally interesting films.

They have a stake in Canadian culture.

And if the government cannot wake up the nation and its own bureaucrats to the importance of publications like Cinema Canada, then the cultural battle will indeed be lost.

The mediocrity of many Canadian publications is a function of their financial weakness. There is simply no money to pay the best writers or to initiate the proper research. On another level, there is never adequate funding to do the proper promotions, the direct mailings. Publishers and editors redouble their efforts, trying to make up in sheer energy for the lack of funds. In the end, the exercise becomes self-defeating.

Publications like ours can remain culturally viable only as long as they remain economically strong. Funding and financing does indeed, often, seem to be the one and only problem.

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**REVENUES FROM THE MAJORS**

The advertising revenues to CineMag listed below come from the following companies: Columbia, 20th-Century Fox, Paramount, Warner Bros., Universal and United Artists.

	1978 (12 Nos.)	1979* (24 Nos.)	1980 (24 Nos.)	1981 (24 Nos.)
Full pages	14	22.7	9.9	1
Total revenue	\$4,200	\$9,988	\$4,356	\$465

\*In January 1979, the executive director of the CFDC spoke to the executive director of the CMFDA and requested that the Majors treat both Canadian trade publications with an even-hand. That same year, 58.5 pages were placed from the same companies in Film World, which published only 12 times a year.

roughly \$60 million was paid out in rentals to foreign distributors, and much if not most of this \$60 million left Canada. In contrast Canadian-produced feature films earned only about \$3 million at the box office. Clearly an imbalance of such a marked degree should not continue.

"I have discussed these concerns with both the Canadian Motion Picture Distributors' Association and its parent the Motion Picture Association of America. I have brought home to them that the present imbalance of rentals and the returns on investment for Canadian productions cannot endure. I am hopeful that they will take steps quickly to ensure greater investment not simply in films made in Canada, but also in

vestment in films which meet the criteria for Canadian films under the 100 per cent capital cost allowance. I intend to assess over the next twelve months their practical response to the problem I have described and to judge to what degree they have met our concerns."

"As with the problem of financing, I have discussed this question (distribution) with both Canadian and American distributors. I believe that they now have a strong sense of our determination that the present imbalance should not continue. I expect them to find methods not only to provide a better distribution of Canadian films in Canada, but in the international market as well."