

# a conversation with hugh faulkner

by Jean-Pierre Tadros

**Hugh Faulkner, Secretary of State, talks about the evolution of a film policy, the necessary readjustment of the public sector to the new realities of a growing private sector in filming, and the trial balloons which have been floating recently.**

**Cinema Canada:** *To begin with, it would be helpful to clarify the role of the Secretary of State department vis-à-vis filming. When Pierre Juneau was appointed minister of communications, it was rumored that the agencies involved in filming would be regrouped under his ministry.*

**Faulkner:** Obviously there wasn't a great deal of substance in the rumors, judging by events. I think there is a strong argument for retaining the key cultural agencies under a single minister. I suppose it's certainly possible to consider what relationship should develop between the department of communications and the Secretary of State department. Up to now there has been no problem because with Gérard Pelletier, Pierre Juneau and Mme Sauvé the relations between the two departments have been very good; we cooperate. Some way down the line there might be a consolidation of all those cultural agencies; that's obviously not beyond the realm of possibility. This coordination is something that I'm concerned with today, but in terms of moving film out of the Secretary of State, that's never made any sense to me and, as far as I know, it's never been seriously considered at all.

**Cinema Canada:** *When he was Secretary of State, Gérard Pelletier announced the beginning of a film policy. A Direction Général de Cinéma was created, and Robert Desjardins attacked his work with vigor. There was a consultative committee created which worked for two years to formulate suggestions. These have never been made public, Desjardins has left and the administrative structures have been reorganized in such a way as to diminish the importance of filming as an entity. In fact, things now seem to be moving very slowly.*

**Faulkner:** I find it amusing that you find it slow because I remember the difficulty that Pelletier had getting to the announcement of '72. It took him virtually four years to get that far, and he encountered tremendous difficulties in that process. From the time of that announcement to the point we're at today, there has been progress.

The principal area of examination since that time has been around the role of the Canadian Film Development Corporation (CFDC). And that, in the fullness of time, is coming to a head. We are looking at the role of the CFDC in the light of past experience, both in consultation with the staff at the CFDC and, equally important, with its advisory groups, the francophone side and the anglophone side. I have already had meetings with them. And we're preparing to revise the CFDC's mandate into the future.

Last year we also made some changes through the capital cost allowance; we added a co-production agreement with Great Britain, and negotiated quotas with Famous Players and Odeon; we also tried to negotiate the establishment of a quota and levy with each province. So there has been development in film policy.

I think that in cultural policy, the notion of a fixed policy is totally unrealistic in terms of the industry. The industry changes every day; it's evolving in some way and I don't think we should ever say, "This is our film policy and that's it." The film policy for me is something like Somerset Maugham's movable feast. It's a change, a change in emphasis, a change in relations; and as the private sector develops in film, I think we should constantly be working on how we can respond. I see cultural policy as a constant evolution. Not a loi-cadre, fixe, fermée, finie pour cinq ans.

The principal element, I think, that characterizes our approach to film policy is our attempt to create an economic climate with some form of government assistance that will enable the film industry itself to develop. And you'll see that we're trying to do the same thing in publishing. We're trying to move away from a cultural sector dependent entirely

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on government handouts to create a combination of economic forces which make it possible for the private sector to develop along with parallel government activity.

The key right now is the future of the CFDC. And we anticipate that the CFDC will continue; but what should its role be? And to determine that, we're working fairly closely with the industry, trying to find out how they perceive their relationship with the CFDC.

I think I can also add that beyond that, in this whole exercise, we're also concerned about the relationship of the National Film Board (NFB) and the private sector, the Canada Council and the private sector, the CBC and the private sector. So it's taking time.

If you're trying to develop a strategy, you first have to understand what's at play in that industry, what are its strengths, what are its weaknesses, what sort of strategy will work? The other thing that you have to bear in mind is that up to now, in film, the principal player has been the public sector; it's been the NFB, the CBC - Radio-Canada and the English network - and the role which the Canada Council plays.

One must ask, "As the private sector develops, how does that affect the rationale for public sector involvement?" That's a difficult question to sort out because you've got the Film Board sitting there and the CBC sitting there, both with fairly large sums of money, and with union contracts; so you discuss with them the possibility of buying rather than making. You immediately have problems with the unions. You're worried about activity out in the private sector, but what about the guys working in the NFB? They have a right to jobs too. So these are some of the problems which are taking time.

**Cinema Canada:** *So it is easier to intervene with the CFDC because it is not hamstrung by the unions?*

**Faulkner:** That's certainly one reason. And the other is that there's a general feeling in the industry that "OK, we've had five years of experience with the CFDC as it was drafted; what are some of the changes which we should be making now for the next five years?" We're very open in our discussions, and there seems to be a fair degree of consensus about the possible changes.

**Cinema Canada:** *The advisory groups have made certain suggestions about the modification of the CFDC: that it become a simple investment bank, that it be allowed to give money directly to companies instead of on a project-by-project basis. These measures seem to reinforce the economic aspect of the industry while giving less weight to the cultural aspect.*

**Faulkner:** I've heard that argument. I'm not sure it's true but I haven't stopped thinking about it. That really is the most difficult question. We're involved in filming for cultural reasons. I know in my own mind that it makes no sense

## A Film Commission?

*There is a rumor that a Canadian Film Commission may be created.*

Yes. It is my view that structures are instruments to achieve certain objectives. If someone can demonstrate to me that a commission will achieve our objectives, then that structure obviously has to be considered. But I'm not interested in playing around with structures as a game of blocks. The structure will serve the objectives; it won't be the other way around.

The objectives of creating a film industry in Canada and of developing cultural aspects - a cultural entity - through film are inseparable, just as they are in publishing. Our problem is trying to sort out how we can achieve both. I don't think that when you talk about film and about the government involvement in film, you can dissociate yourselves from the cultural objectives. The broad objective in cultural terms is to create the opportunity for Canadian cinéastes to work. Will that in itself achieve the cultural objective?

Well, around here, one asks, "Did **Parasite Murders** achieve an important cultural objective?" A lot of people weren't so impressed with that as a cultural objective. But when one looks at **Les ordres** one can see an important cultural objective: a good film, an important study of an event in Canadian political, economic history. So there you have an industrial objective and a cultural objective achieved. I think that some of the films which Shebib has done had important cultural overtones.

*Aren't you surprised that **Les ordres** ran into so much trouble before it was made? It was first refused by the NFB and then had to wait two years for the CFDC to agree to participate.*

It doesn't surprise me because when I travel around and see people in the private sector, they are always complaining about the difficulties, even if they're making a film about horses which has no problems. But they still complain that they have trouble finding support for their films.

in political terms or in cultural terms to simply look upon cultural activity as a federally subsidized activity per se. I really see the need for a combination of emphases.

I take a look at publishing. Today, it is stronger than it was five years ago. I'm more acquainted with a company like McClellan and Stewart. It's more viable today, and the result is that it's doing more interesting things in cultural terms than it was doing five years ago. If you support the strong sectors, it doesn't necessarily follow that you lose your cultural objectives, though there is that possibility.

Therefore we have to be conscious of the fact that we are trying to develop an industry. And there have to be some sort of cultural parameters - not about what can be produced and what can not be produced - but some sensitivity to our cultural objectives. I'm having difficulty defining them and finding the balance between the industrial and the cultural elements; but I'm looking for that sort of balance.

**Cinema Canada:** *There's the old argument that the Canadian public doesn't want to see Canadian films...*

**Faulkner:** I'm not ready to agree with that. I think Canadians have been profoundly influenced by the American film industry and so they tend to look for something comparable. Their tastes have been influenced and their television viewing has been influenced. That to me is not a particularly healthy situation. But I'm not sure that it can be turned around.

I believe it can be turned around if we do two things: one is to get the Canadian films out to be seen, and the other is to develop more films that correspond to that reality as it is today, in hopes that the reality can change with time.

I think that you're seeing this approach to a degree with some of the things that the CBC is doing. They started off in the English network with a drama series. And I don't know how many people were watching it, but I don't think they had a great following. But now you're beginning to see it take hold. They persisted. The quality of the programs improved but the genre of programs remained the same. And the audiences became interested in this thing. I think that we've a great deal to do to develop our audiences, but I don't think that we can take an absolutely intransigent line saying, "We're going to produce this kind of film and only this kind of film," and hope that the audiences will go all the way to meet the cinéaste. There's obviously got to be some sort of adjustment there. But not to the point where we're simply rehashing in Canada what has already been done in the States or in France.

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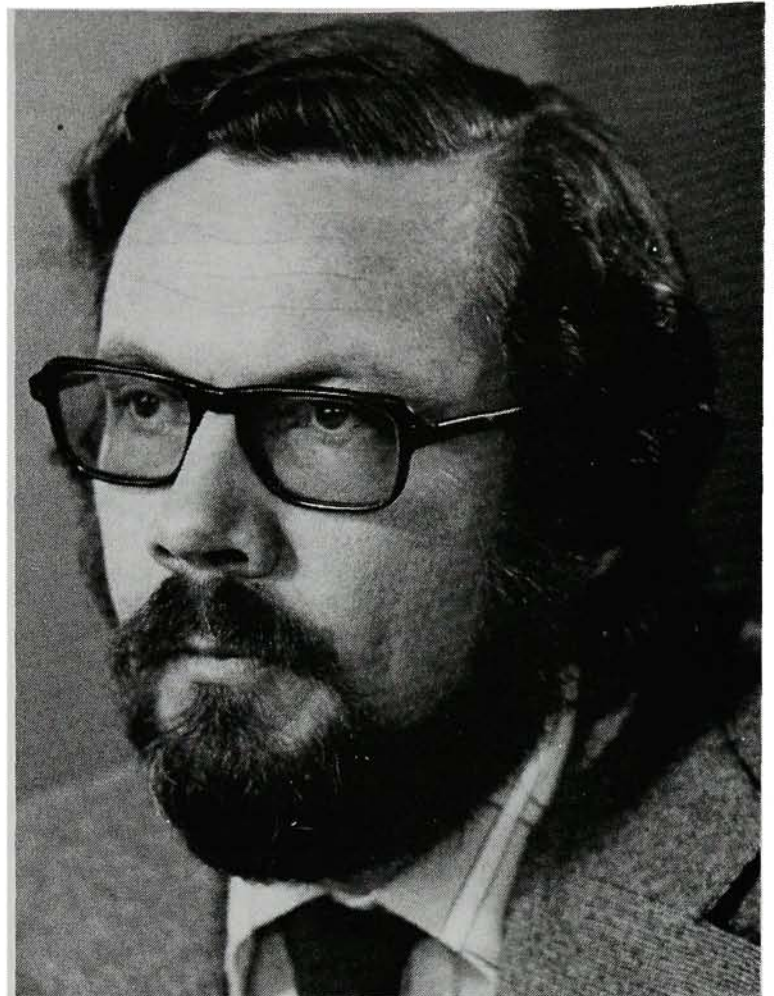
**"I get the impression that they (the CBC) are reasonably sympathetic to private industry."**

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**Cinema Canada:** *That dramatic series would have been a good occasion for the CBC to have used the private sector. As it was, only the directors came from outside; the crews were from the CBC. Culturally, the CBC constitutes a closed circuit.*

**Faulkner:** I know that there are problems with the nature of the contracting out. We're had some complaints about that also with the NFB. You really have two major problems there. First, you have the right of the CBC to decide what it would like to show. It is ultimately responsible for what appears on its network and has a mandate from Parliament to do certain things; it's in the Broadcasting Act. Second, it has collective agreements about how much work should be done outside and how much work should be done inside. And that's a restraint. But given those two restraints, my position is very clear – that I would like to see a greater degree of use made of the private sector by both the CBC and the NFB. That's the government's policy of buy rather than make. I'm not sure that in the case of the CBC there's been that much progress recently, though I think that – compared to five years ago – there has been progress, and particularly that CBC series. But there are still those restraints.

**Cinema Canada:** *The Union des Artistes has asked that within the budget for the CBC there be separate sections for extension of the network and for programming. Can you not impose this kind of budget reorganization?*



Mr. Hugh Faulkner, secretary of state

**Faulkner:** Not in the case of the CBC, I can't. The budgets come from Parliament but we rarely get into the business of saying, "Here's your \$400 million, but 10 million goes here and 15 million goes there." That would really be the beginning of a process of political interference with the Corporation. I respect and believe in the independence of the Corporation. Particularly after watching television in France. You know, during the de Gaulle period, you assumed that the news was written in his private office. It was never critical.

We're working through a process of discussion with the agencies. How far can they go, what should their role be vis-à-vis the private sector. I get the impression that they are reasonably sympathetic to private industry. The general view of the CBC is that we should try to optimize the role of the private sector and the role of the CBC. If you look at that objective you can see it translated into the private sector being more intimately involved with the CBC. But the judgements will have to be made by the CBC if we agree on the broad political objectives. And that's really where we're at.

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**"They can suffer from hardening of the arteries just like any other creative organization."**

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Do you have any comments on that (to Mr. André Fortier, under-secretary of state)?

**Fortier:** Simply to say that the budget of the NFB is broken down into well-defined sections. That of the CBC is a global

sum, given with annual increases every year which are based on factors like the gross national product. The increases serve to extend the antenna service or to better the programming.

In discussions with the CBC there are exchanges, and influence is exercised through comprehension of problems and through information. With the NFB, things are more direct – not on the part of the Secretary of State but through the Treasury Board. There, the budget is examined according to section: production, distribution, sponsored film program, etc.

**Faulkner:** It's important to recognize that in the past two years, my concern with the CBC has been with the priority of programming versus hardware. I really felt that if the CBC were to serve its purpose effectively, it had to get more money for programming. We've achieved that. Now that we have more money for programming, we can study the relationship between programming done in-house and that done outside.

We must remember that the CBC is the principal cultural instrument in the country. It touches more people than anything else we do. And now it's competing in a market with CBS, NBC, and ABC, and it's losing ground. It's imperative that it regain that ground. And if it's going to regain that ground, it's to do it with quality programming.

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### *“Have you ever talked to the provinces?”*

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**Cinema Canada:** *You spoke of yearly increases. It would seem that if the CBC is to give more work to the private sector, it must cut down on the in-house staff. Is that cut-back possible?*

**Faulkner:** No, but there are some governmental guidelines about making and buying; agencies must buy where they can and avoid making. It's really in the hands of the Corporation itself to translate these guidelines into reality.

One of the arguments they often develop is that it's far more costly to do it outside. I think you could challenge them on that, but they say that, in certain areas, there is economy because of their size. One of the things which concerns me about doing a lot of in-house work is that, quite apart from the relationship between the private sector and the public sector, there is the potential for the creative process slowing down. How long can a person continue to be exciting, relevant, contemporary and innovative and still remain on the payroll of the public service? That's a creative problem they should look at. They can suffer from hardening of the arteries just like any other creative organization.

**Cinema Canada:** *There seems to be a certain tension in the relationships between the CFDC and the NFB – that when the prestige and budgets of one go up, the budgets of the other go down.*

**Faulkner:** They are not competing with each other, and I don't see one suffering because of the other.

The CFDC is directed towards the private sector. Up to now, its role has been to aid feature films. Since the film industry in Canada is more than features, we have to start asking ourselves questions about whether the CFDC shouldn't be concerned with more than features. There's some resistance to that idea, especially from feature film producers. My own view is that you cannot isolate the feature film from the rest of the industry. There's a connection; often

# The Special Consultant

*And what of Sydney Newman and his study?*

He's not involved in a study. What Newman is looking at is particular problem areas. One of the areas of potential is the distribution system. He's looking at that with André Lamy as well. Lamy has had discussions with a lot of people in the private sector on this.

I've also asked Newman to look at the developing role of the provinces. If we're going to develop the CFDC for another five years, we have to know what sort of potential we can see coming from the provinces for feature films.

Now he's also been concerned with various decision-making centres in film at the federal level: the Canada Council program, the CFDC, the NFB and how they interrelate with each other. Is there overlapping? Does the potential cinéaste have too many places to go for support or for money? How do those agencies respond to the private sector?

He's one person involved in that, and he's involved because, despite his attitudes, Sydney's a professional. He has worked in television. He has worked in film. I know some of his very strong points of view. I also know that he has an instinctive gut feeling about the industry. It's important to have a person like that around.

the feature film producer emerges from other experience, even from commercials. If we make a special arrangement for one sector of the industry and dissociate it from the rest, the arrangement is artificial. But that's what we did. Now it's a question of trying to get the overall approach back on some realistic basis. That leads us to the area of support for industrial units which produce a mixed variety of films.

The problem with the NFB, on the other hand, is simply that the private sector has developed and is now trying to compete with the Board. I don't think we should eliminate all areas of competition but I don't think we should have a situation where the private sector is smothered or compromised by the existence of the NFB.

I am looking at a complementary role between the private sector at its present state of development and its future potential and the NFB.

If the CFDC can justify more money, it will obviously get it. It might be that the NFB needs less money. But I don't see the one coming from the other. The money for the CFDC might come from national defence or from the Secretary of State or elsewhere. I make judgements on both in absolute terms, according to the role of the agency.

**Cinema Canada:** *What might a complementary role for the NFB consist of?*

**Faulkner:** That's the problem we're looking at and it's going to be difficult to resolve it. What sort of things can we achieve through the NFB that we're unlikely to get from the private sector, either because the private sector is not par-

ticularly interested in doing it or because it's too expensive to do that sort of thing?

**Cinema Canada:** *Is there any thought of using the NFB distribution system?*

**Faulkner:** Yes, but there you've got the same problem. You have certain people in the distribution business in Canada, but a lot of them are engaged in distributing mostly American films. How do we combine the resources of the private sector with the NFB? Or should the NFB distribution system be restricted to certain kinds of film and be encouraged to be more aggressive? That's another one of the problems we're looking at right now.

**Cinema Canada:** *How are your discussions going with the provinces?*

**Faulkner:** Have you ever talked to the provinces? If we were talking privately, I'd tell you but there are certain areas where I have to work with the provinces, for better or worse. To speak candidly to your question now would not help the exercise.

**Cinema Canada:** *Who is doing the talking?*

**Faulkner:** On the levy and the quota, it was Spencer, Beaubien and Roberts from the Secretary of State. I talked to them myself. Now, in fairness, things are beginning to happen in some parts of the country. For instance, in Saskatchewan, British Columbia and Alberta, there's an interest developing in film. Quebec - I'm not sure where we're at.

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**"If people want to put up trial balloons, they run their own risks."**

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**Cinema Canada:** *Someday it will ask you for funds.*

**Faulkner:** The provinces? No. My view has always been the same. We have cultural objectives in the national government. The provinces are welcome to do anything they want to do in film. We both have taxing powers. We feel strongly that on the national level, we have a role to play in support of cultural activity. If the provinces want to get into the cultural field as well, I welcome it. The more the better; I happen to think that it's a very central area to this country. More important than foreign ownership in industry, in fact. But I don't see any reason for one jurisdiction to simply pass its money to someone else. That doesn't bring any money into the pot.

**Fortier:** That doesn't mean we can't collaborate and also disagree. I think it's healthy to disagree on the perception of a problem. In the creative domain, one mustn't become uniform and monolithic.

The CFDC, for instance, should be in touch with the Institut du cinéma québécois once it's operational. There could be conjoint financing. There's no problem there. I've seen it work at the Canada Council.

**Faulkner:** Co-production at the provincial level is an interesting possibility. The CFDC is looking into one project in Alberta and another in Saskatchewan.

**Cinema Canada:** *Can the federal government do nothing without going through the provinces?*

**Faulkner:** My preliminary view is that we should work through the provinces, but I haven't discounted the other possibility. We are looking at other approaches.

Levies should come through the provinces because they have control of the theatres, and a levy is imposed at the point where the person walks in to see the film. The province would collect the levy and put it into a pool. If they developed a levy amongst all the provinces, they then could create an independent fund. My point is that the money should go to the cinéaste, to the producer of the film. And it should go in proportion, I suppose, to the number of people who went to see a given film. For the moment, the provinces don't want to put the levy on the theatres. We tried to press them to move on the levy because we felt it was a logical way to finance the films; it's a bit like a lottery.

**Cinema Canada:** *Are you satisfied with your agreements with Famous Players and Odeon Theatres? Do you think they will become increasingly involved in production in the future?*

**Faulkner:** That will depend on how our films do and on how the industry develops. When I talked to them, I presented our agreement to them as a base, a point of departure. And, let's be honest, I didn't have a lot of bargaining power. They knew that if they didn't accept my point of view, there was nothing I could do to force them. But I pointed out to them that the industry had developed to the point where this thing could work and could be helpful, and they agreed.

**Cinema Canada:** *In your discussions, were they conscious of the role they had to play in the industry?*

**Faulkner:** Yes, Destounis really is supportive. He really is trying to help. Blumson I don't know as well, so I don't want to make any judgement. But Destounis I've met several times and I think he is fully aware of his responsibilities and obligations here. Some say that he could go further than he does. I'm not disputing that but I'm saying that he's sympathetic.

I think that a legislative quota is still a better system than our understanding. One of the problems we had with the discussions on the legislated quota was that some of the provinces were talking about a legislated quota only for the films produced in their particular province. That could be very dangerous. It doesn't hurt Quebec or Ontario so much but it would seriously hurt some of the others. And at least three provinces talked in those terms.

**Cinema Canada:** *What can we expect from your office in the next few months concerning film policy?*

**Faulkner:** Our major concern is the CFDC. We're also looking at the other cultural agencies and their involvement in film, and there may be a start towards rationalizing that activity. But the principal focus will be on the new mandate for the CFDC.

Maybe there will be another co-production agreement, and maybe a change in the capital cost allowance so that it can be extended to short films.

**Cinema Canada:** *What of those trial balloons which have been going up? Is there no chance that there'll be a new Canadian Film Commission?*

**Faulkner:** I wouldn't say there's no chance. But its creation would be based on evidence that that type of commission is what we need to achieve the kind of objectives I've underlined. Those trial balloons were not flown by me. And I never enquire about who has flown them. If people want to put up trial balloons, they run their own risks. □

# CINEMA CANADA

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