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A Province In Motion: Challenges and Opportunities
for the Alberta Motion Picture Industry

by

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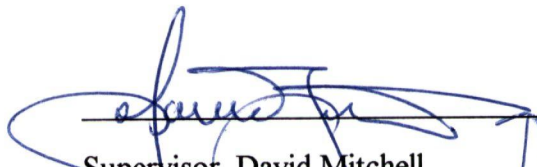
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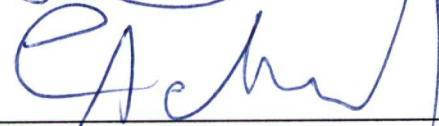
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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled "A Province In Motion: Challenges and Opportunities for the Alberta Motion Picture Industry" submitted by Joel Witten in partial fulfilment of the requirements of the degree of Master of Arts.



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ABSTRACT

This thesis examines the Alberta motion picture industry, particularly emphasizing the issues facing motion picture producers. The relationship between industry and government is examined, and a number of suggested frameworks for this relationship are discussed. Through the case study, the conference A Province In Motion, the views of the Alberta motion picture community are represented.

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My parents Larry and Marielle Witten, for high standards, patience, and unconditional support of every kind;

And Fia, for motivation, inspiration, and love.

Dedication

In memory of my grandmother, Anne Witten.

A wise man hears one word and understands two.

(Old Yiddish proverb)

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Chapter 1: Introduction

Introduction

When considering those industries which contribute to the Alberta economy, most people think of oil, or beef, maybe wheat. Few people think of the local motion picture industry as a key component of the Alberta economy: In fact, when asked what they think of the local film and television industry, a good number of people respond by saying, "is there one?" Those who ask this question will be surprised to learn that Alberta is home to a diverse, active, and growing film and television industry.

Currently, the Alberta film and television industry is experiencing a period of what appears to be unprecedented activity and growth. In 1994, Alberta was home to the production of at least three well-known television series: *North of 60*, *Destiny Ridge*, and *Lonesome Dove*, with others in development. Since the filming of Clint Eastwood's *Unforgiven* in 1992, Alberta has also become an increasingly popular location for American service productions. *Cool Runnings* and *Legends of The Fall* are just two of the larger American feature films shot in Alberta in the past few years. Alberta has also been the site of numerous made-for-TV movies, including 1994's *Children of the Dust*, *How the West Was Fun*, and *Convict Cowboy*. In addition to "runaway" American productions, features made by Albertans are also on the rise. *The Perfect Man*, *Samurai Cowboy*, and *Road To Saddle River*, are just three examples of low-budget Alberta-based features made since 1992. As these examples illustrate, the recent boom is characterized by a substantial increase in indigenous (Alberta-based) productions, foreign (mostly U.S.) service productions, as well as some co-productions and co-ventures. This swell of production and other film-related activity has transformed the Alberta motion picture industry from a small-scale,

almost cottage industry to one much larger, stronger, and hopefully more sustainable.

While the recent growth is irrefutable, there remains a certain amount of skepticism as to how long the current boom will last. If one goes by the press clippings of the province's newspapers, it would seem as though there is no end of growth in sight. Each year record dollars are spent making movies in Alberta. However, what the press clippings often fail to report is that the Alberta motion picture industry is a loosely stacked house of cards which, given a sudden shift in political or economic wind, could blow over quite easily. Having said this, it is true that the Alberta motion picture industry has grown rapidly and may well continue to advance by leaps and bounds. Progress, however, is by no means certain, and it remains unclear whether the current growth is an isolated trend, or the beginning of greater expansion.

Research Question

The purpose of this study is to determine the current status of the Alberta motion picture industry, and to consider possible strategies for development which the provincial film and television industry might follow.

Research Context

While Canadians/Albertans have been making motion pictures since the turn of the century, it is only very recently that one could say that there was a Canadian or Albertan motion picture industry. The Canadian motion picture industry largely began in the 1970's but, with the exception of a few pioneers, Alberta-based motion picture production has only truly been a going concern since the 1980's. Exactly when a certain activity reaches a level of growth where it may be dubbed a cultural industry is rather nebulous, but it is safe to say that the Alberta motion picture industry has achieved this status.

Although Canadian/Albertan motion pictures represent a relatively young cultural industry, theoretical analysis of Canadian cultural industries is not quite as new. In fact, Canadian cultural industries development theory predates the arrival of a viable Canadian motion picture industry by some time. Since the Alberta motion picture industry has grown to the point where it may be deemed a viable cultural industry, one could argue that examining this industry in the context of cultural industries development theory is long overdue.

While cultural industries development theory is not new, it is an evolving field. Thus, those frameworks relevant to the Alberta motion picture industry are rather limited. Because of their emphasis on political economy in cultural industries, the following theories have been selected to provide an ideological framework: Dependency theory; Free-Market theory; Liberal/Protectionist theory; and the “Mixed” theories of Lyman and Hoskins et al, with Lyman offering a macroeconomic perspective and Hoskins et al offering a microeconomic perspective.

Exactly how cultural industries development theory may be applied to the everyday practices of the Alberta motion picture industry is a difficult yet principal question of this study. In fact, this study is based on the idea of considering the ‘known’ in order to analyze the ‘unknown’. That is, subjects which are well known, such as the historical development of motion picture production in Canada/Alberta and cultural industries development theory, will be thoroughly considered in order to shed light on subjects which are less well known, such as the current state of the Alberta motion picture industry and the possible strategies for the development of this industry.

Research Focus

While media is one of the cornerstone industries of an increasingly post-industrialized world, there still remains a great deal of uncertainty as to how the "information age" will evolve. The global economy is currently in transition from an industrial base to a foundation built on information, technology, and entertainment. However, no matter how the global economy shifts, one can say with certainty that the role of film and television, in their various forms, will continue to expand dramatically.

Although this study will categorize, define, and discuss a wide variety of both indigenous and foreign motion picture products, the focus will remain on Alberta-based film and television productions. Having narrowed the subject matter down to two categories of a particular cultural industry in a defined geo-political region, the scope must be further refined by concentrating on those forces which influence the ebb and flow of the industry. Broadcasters, cable companies, theatre owners, industry unions, audiences, advertisers and so on, are just a sample of the numerous groups which influence the Alberta motion picture industry. Obviously, this study cannot examine the concerns of all the groups influencing the Alberta motion picture industry. Thus, the focus has been narrowed to the concerns of the one group which best encapsulates the industry as a whole: the producers. However, while this study will examine the Alberta motion picture industry from a producer's perspective, key industry elements such as distribution, and exhibition will not be ignored.

Definitions

Producer/Filmmaker

The term "producer" is one which is not as self-explanatory as titles such as "actor" or "set designer", yet the producer is probably the most important figure in any motion picture. An exact job

description of a motion picture producer varies from project to project, but fundamentally the producer is the person with overall responsibility for the production. The producer is in charge of arranging financing, hiring, spending, and the selection of key creative personnel. A producer's duties are often shared between co-producers, executive producers, associate producers and so on (Hehner, 1987, p.109).

Throughout the course of this work, the term "filmmaker"¹ will be repeatedly employed and should be considered as interchangeable with "producer". The nature of the Albertan/Canadian film and television industry is such that, in many cases, the writer, director, and producer of a film may all be the same person. Therefore, the title "filmmaker" may occasionally be applied to people who may not necessarily be producers, but this will constitute the exception rather than the rule. Thus, the definition of the term "producer/filmmaker" seems almost as complicated as the job itself.

Types of Films/Motion pictures

Another key term which must be examined is "film" itself. It should be immediately pointed out that, like producer and filmmaker, the term "film" will be interchanged with the term "motion pictures", which applies to products created for theatrical release, television and other mediums such as computer-related items and so on. Having said this, this study will focus on film and video productions created for theatrical release, and/or television. Therefore, the kinds of motion pictures created for these mediums must also be defined.

A "feature film" is a 'big-screen' production usually, but not necessarily, based on a fictional screenplay, and initially produced for theatrical release. One might argue that it makes sense to subdivide the category of feature film into major feature films and independent feature films. This subdivision is important given that

the majority of Canadian productions are independent feature films as opposed to major feature films. Major feature films would represent "Hollywood-style" traditional productions, larger in scope and more conventional in format than independent feature films. Independent feature films are films which are not directly connected to an institutionalized studio system.

Like feature films, the "broadcast film" is usually based on a fictional screenplay, however, the "broadcast film" is a production specifically created for television. Broadcast films include movies specifically designed for television (made-for-TV movies), and television series.²

There are, of course, other kinds of motion pictures which appear on television in theatres and elsewhere, such as documentaries and art films³, but the focus of this study is limited to feature films and broadcast films as defined above. Examples of feature films and broadcast films will be employed throughout this study.

Alberta-Based Motion Pictures

Given that the focus of this study is Alberta-based motion picture productions, another distinction which must be made is the difference between an "Alberta-based" film and a film which is simply made in Alberta. For the purposes of this study, an "Alberta-based" film is a film in which the majority of the cast and crew are Albertans, the script is written by an Albertan, and the film is produced by an Alberta-based production company. The film should represent Western Canadian life in some way, but this is not an absolute requirement. This is a loose definition which I have created and it is somewhat flexible. Films which closely resemble the terms outlined above will also be considered "Alberta-based" films. However, "Alberta-based" films should not be confused with foreign developed "service production" films which involve members of the

Alberta motion picture industry, and employ Alberta as a location site.⁴

Outline of Chapters

In order to provide context, this study will begin with a brief history of filmmaking in Alberta. Chapter 2 will provide a historical context to motion picture production in Alberta, while considering influential changes in the national and international motion picture industry. Numerous examples will be employed as those events which have shaped the Alberta motion picture industry are chronologically presented. Moving era by era, this historical overview will discuss the beginning of film production in Alberta, the origin and evolution of American domination of distribution and exhibition, the patterns of foreign service production and Alberta-based production which would gradually emerge, and the public and private investments which provided the foundation for the highly active Alberta motion picture industry of today.

Chapter 3 will present and analyze the role of government in the development of motion pictures in Alberta/Canada. In order to understand the operation of the Alberta motion picture industry, it is crucial that one be familiar with those government agencies, both federal and provincial, whose mandate is to support the Canadian/Albertan motion picture industry. Therefore, the “Role of Government” (chapter 3) will also analyze and discuss the evolving roles and policies of the numerous government film bodies. Among those federal bodies to be examined are Telefilm Canada (and the various funds it oversees), the National Film Board, Canada Council and the Canada-Alberta Partnership Agreement in Cultural Industries. From a Provincial perspective, this chapter will examine AMPDC, the Provincial Film Commission, ACCESS, AMPIA, and the provincially funded co-operatives.

Chapter 4, “Cultural Industries Development Theory”, will attempt to provide a select history of relevant theoretical

frameworks. This chapter will discuss and critique Dependency theory, Free-Market theory, Liberal/Protectionist theory, and the “Mixed” theories of Lyman and Hoskins, McFadyen, and Finn. The work of theorists Smythe, Crean, and Pendakur will be the focus of the Dependency theory section. At the opposite end of the spectrum, Globerman’s work will be presented in discussing Free-Market theory. The work of Audley will form the basis of the discussion of Liberal/Protectionist theory. Lyman’s “Mixed” theory emphasizing technology and trade will be introduced as paving the way for the likes of Hoskins, McFadyen and Finn. Finally, an analysis of some of their arguments for and against government involvement, the “Mixed” theory of Hoskins et al will be presented as the most applicable set of strategies for Alberta-based motion picture producers. These theories will provide valuable structure to the discussion of the workings of the Alberta motion picture industry provided in Chapter 5 (Case Study: A Province In Motion).

“Case Study: A Province In Motion” (Chapter 5) will focus on the research methods and findings of the case study. After attempting several less fruitful methods, it was determined that in order to gain the most current, relevant, and highly informed thought regarding the Alberta motion picture industry, it would be necessary to facilitate a seminar involving some of the key figures in the local industry. Chapter 5 will explain why the conference A Province In Motion was essential to yielding the required empirical data, and will attempt to juxtapose the views of the practitioners with the strategies supported by Hoskins et al. This chapter will also present a number of issues raised at the conference which are relevant to the Alberta motion picture industry, but are not widely discussed in any academic literature.

“Summary and Recommendations”, Chapter 6, will review and summarize the material presented in the body of this study. Based on this information, some recommendations for both policy and industry will be offered. In addition, potential areas for suggested further research will also be presented.

Notes

¹ Actually, since this study deals with film, video, and other forms of motion pictures (eg. computer related, etc.), the term "motion picture maker" would be more appropriate, but this is far too cumbersome a term and lacks the historical context attached to the title of "filmmaker".

² Of course, one may also see older feature films on regular broadcast television, and slightly more recent feature films on Pay-TV, or by video rental. Feature films on TV pose something of a definitional difficulty (McFadyen Interview). That is, when they appear on television, are they still feature films? Or have they become broadcast films by nature of their medium of exhibition? For the purpose of this study, the difference is made clear by remembering the medium which the film was originally designed for. Feature films are, by and large, created with the intention of being exhibited on the big-screen, and their appearance on broadcast television, video or elsewhere does not alter their categorization as feature films. There are some who might argue that feature films are merely high-priced advertising for second-window markets such as Pay-TV and video rental, and this may be true, however, technically speaking, feature films are created for big-screen exhibition, and the big-screen remains the original medium of exhibition.

³ A "documentary" is distinguished from other kinds of film by its use of 'real' footage. The "documentary" does not revolve around imaginary plots, rather it is a recording, not a re-creation, of actual events. Unlike feature film or broadcast film, a "documentary" is not necessarily created for one specific market.

An "art film" is a film which is often confused with a feature film. In terms of medium of exhibition, "art films" are like feature films, except "art films" are not as widely viewed. The tentative category of "art film" is composed of films which are made on considerably smaller budgets than feature films. In an "art film" the subject matter and plot lines tend to be less standardized than those found in feature films. True to the nature of the films themselves, the "art film" is defined by what it is not (a feature film), as much as anything else. A significant number of Alberta-based productions find themselves trapped in a definitional complexity of being part art film and part feature film.

⁴ A film such as the ABC broadcast film *One More Mountain* is a good example of a broadcast film which was made in Alberta but is not an Alberta-based film. Scenes from *One More Mountain* were shot in Southern Alberta, but the landscape was supposed to represent an American location, the film featured an entirely American cast and crew, and ABC is, of course an American television network. This distinction is important for the purposes of definition, as well as funding and culture.

Chapter 2: History of Motion Pictures In Alberta

Introduction

This chapter will provide a brief history of motion pictures in Alberta, placed in the context of relevant historical shifts in the national and international motion picture industry. Beginning with the very first films made in Alberta, this historical overview will examine some early success stories, but will also stress the difficulty of making Alberta-based movies in the first few decades of the twentieth century. The American influence which has been a part of the Canadian motion picture landscape since day one, but was solidified by a 'sweetheart deal' in the early 1940's will be a continuing theme of not only this chapter, but of the entire study. The pattern of struggling Alberta-based production being fed by relatively regular American service production will be the key point in the section focusing on the 1930's-1960's. Regarding the late 1960's and the 1970's, the discussion will focus on the development of a viable Canadian/Albertan motion picture industry through public support, the impact of *Little Big Man* on foreign service production in Alberta, and the increased private investment in motion picture infrastructure in the province. The last section, dealing with the late 1980's and the early 1990's, will discuss the solid base of permanent production which *North of 60* and *Destiny Ridge* have provided the local industry, and highlight the wide variety of Alberta-based and foreign productions filmed in Alberta since the early 1990's. This abbreviated version of the business of motion pictures in Alberta from 1910 to 1995 is intended to offer an understanding of the kinds of motion pictures made in Alberta, and the historical factors influencing their creation.

Alberta's First Films

Since the filming of *An Unselfish Love* in 1910, Alberta has been host to hundreds of feature films and countless broadcast films, documentaries, commercials and other film projects. Despite its historical significance, *An Unselfish Love*, was an easily forgotten silent promotional film sponsored by the Canadian Pacific Railway's Colonization Department. Nonetheless, filmed in Strathmore, Alberta when the province was barely five years old, this one-reel movie stands as the first documented motion picture in Alberta's history.¹ Of course, since these humble beginnings, the Alberta motion picture industry has endured a number of important turning points and grown substantially. In addition, developments in the national industry also had a direct impact on the provincial industry.

In the first decade of film in Canada, viewing a film such as *An Unselfish Love* would have been quite an event for any Canadian. In the early years of motion pictures, films were shown by migrating movie-men who came into town much as the circus would. Towards the end of this first decade, and largely precipitated by the advent of one-reel films, storefront theatres began to emerge, but these were soon replaced by large, posh theatres such as the Allen Theatre, built in Calgary in 1913 by an early Canadian film power, the Allen Amusement Corporation (Pendakur, 1990, p.53).

From the very beginning of motion picture exhibition in Canada, the vast majority of the films viewed were not made by Canadians or about Canada. The films came from both Britain and the United States, and then later mostly from the United States. Canadian productions were rare, and Albertan productions were even rarer. There were, however, some exceptions to this rule.

At the end of World War I, Ernest Shipman emerged as Alberta's first major film producer. On location at Lesser Slave Lake in 1919, Shipman shot *Back To God's Country*, a film which is more widely regarded as marking the beginning of the Alberta motion

picture industry. Considering that the star died of pneumonia and the cameras froze from the cold, one could argue that *Back To God's Country* typifies the survivalist instinct which is inherent to the film-making community in Alberta (Kupechek, 1991, p.12). Unlike many of the Alberta-based productions for which it had paved the way, this early feature film was both a commercial and an artistic success. Against great odds, Shipman's film was able to generate over half a million dollars during its run in North America, Europe, Japan and Australia (Magder, 1993, p.26). International distribution and financial success are goals which Canadian/Albertan producers having been striving to achieve ever since.

The success of Ernest Shipman and *Back To God's Country* was, at best, an aberration. While Shipman represents the exception, the rule was such that film production by Canadians/Albertans in the 1910's and 1920's was minimal. The perennial difficulties of a sparse and geographically dispersed audience and a distinct lack of private investment made Canadian film-making extremely difficult from the very beginning.

The Americans Are Coming! The Americans Are Coming! The 1920's

The 1920's also demonstrated exactly how pronounced and overwhelming American influence in Canada would become. In February of 1920, N.L. Nathanson, head of the month old corporation Famous Players and owner of thirteen Canadian theatres, signed an exclusive exhibition agreement with Paramount. This deal signaled the official beginning of American vertical integration in the Canadian motion picture market. Within five years, ninety-five percent of all films in Canada were coming from American film companies (Pendakur, 1990, p.59). During this five years, and due to the support of being allied with an international conglomerate, Famous Players grew to seventy theatres and became the largest chain in Canada (Pendakur, 1990, p.64). By the end of the 1920's the pattern of American control of motion picture exhibition, distribution, and production in Canada was entrenched.

Like the national industry as a whole, the second decade of film production in Alberta was heavily influenced by an increased American presence. A significant number of American silent films were shot on location in Alberta in the 1920's. Typically, these productions would shoot some scenery shots in Alberta and then return south to complete the picture. Examples of such films include *The Alaskan* (1924), *White Fang* (1925), *The Calgary Stampede* (1925), and *The Canadian* (1926) (Kupechek, 1991, p.12). The use of Alberta as a location site for American productions, with local involvement rarely exceeding a service relationship has continued until the present day.

Alberta-based Productions in the 1920's

However, the '20's did see the emergence of a fledgling indigenous motion picture industry. Ernest Shipman's 1920 film *Cameron of the Royal Mounted* was a western featuring actual North West Mounted Policemen playing, surprisingly enough, North West Mounted Policemen. The 1928 production *His Destiny* (also known as *North of '49*) was shot in the Calgary area, written by the then editor of the *Calgary Herald*, and featured a number of Calgarians in the cast. Of course, this film also featured a great deal of Alberta's landscape (Kupechek, 1991, p.13). While Alberta-based films were in fact being created during this period, they were few and their commercial and artistic success was minimal at best.

A Production Pattern Emerges: 1930's-1960's

This pattern of a relatively steady diet of American service production served with a smattering of local production would continue through the next several decades. Of course, economic shifts did affect the amount of production in Alberta (as they continue to today). Therefore, there was very little motion picture production in Alberta in the depressed 1930's, but the "regular" pattern resumed and continued beyond the 1940's. Some of the

more memorable American feature films shot in Alberta after 1940 include: *Springtime in the Rockies* (1942, Betty Grable and John Payne), *River Of No Return* (1954, Marilyn Monroe and Robert Mitchum), *The Far Country* (1954, James Stewart and Walter Brennan), *Dr. Zhivago* (1965, Rod Steiger and Julie Christie), and *Little Big Man* (1970, Dustin Hoffman and Faye Dunaway). The provincial industry seemed to fall into this “regular” production pattern which would continue relatively unchanged up until the late 1960’s.

A “regular” system of American domination of distribution and exhibition of feature film in Canada was also established in this period. Specifically, in 1941, the same N.L. Nathanson who made Famous Players so successful in Canada, left this organization to establish another American-based chain: Odeon Theatres. Shortly thereafter, the two chains reached an amicable agreement guaranteeing that each would have virtually uncontested rights to first-run films from Hollywood’s largest motion picture companies (Magder, p. 64, 1993). These monopolistic practices had a massive and lasting impact on feature film distribution and exhibition in Canada, and its effects are still present today.

Public Supported Feature Film: Late 1960's

The late 1960's marked the beginning of state supported feature film production in Canada. With the centennial celebration in 1967, Canadian nationalism became more fashionable, and Canadian feature film was recognized as a possible means of fostering national identity and unity. Up until this point, state supported film production had been limited to the educational and documentary films of the “high-brow” National Film Board. All this would change in 1967-1968 when, as a result of increased pressure from filmmakers, a more liberal socio-political environment, and increased national awareness, the Canadian Film Development Corporation (CFDC) was founded. The CFDC, created in order to “foster and promote the development of a feature film industry in Canada”, changed the Canadian motion picture landscape significantly

(Pendakur, 1990, p.148). This new organization (later renamed Telefilm Canada) was of great assistance to filmmakers in Ontario, Quebec and a few in British Columbia, but until the late 1980's Alberta-made motion pictures received very little federal support.

Little Big Man: An Anecdote for Alberta

The 1970's were characterized by significant changes and developments in the Alberta motion picture industry. Among these benchmarks was the filming of *Little Big Man* (on the Stoney Indian Reserve, west of Calgary), which represents a critical point in the evolution of the Alberta motion picture industry. Filmed in 1969-1970, this unconventional western was the first service production of its size and economic impact to be filmed in Alberta. Shortly after the filming of *Little Big Man*, the provincial government recognized the economic potential of attracting motion picture production to Alberta.

In 1972, the government of Alberta established an agency devoted to attracting foreign production. Thus, the Alberta film commission was Canada's first provincial film commission, and one of the first film commission offices in North America (Kupechek, 1991, p.13). As a result, the 1970's (like the 1920's) were characterized by a boom in foreign service productions. *Locusts* (1974), *Mustang Country* (1975), *Buffalo Bill and the Indians* (1975), *Across The Great Divide* (1976), and *Superman* (1978) represent some of the notable American and British features filmed in Alberta in the 1970's.

The Alberta Industry Organizes/The Dawn of Television

The 1970's were also characterized by some important changes in the indigenous production industry. Among these significant developments was the formation of the Alberta motion picture industry association (AMPIA) in 1973, and the filming of Fil Fraser's 1977 feature film *Why Shoot The Teacher?* Fraser is one of the more prominent examples of the group of emerging local talents who had a

strong desire to film Western Canadian stories. This growing body of Alberta-based producers required some sort of unified voice and AMPIA was established to serve this purpose (Kupechek, 1991, p.14).

So far, this historical sketch has been limited to film and there has been very little mention of television. Television has not yet been examined because until the early 1970's television production in Alberta was very limited. It is important to recall that up to this point there was virtually no financial support, nor established markets or means of exhibition, for Alberta-based television production.

ACCESS Television

In 1973 the provincial government established ACCESS Television in response to a lack of Alberta-based television production. The provincial government's creation of ACCESS Television did not radically impact the Canadian motion picture landscape, but this government-supported television station became a vital training ground and an essential vehicle of exhibition for Alberta's motion picture community. It comes as no shock that many of Alberta's most successful filmmakers received their first credits and experience at ACCESS television.

Alberta's Private Enterprise Discovers TV

In addition to growing public sector support, Albertans in the private sector were beginning to see the value of television. In 1973, Dr. Charles Allard and a supporting cast, including local musician Tommy Banks, opened the Edmonton TV station CITV. CITV soon became a very profitable venture, although some would argue that it achieved this profitability at the expense of Canadian content. Dr. Allard's company Edmonton-based Allarcom later grew to include the Pay-TV channel Superchannel. In a short space of time, Allarcom (purchased by Western International Communications in 1991) and

its studio became an important part of Alberta's television landscape. Allarcom is just one example of the entrepreneurial spirit which is very much part of the Alberta motion picture industry.

Alberta Motion Picture Development Corporation

The creation of the Alberta Motion Picture Development Corporation (AMPDC) can be attributed to a number of competing factors. Principally, combining the commercial and artistic success of projects like *Why Shoot the Teacher?* with the growing pool of struggling Albertan talent, and an oil rich provincial government (which had watched CITV profit) led, in many ways, to the foundation of AMPDC (Kupechek, 1991, p.14). AMPDC, a provincial crown corporation created in 1982, was established as a \$3 million fund to be loaned to Alberta-based producers. Like the Alberta film commission, AMPDC was the first such agency of its kind in Canada, although other provincial funding agencies soon followed. The roles and history of both of these agencies will be expanded upon in the "Role of Government" chapter.

Recent and Current Motion Picture Production in Alberta

Television

At the same time that AMPDC was established, the national television industry was also beginning to expand. Among other reasons, this national growth can be attributed to the implementation of Canadian content regulations, and Alberta's receiving a larger share of Telefilm's Broadcast Fund. Another reason explaining the development of television is the vast number of highly forgettable Capital Cost Allowance (CCA) funded films which were so much a part of the Canadian film industry in the 1970's. While these productions provided a great deal of training and work for Canadian filmmakers in the 1970's, in the late 1980's, when the CCA tax shelter was reduced from 100% to 30%, and television became a more popular private investment than feature film. As a result of the growth of a

national TV industry, and therefore increased opportunities for television product, AMPDC has always been oriented towards television production (AMPDC Annual Report, 1985-1986).

The relocation of SCTV from Toronto to Allarcom's studios in Edmonton was one of the first examples of Alberta benefiting from the growth of the national industry. In fact, some have argued that the production of successful television programs in Alberta began when SCTV moved to Edmonton in the mid-1980's. One of the most widely known and respected comedic series of its day, SCTV proved that Alberta had the ability to produce commercially and artistically successful television programs. It would take a few years, but other Alberta-based television success stories would soon follow.

While the late 1980's failed to produce any significant Alberta-based television, since 1992, television production has grown significantly in Alberta. 1992 marked the first season for *North of 60*, and the beginning of a foundation of Alberta-based production. Entering its fourth season in 1995-96, the Alberta talent displayed on *North of 60* is now watched weekly around the world, and by over a million Canadians. In 1993, on the heels of *North of 60*, the Alberta motion picture industry increased its output and credibility as the Jasper-based *Destiny Ridge* began its first season. The existence of these programs is in large part due to unprecedented appropriations from Telefilm's Broadcast Fund (the Broadcast Fund and relevant Telefilm funds will be discussed in the "Role of Government" chapter).

These two established series have allowed a nucleus of motion picture producers to remain in Alberta and as a result other television programs are now emerging. Specifically, *Jake and the Kid* (based on the writing of Canadian author W.O. Mitchell) and *Nobody's Business* (starring Terry David Mulligan of *Much Music* fame) are two of the more promising Alberta-based television projects set to be aired in 1996.

While TV programs represent a notable segment of Alberta film production, another type of broadcast film which has become quite popular is the made-for-TV movie. *Rich and Strange*, a ninety minute television movie, shot in a number of the small communities surrounding Edmonton, is an example of the sort of made-for-TV movies which are being created in Alberta. The project was co-produced by Alberta's Kicking Horse Productions and WDC Entertainment and employed Leduc, Spruce Grove, Lake Eden, Wetaskiwin, Stony Plain, Thorsby and Ponoka as locations. Directed by Edmontonian Arvi Liimatainen, the fictional film was about a big city policeman and his family and their relocation to a small prairie town. The cast and crew of this project were primarily Albertans or Western Canadians and AMPDC was involved in funding the project (*Reel West*, Dec. 1993).² Other examples of this genre produced since 1992 include *Life After Hockey*, *The Kid*, and *Medicine River*.

In addition to Alberta-based made-for-TV movies, Alberta is also the location for numerous American made-for-TV movies (a.k.a. foreign service productions). Among the major American television networks, Alberta is becoming an increasingly favorable choice as a backdrop for broadcast and feature films. A recent example of an American made-for-TV movie filmed in Alberta was the ABC/Disney production *One More Mountain*. ABC filmed parts of this film near Bragg Creek, Cochrane, and Longview. The cast and crew were almost entirely composed of Americans. Aside from assistance with site location, the only local creative involvement was in the form of a few minor acting parts (Blakey, 1994, p. E2).³ Other 1994 examples of this genre include *Children of the Dust*, *How the West Was Fun*, and *Convict Cowboy*. In addition to these runaway American productions, there is now at least one American television series, *Lonesome Dove* which films principally in Alberta, and there are rumors of more to follow. The post free-trade environment and a Hollywood philosophy emphasizing cost-efficient transient production has facilitated the production of these films.

Feature Film

While products created for television may currently be more important to the Alberta motion picture industry, feature films remain a significant component of the local industry. Some observers of the Alberta motion picture industry have argued that Clint Eastwood's western *Unforgiven*, shot in Southern Alberta in 1993, represents Alberta's largest claim to cinematic fame. However, while this award-winning film provided employment and some indirect advertising for Alberta's film industry, considering the definition of an Alberta-based film outlined in the Introduction chapter, *Unforgiven* hardly qualifies as an Alberta-based film. While *Unforgiven* did start the most recent stampede to Southern Alberta, it is important to be cognizant of the fact that Clint Eastwood's film, and each American service production which followed, was financed by a huge international American-based conglomerate (a 'major'), and then widely distributed and exhibited by that company's powerful and expansive distribution and exhibition arms. Nonetheless, while feature films like *Legends of the Fall* (1994), *Cool Runnings* (1993), *Last of the Dogmen* (1995) and others are not Alberta-based productions, these foreign service productions represent an important and substantial component of the Alberta motion picture landscape.

The films *Suburbanators* (1995), *Road To Saddle River* (1994), *The Perfect Man* (1994), and *Samurai Cowboy* (1992), constitute more fitting examples of Alberta-based feature films. These films are all independent productions which were shot in Alberta within the past few years, featuring casts and crew composed primarily of western Canadians, and scripts emphasizing Albertan/Canadian themes. Post-production work for these films was done within the province and in most cases, the first showings were in Calgary and Edmonton.

Unlike Hollywood's privately backed productions, Alberta-based feature films are primarily financed by public funds.

Telefilm Canada, the Alberta Motion Picture Development Corporation (AMPDC), and the National Film Board are the usual contributors, but ordinarily there is some element of private sector investment as well.

The distribution and exhibition of Albertan/Canadian feature films like those listed above is also worth noting. Mostly, these films were distributed by small distributors and marketed to independent theatres. One of the reasons these films are marketed to independent theatres is the vertically integrated and American dominated nature of the Canadian feature film industry. The fact that the domestic feature film industry is economically controlled from south of the border is one of the reasons Canadian films are rarely seen in Cineplex or Famous Players theatres. In fact, only three percent of the films we see up on the big screen are Canadian productions (Gasher, 1992, p. 371). It is not impossible for a film like Alberta-based feature films to be shown in the 'major' theatres, but it must be a picture with excellent drawing power and a 'big-screen' look. Since the majority of Canadian and Alberta-based films do not meet these requirements, they are not exhibited in the 'major' theatres. Therefore, the exhibition of Canadian/Albertan feature films is, by and large, limited to independent (not Cineplex-Odeon or Famous Players) theatres and film festivals.

In the past fifteen years, television has clearly shown itself to be a more accessible medium for Alberta motion picture products than the theatre ever was. The distribution and exhibition limitations outlined above, coupled with the marked increase in demand for television products, continue to make television more attractive for Albertan/Canadian producers.

Conclusion

As this brief historical sketch indicates, the Alberta motion picture industry has certainly come a long way from *An Unselfish Love*. The past eighty years have seen the development of a local

motion picture industry which is heavily dependent on American service production. While this symbiotic relationship allowed for valuable training opportunities and significant economic benefits, the indigenous industry struggled to produce a single Alberta-based feature film per decade. The establishment of AMPDC, Telefilm's Broadcast Fund, and the growth of national and international television markets in the 1980's led to a substantial increase in Alberta-based production and a stronger local industry.

Appropriately, this historical section will come to a close in the mid-1990's with the Alberta motion picture industry having reached a new level of industrial maturity.

Notes

¹ The information on Alberta in this historical section is heavily indebted to two articles by Linda Kupechek. One was a *Calgary Herald* feature on March 10, 1991, the second appeared in *Venture* in the Fall of 1993. The majority of the dates and films cited in reference to the Alberta industry are from her work.

² *Rich and Strange* was the first in a series of films to be produced under a relatively new agreement to be discussed in the "Role of Government chapter": the Prairie Initiative Program.

³ In a reversal of the ideas expressed in Pierre Berton's Hollywood's Canada, the makers of *One More Mountain* hoped that no one would notice if they substituted the Rocky Mountains for the Sierra Nevadas.

Chapter 3: The Role of Government

Introduction

Generally speaking, the most important role which both the federal and provincial government's play in the motion picture industry is as a provider of funds. It might be a useful exercise to approach this question of funding from the perspective of an idealistic young Albertan filmmaker, with a couple of films completed, a head full of brilliant cinematic ideas, and empty pockets. Where does such a person turn to in order to realize his/her dreams? In a phrase, "the state".

In Hollywood, where there are no public agencies funding film, when an emerging filmmaker wants to make a film, he must try to sell his project to one of the major international studios or remain an independent and try to interest other private investors. In the Canadian version of this scenario, the filmmaker would deal with the government. This distinction is of crucial importance when one considers how the Alberta motion picture industry has developed.

There are a variety of federal and provincial bodies which a filmmaker can look to for financial backing. Federally, a filmmaker may apply to Telefilm, the National Film Board, the Canadian Independent Film and Video Fund, the Canada Council, and similar less prominent public and private funds. The CBC is also another federally funded body which supports Canadian independent motion picture production. In Alberta, the provincial funding body is the Alberta Motion Picture Development Corporation (AMPDC). There are also a number of bodies which receive public funds to promote the Alberta film industry rather than dispense money for production. Lastly, there are also joint agreements such as the Canada-Alberta Partnership Agreement in Cultural Industries. The similarities and

differences between these various funding, and funded, bodies will become more apparent as this section progresses.

When discussing funding with filmmakers or representatives of the various government film agencies, one theme remains a constant: every deal is unique. Different film projects arrive at each of the federal or provincial government film bodies at various stages of development, and require different services.

Role of Federal Government

In addition to those provincial bodies which support the Alberta motion picture industry, there are numerous federal agencies financially involved in the development and promotion of the entire Canadian motion picture industry. In addition to the support of Telefilm, National Film Board, Canada Council, and CBC, there are over fifty other public and private funds available for Canadian independent film and television program development and/or distribution (*Playback*, April 10, 1995).

Telefilm Canada

After the CBC, Telefilm is Canada's largest public agency dealing with motion pictures. Telefilm has a number of different funds, each designed to support different kinds of projects. The breadth of this study will not allow an examination of each and every one of Telefilm's separate funds. Thus, those funds relevant to a discussion of the Alberta film industry are the Canadian Broadcast Program Development Fund (the Broadcast Fund), the Feature Film Fund, the Feature Film Distribution Fund, and the new program Horizon.

Broadcast Film

It would be misleading to imagine that every filmmaker can look upon Telefilm as a potential funding body. In reality, Telefilm

only provides an option for "the big boys". For example, for any project to qualify for the Broadcast Fund, the key criterion is a Canadian broadcaster's commitment to the production. Telefilm has a license fee requirement. This means that in return for the right to broadcast the program, a broadcaster must pay a license fee that is set high enough to meet Telefilm's requirements (*Playback*, April 13, 1992). Broadcasters are only interested in putting up license fees for productions which they have faith will return their license fee investment. Therefore, only producers with proven track records are considered for the Broadcast Fund.

It is useful to recall that Telefilm's Broadcast Fund has been extremely important to the development of television production in Alberta. The federal dollars that support *North of 60* and *Destiny Ridge* are critical to the Alberta motion picture industry as these two series are cornerstones of Alberta's television industry. In 1992-1993, \$8.5 million of Telefilm Canada's Broadcast Fund was invested in the development of *Destiny Ridge* and *North of 60* (*Reel West*, April 1994). These figures take on even more significance when one considers that in 1989 Alberta received only 1.4 million dollars from Telefilm.

Telefilm's role in the development of the Alberta motion picture industry is further evidenced by examining the provincial distribution of Telefilm dollars for 1992-1993. As is always the case, the majority of Telefilm's money was spent in Central Canada, with the combined totals of Quebec (40%) and Ontario (26%) making up 66% of the Broadcast Fund, and 83% of the Feature Film Fund (Ont:23%, Que:60%). Considering the small amount left over for the rest of the nation, the fact that Alberta received 15% of the Broadcast Fund and 6% of the Feature Film Fund stands as a mark of achievement for the Alberta film industry (*Reel West*, April 1994)¹ and a sign of commitment from Telefilm.

Feature Film

In reference to feature film, the requirements of Telefilm's Feature Film Fund very closely resemble those set out by AMPDC (to be explained in "Role of Alberta Government" section of this chapter). In addition to a well-developed and unique script, Telefilm also considers the principal creative people, and expects well prepared budgets and marketing strategies. A further requirement is the involvement and commitment of a Canadian distributor to market the film in Canada and elsewhere (*Playback*, April 13, 1992).

Telefilm also funds distributors. The Feature Film Distribution Fund requires its applicants to have been in business for at least two years with a total of twelve films distributed in this time (*Playback*, April 13, 1992).

The Feature Film Distribution Fund was set up in 1988 and so far has had very little impact on the marketplace. As was discussed earlier, in reference to exhibition, the Canadian domestic market is American dominated and vertically integrated. This means that in addition to dominating exhibition, the American conglomerates also have a firm grasp on the distribution of films in Canada. The Feature Film Distribution Fund was created in response to an unsuccessful attempt to legislatively wrestle some control over feature film distribution from American control. To date, only the largest Canadian motion picture companies have benefited from the Feature Film Distribution Fund.

The latest in a long standing federal tradition of trying to reduce the American dominance of distribution came in 1992. In 1992, Telefilm made changes to the Feature Film Distribution Fund to try to increase the effectiveness of Canadian distributors. Most of the changes consisted of ensuring that the distributor and producer develop thorough marketing strategies. Telefilm demands that the producer and distributor try to identify the film's genre and target audience, explain the potential of the film's marketability, the

description of the potential playability, and the projected marketing strategy. Telefilm also wants to see plans for test-marketing, media and publicity campaigns, and the details of the proposed premiere screenings (*Reel West*, September, 1993).

One of the difficulties for Alberta-based films and Western Canadian feature films in general is proximity to distributors. While some distributors have made their way out to Vancouver, the vast majority are still based in the East. As B.C. Film's Wayne Sterloff says, "you can't trigger Telefilm money without a distributor and the distributors are a tiny group...in Toronto and Montreal" (*Reel West*, September, 1993). There exists both a literal and figurative distance between Western filmmakers and Eastern distributors which does not bode well for the development of Alberta-based feature film. There is little hope that this situation will change until Western Canada produces a major distributor of its own or one of the existing major distributors opens a Western branch. One would think that if the opportunities would warrant doing so a company like Alliance would open a Western office. Perhaps the distributors do not feel the same way about the growth the Alberta film industry. Alternatively, typical Eastern disregard for the Prairies may be a factor in hindering any Western movement on the part of the distributors.

In addition to funding the production and distribution of Canadian films, Telefilm also funds the exhibition of Canadian films. By financing Canadian film festivals, Telefilm gives Canadian films a domestic venue of exhibition they would not ordinarily have. The film festivals hosted by Edmonton, Toronto, Montreal, Halifax and Vancouver (and other lesser known festivals) are all sponsored by Telefilm. In 1992, Telefilm spent nearly a million dollars to fund the festivals in Toronto and Montreal alone (*Reel West*, September, 1993).

As well as providing Canadian audiences with an opportunity to view locally made films, the festivals are also important for the purpose of marketing. Newspapers tend to devote more attention to

film festivals than to individual films. This increased media attention increases the chances that the films will be attended and allows for word of mouth to spread. If a film is well attended it could have an impact on how the distributor will try and market the film after the festival. Furthermore, there are only so many films selected to be shown at each festival. If a film is chosen this will be seen as a mark of achievement. This has ramifications for advancing or stalling a given filmmaker's future career.

In January 1995, Telefilm introduced Horizon, a new fund designed for directors in the prairie provinces who are working towards their first or second feature film. Horizon grew out of a 1993 initiative called the Low-Budget Feature Program. Therefore, Horizon, which limits qualifying producers to budgets of less than \$1 million, is designed for smaller films. Interestingly enough, in a telephone conversation with an administrator of the fund, there was a distinct reluctance to admit how much money was actually allotted for the Horizon program. Therefore, while it remains to be seen exactly how significant Horizon will be, it is refreshing to see Telefilm commit funds to the prairie feature film industry.

National Film Board

In addition to the various funds offered by Telefilm, an Alberta filmmaker interested in making documentaries may look to the National Film Board (NFB) for funding. The NFB's Independent Co-Production Program has \$5 million available annually to co-produce with Canadian producers from the private sector. This \$5 million is divided into two portions, \$2 million for the French Program Branch and \$3 million for the English Program Branch. This \$3 million dispensed to English Canada is then further subdivided into \$500,000 allotments for each of the NFB's six centres across the nation (*Playback*, April 13, 1992). The NFB office which services Alberta and the Northwest Territories is the North West office located in Edmonton.

In order to qualify for the NFB's Independent Co-production Program an applicant must demonstrate that she is a relatively well established filmmaker. As with Telefilm's Broadcast Fund, the NFB also has a program specifically designed to help less experienced filmmakers. The NFB's Programme to Assist Films in the Private Sector (PAFPS) does not offer emerging filmmakers financial assistance, but it extends a variety of services. To be eligible for these free services a filmmaker must have made fewer than four films, the film in question must be relevant to the NFB's mandate, and the film must serve minority audiences not now adequately served by the film community. The film must also be "not commercially viable". If these requirements are met the NFB will provide a host of professional and technical services, materials, and the use of editing and filming equipment.

The notion that a film must not be commercially viable in order to qualify for public funding is one which many might find somewhat dubious. Clearly, it is reasonable to suggest that public funding agencies exist in order to support worthy projects which may not be commercially viable. However, formulating policy which requires that the film not be commercially viable would seem to deter the filmmaker from even attempting to finance his/her film in the free market. Having said this, the policy of offering the use of services and equipment would seem to be a cost-efficient means of supporting "non-commercially viable" films.

Canadian Independent Film and Video Fund

Another body interested in funding documentaries is the Canadian Independent Film and Video Fund. Although not officially a government agency, all of this non-profit corporation's funds come from the federal government. This fund is primarily concerned with funding non-theatrical projects for educational or special interest group purposes. The fund finances development to a maximum of \$10,000, and production costs to a maximum of \$50,000. Considerably smaller than the NFB or Telefilm, the Canadian

Independent Film and Video fund's budget for 1992-1993 was only \$1.5 million. As with the NFB's Independent Co-production Fund, this \$1.5 million is divvied up linguistically and regionally (*Playback*, April 13, 1992). While not a significant fund for Alberta-based producers, this fund is a good example of the variety of funding options available to Canadian filmmakers. In addition, with the increasing popularity of educational and informational motion picture products, this sort of funding may become more prominent in the future.

Canadian Broadcasting Corporation: CBC

Another government body which cannot be overlooked in any discussion of the Albertan/Canadian motion picture industry is the Canadian Broadcasting (CBC). While not ordinarily considered a funding body in the same sense as Telefilm or NFB, CBC has supported Albertan/Canadian independent production by being one its largest purchasers. Accordingly, CBC is also a publicly funded medium of exhibition for Canadian motion picture products. Once again, *North of 60* represents the most prominent example of Alberta production benefiting from the publicly supported CBC. While today the Alberta motion picture industry may enjoy being the site of two Canadian series (*North of 60* and *Destiny Ridge*), a CBC which attempts to compete for ratings by airing American programs such as *The Fresh Prince* and *The Simpsons* does not bode well for the future of Canadian television.

Canada Council

The last strictly federally funded body which this study will examine is The Canada Council. The Canada Council offers a wide variety of grants to artists. Their program for film is designed for professional film artists who have directed and/or written at least one independent film. Canada Council grants allow individual film artists to devote time to research, scriptwriting, animation, technical experimentation, and professional development.

Canada-Alberta Partnership Agreement in Cultural Industries

Rounding out this discussion of those federal funds, programs, and organizations which are of importance to the Alberta motion picture industry is the Canada-Alberta Partnership Agreement in Cultural Industries. Under the agreement, each government has invested \$3.5 million over a four year period. This \$7 million has gone towards developing a stronger economic base for Alberta-based companies involved in motion pictures, sound recording, or book and periodical publishing. The dollars supplied are used for improving capitalization, increasing access to technology, extending marketing and distribution efforts, and providing professional development opportunities for people working in the industry (Coopers & Lybrand Study, p.16, 1994). Based on the preliminary interviews conducted at the outset of this study, it is difficult to tell whether this program has been successful for Alberta producers.

Role of Alberta Government

AMPDC

In the twelve years since its inception as a provincial corporation in 1982, Alberta Motion Picture Development Corporation (AMPDC) has come to play a central role in building the foundation for a successful and active film and television industry in Alberta. In 1988, AMPDC's initial three million dollar 'one-time allotment' of funds was topped up to ten million dollars. This new influx of funds was deemed necessary in order to meet the needs of AMPDC's new mandate. Before 1988, AMPDC had primarily been a lending agency, but the increase in funds allowed AMPDC to expand into investment productions (AMPDC Annual Report 1991-1992). It is important to point out that the Alberta government's 1988 contribution may be the province's last commitment of dollars to AMPDC. AMPDC's funds are rapidly depleting and if AMPDC fails to

secure another lump sum from the province, the Alberta motion picture community will be without a provincial funding body. The ramifications of this uncertain financial future will be discussed later in this study.

The 1988 topping up of AMPDC's 'one-time allotment' of funds created a unique provincial film funding body. Unlike the provincial funding agencies of Saskatchewan (Saskfilm) or British Columbia (B.C. Film), which have annual budgets, AMPDC has the flexibility to spend varying amounts of money from one year to the next, depending on the needs of the industry². The fact that AMPDC is not restricted by an annual budget means that, unlike producers in other provinces, Alberta producers will not have viable projects shelved due to budgetary restrictions. In theory, AMPDC is prepared to finance as many qualified projects as the industry is able to produce (AMPDC Interview). This ability is, of course, dependent on the existence of funds to draw from. As long as the province continues to designate money for AMPDC this 'deep pockets' system has its advantages. However, given the current finite amount in AMPDC's bank account, the revolving funding systems established in other provinces appear increasingly attractive (Coopers & Lybrand Study, 1994, p. 30).

Because Canadian banks have always been reluctant to offer loans to risky ventures such as motion picture production, AMPDC became the Alberta filmmakers bank. AMPDC does not do any advertising and it does not actively seek film projects. There are more than enough hopeful filmmakers lined up to meet with AMPDC. AMPDC may provide some of them with the development loans or equity investments they need to make their films.

Essentially, AMPDC representatives deal only with producers. Unlike Telefilm, AMPDC does not finance, accept applications from, or deal with distributors. It is the producer and his production company who approach the AMPDC with a business proposal. This process will be expanded upon shortly.

AMPDC is selective about the projects it chooses to fund and the production companies it provides loans to. In order for AMPDC to consider a project, it must be produced by an "established producer with a proven track record". AMPDC also demands that the project be owned and controlled by resident Albertans and intended to be a profit making venture. If these fundamental requirements are met, AMPDC will then ask the producer to present an investment proposal. The investment proposal details all business and creative elements of the production, and plans for marketing and distribution of the project. If the investment appears sound, AMPDC may enter into a financial partnership, participating in up to 25% of the production budget, and funding up to 60% of the development budget of broadcast productions, feature films, and documentaries (AMPDC, 1992).

AMPDC is not very specific about how it defines an "established producer with a proven track record". Nor is it very specific about how detailed extensive marketing plans must be. An AMPDC document which helps clarify these two difficulties is the AMPDC "Business Plan Checklist". This one page document offers the guidelines to the business proposal a producer would be required to produce. The only possible reference to determining a producer's credentials is the request for a written statement "including a brief description of you, your company and the key individuals involved". Is a resume enough to determine if an individual is an "established producer with a proven track record"? One would hope that AMPDC has some more objective measure of evaluating a producer's abilities. In fairness, it could be argued that the Alberta motion picture industry is small enough that the "established" producers are known quantities. Nonetheless, AMPDC's terms should be more clear. Qualifications of potential funding recipients should be clearly laid out in order to avoid the sort of patronage and nepotism which artistic funding bodies are often accused of.

Regarding marketing, the "Business Plan Checklist" suggests "marketing plans and details of status of negotiations for distribution

and/or licensing of the project". Once again exactly what constitutes "plans" is unclear. It is not unreasonable to suggest that a letter of commitment from a distributor be the minimum requirement and it should be stated as such. This sort of bureaucratic verbiage only causes confusion and unnecessarily wastes the time and energy of producers seeking funding and AMPDC representatives. AMPDC should state exactly what it requires up front and producers will then know if they are qualified or if they have the necessary documents to proceed.

During the fiscal year 1991-1992, AMPDC committed a very respectable \$822,877 to the Alberta film and television industry, helping nine producers to develop and produce 14 film and TV projects with budgets in excess of \$12 million. While these figures give one an idea of how much AMPDC spent, its annual report fails to adequately detail the return on this investment. The closest the annual report comes to admitting anything about economic return is the following: "[t]he economic return to the province comes in the form of the diverse range of companies and individuals that benefit from the spin-off dollars generated by the industry". There is no denying the benefit of spin-off dollars, but AMPDC should live up to its reputation for promoting fiscal responsibility and provide honest figures instead of gloss (AMPDC Annual Report, 1991-1992).

When reading AMPDC documents and interviews with AMPDC representatives one notices a sense of pride in the agency's commitment to fiscal responsibility. In the words of AMPDC general manager Garry Toth, "we look at each and every project not only from a cultural and creative point of view, but how viable is it economically?" (*Playback*, April 13, 1992). A common criticism of the Canadian motion picture industry is that Canadian films are not measured by financial success, but by critical awards and selection for exhibition at film festivals. With their emphasis on marketing strategies and an unwritten policy of favouring projects which already have a distributor lined up, the AMPDC seems to recognize

that making films should be viewed as a business, not strictly as an exercise in artistic creation or cultural development.

In the past few years AMPDC has increasingly shifted its emphasis from feature film to television. Of the seven major productions which AMPDC was involved in 1992-1993, five were produced for TV: two made-for-TV documentaries (*Our Home and Native Land*, *From Spirit to Spirit*); one movie of the week (*Medicine River*); and the two earlier mentioned programs *North of 60* and *Destiny Ridge* (AMPDC Annual Report 1991-1992). Considering the expanding cable markets both in North America and abroad, an increase in exportable television productions would seem to be the best step towards securing a position for Albertan and Canadian film in the growing global marketplace.

The Case of *Destiny Ridge*

The creators of *Destiny Ridge* seem to have given ample forethought to the potential value of the export market³. Shot in and around Jasper National Park, the weekly dramatic series focuses on the adventures of a group of park wardens and the local townspeople. Clearly, one of the goals of exporting such a series is to give potential foreign tourists a taste of the beauty that Alberta's wilds have to offer. Thinking back to what *Crocodile Dundee* did for the Australian tourism industry, it is not inconceivable to envision planeloads of tourists coming to Alberta to see the mountains and wild animals they saw on *Destiny Ridge*.

This attention to potential foreign markets and consideration of the greater economy is a refreshing change for Canadian television. Some artistic purists might argue against this sort of blatant combination of art and business, but such an attitude only contributes to the cycle of government dependency which is so rampant in the Canadian motion picture industry. Rather than simply lining up for yet another government grant, Canadian filmmakers seem to have learned the economic reality of competing

in the global marketplace. The Canadian motion picture community has, in most cases, come to terms with the fact that creating quality art need not be exclusive from conducting intelligent business. Furthermore, it is useful not to lose sight of the medium being discussed. It is, after all, television, a medium which has, quite correctly, never been praised as the highest of art forms. Television is as much about business as it is entertainment and many Canadian filmmakers could learn this valuable lesson by taking a hard look at the Alberta-based production *Destiny Ridge*.

It is not unreasonable to suggest that the Department of Economic Development and Tourism may have had an active role in the creative development of *Destiny Ridge*. Given that AMPDC, one of the sources of funding for *Destiny Ridge*, is housed under the Department of Economic Development and Tourism, the subject matter and location of the show appears to be more than coincidental. It should be made clear that any such relationship is purely speculation on my part and is by no means confirmed fact. Getting to the bottom of a 'hunch' like this is a virtual impossibility. Government representatives are often quite protective of their particular agency's autonomy and reluctant to admit that their actions were the result of anything but their own good judgment. At any rate, hopefully at some later date a more complete explanation of the 'birth' of *Destiny Ridge* will be available.

Whatever the circumstances of its creation, *Destiny Ridge* should be applauded as a model of cooperation. *Destiny Ridge* is a show with a Canadian theme, starring Canadian actors, and promoting Western Canada as a travel destination. The members of the local motion picture industry benefit by being able to find work in their home province, the government benefits by meeting its mandate of providing quality Canadian content programming, and the Alberta economy benefits from the spin-off dollars that motion picture production creates. In addition, hopefully the Alberta economy will also benefit from tourism dollars.

Provincial Film Commission

A second provincially funded film body relevant to this discussion is the provincial Film Commissioner's Office. This body is more directly under the control of the ministry of Economic Development and Tourism than the semi-independent AMPDC. Unlike AMPDC, the Film Commissioner's Office actively seeks productions. One of the primary goals of the Film Commissioner's Office is to encourage American motion picture companies to shoot their films in Alberta.

Having American motion picture companies shoot films in Alberta is beneficial for a variety of reasons. First, the spin-off benefits to the larger economy are extremely valuable. The benefits to service industries are obvious, with film crews spending large amounts of money on hotel rooms, bars, caterers, rental equipment of all kinds, and so. Second, quite often American motion picture companies will hire local technical and creative personnel to participate in the making of a film. This provides employment, and invaluable learning experiences handed down from professionals who are at the top of their field. Third, Hollywood is very much a trendy, word-of-mouth kind of town. If a notable personality like Clint Eastwood raves about the location, the Canadian dollar, and the personnel and services offered in Alberta, Hollywood executives will pay attention. In the words of Alberta Film Commissioner Lindsay Cherney, "Eastwood started the ball rolling by telling anyone that would listen that we had the best people" (*Reel West*, April 1994). As a result of this proverbial ball, numerous American productions have rolled into Alberta (*Legends of the Fall* representing perhaps the most recent example of prominence).

ACCESS

A third funding body which cannot be ignored in any discussion of the funding of Alberta-based motion pictures is the ACCESS Network. In 1992-1993, ACCESS Network contributed close

to \$300,000 to private sector video production companies for production and editing work on ACCESS productions. Through the Independent Production Development Fund (established in 1988) ACCESS contributed over \$900,000 to finance Albertan and Canadian film and TV projects (*Moving Pictures*, Dec. 1993). In addition to its role as a funding body, ACCESS was a consistent medium for the exhibition of Alberta-based motion pictures. Twenty percent of ACCESS's total broadcasts were Alberta-based productions.

It goes without saying that the provincial government's sale of ACCESS is a serious blow to the Alberta motion picture industry. Since its inception in 1973, ACCESS Network played an important role in the Alberta film industry. Members of Alberta's arts and entertainment industry relied on ACCESS as a source of work as well as funding. ACCESS was also a valuable training ground for some of Alberta's young talent.

But what is the rationale offered by the provincial government for the sale of ACCESS? If the government's decision is based on the notion that the Canadian motion picture industry is truly too dependent on government funding, then selling ACCESS might be a step towards a healthier, more independent Canadian motion picture industry. The difficulty with this situation is that assessing the government's commitment to such an idea is highly problematic. Characteristically, governments show their commitment to an idea in dollars and cents. However, given the reductionist agenda of the Klein government, monetary support seems highly unlikely. Therefore, it would seem wise for the Alberta motion picture industry to attempt to garner some form of non-monetary support from the provincial government.

One must recognize that the sale of ACCESS and the uncertain financial future of AMPDC may be more of a reflection of the Klein government's economic agenda than anything else. It is the deficit that is dictating cuts. It is for this reason that I have suggested that the government should demonstrate their commitment to the

Alberta film industry in a manner which does not require tax dollars. The provincial government should place more emphasis on encouraging investment in the film industry. An Alberta motion picture industry with more investment dollars coming in will stand a much better chance of survival when government funding ceases. This discussion of future roles for government in the Alberta motion picture industry will be expanded upon in the analysis of the case study .

Alberta Motion Picture Industries Association: AMPIA

The Alberta Motion Picture Industries Association (AMPIA) is another government supported organization which is concerned with the promotion and development of the Alberta motion picture industry. While not a government body, AMPIA is funded by the Alberta Foundation for the Arts, and also receives some federal dollars from Telefilm or the Department of Canadian Cultural Heritage, but only on a per project basis. AMPIA is generally considered the voice of the Alberta film industry. AMPIA has recently expanded to include not only producers (as was the case in the past) but, technicians, students and others. This expansion suggests the role which this organization plays could become increasingly important if the provincial government does in fact cease to fund AMPDC.

Co-ops

In Alberta there are three independent film co-operatives which receive some funding from the Alberta Foundation for the Arts (AFA). The Calgary Society for Independent film (CSIF), EM Media, and the Film and Video Arts Society - Alberta (FAVA) are grass roots organizations devoted to encouraging interest in the creation and appreciation of Alberta-based film. The members of the co-ops range from novices to the very experienced. The co-ops offer their members equipment, services, workshops, and a forum for the exchange of expertise, support and ideas. For an annual fee of

approximately \$20 anyone can join one of these co-ops and become a filmmaker.

Conclusion

As a concluding point to this section it is worthwhile pointing out that the role of government in the national and provincial motion picture industries is changing. On a provincial level this was made clear by the sale of ACCESS TV and AMPDC's worrisome financial situation. Federally, massive cuts to CBC, and less drastic but still significant cuts to Telefilm and NFB have raised concerns about the future of a federally funded motion picture industry.

Clearly, both the motion picture agencies of the provincial and federal government play essential roles in the Alberta motion picture industry. While both levels of government have made significant contributions to the Alberta motion picture industry, the uncertainty of continued public assistance cannot help but be transferred to the industry itself. Canadian filmmakers have prospered in a very supportive environment. Both levels of government have recognized that the motion picture industry has grown substantially and this, in addition to deficits and other economic constraints, accounts for some of their reluctance to continue to fund the motion picture industry. The future role of government in the Alberta motion picture industry will be further discussed in the analysis of the case study.

Notes

¹ Taking into account that B.C. (Canada's supposed new film 'Mecca'), also received 15% of the Broadcast Fund and only a slightly higher 11% of the Feature Film Fund, perhaps Alberta should be thought of as Canada's new film juggernaut (*Reel West*, April 1994).

² While in the past provincial film agencies had been relatively competitive and non-cooperative, a relatively new agreement called the Prairie Initiative Program is demonstrative of a new spirit of cooperation in the Western Canadian motion picture industry. The made-for-TV movie *Rich and Strange* (employed as an example in the "Introduction" chapter) was the first in a series of films to be produced under the program. The Prairie Initiative represents a unique and ground-breaking arrangement between CanWest Television Stations, Telefilm, and the film funding agencies of Alberta, Saskatchewan, and Manitoba. The pact is such that each of the participating provinces will be the site of film projects which are to be produced through the combined resources and efforts of the three prairie provinces (*Reel West*, Dec. 1993).

Rather than constantly competing with one another for Telefilm dollars and location sites, the principals in the prairie film agencies have wisely decided to work together. Note that the financial contributors for *Rich and Strange* were the Alberta Motion Picture Development Corporation (AMPDC), SaskFilm, Manitoba's Cultural Industries Development Office (CIDO), and Telefilm (*Reel West*, Dec. 1993). This sort of partnership is the best way to develop a stronger prairie film industry.

In 1993, Manitoba and Saskatchewan combined only received 2.5% of Telefilm's Broadcast Fund and 0.5% of the Feature Film Fund. Considering the minimal amounts of federal money devoted to these provinces, a deal like the Prairie Initiative represents a significant boost for their film industries (*Reel West*, April 1994). Recalling the much larger Telefilm commitment to Alberta, one can see how a deal such as the Prairie Initiative would allow those prairie provinces with less active film industries to remain working. Hopefully, this program will create an environment which encourages further collaborations between prairie film industries. It remains to be seen how effective this effort will be, but the first Prairie Initiative project, *Rich and Strange*, was well received by the public and there are rumours of a possible TV series to follow.

3 In its first season *Destiny Ridge* was presold to the German broadcaster ARD-Werburg, and German stars Elke Sommer and Arthur Brauss played leading roles (Kupechek, 1993, p.6).

Chapter 4: Cultural Industries Development Theory

Introduction

The function of this chapter is to examine relevant theories of Canadian cultural industries development. A discussion of the scholarship on Canadian cultural industries development will provide a frame for the entire study, and offer a theoretical explanation for some of the policies and practices outlined in the preceding "Role of Government" chapter. In addition, a review of Canadian cultural industries development theory will situate the next chapter (Case Study Analysis) within a larger frame of reference.

This chapter will examine some of the ideologies, philosophies, and strategies associated with cultural industries development in Canada. A variety of competing schools of thought will be presented, each offering a different view of the relationship between politics and economics in Canadian cultural industries development. The theories to be examined include: the Dependency theory of Smythe, Crean, and Pendakur; the Free-Market theory of Globerman; Audley's Liberal/Protectionist theory; and two variations of a "mixed" model: the first by Lyman; the second by Hoskins, McFadyen, and Finn.

The format for this chapter is as follows: following a brief definition of some key terms, the Government Involvement In Industry section will employ a series of diagrams explaining the modes of government involvement in industry and cultural industry, and then the remainder of the chapter will be devoted to an analysis of the competing theories influencing Canadian cultural industries development.

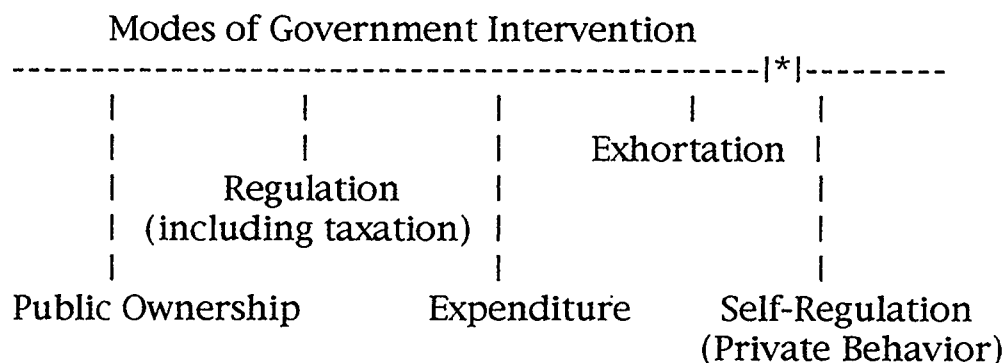
Defintions

Lorimer and Duxbury have defined “cultural development” simply as the “enhancement of culture” (Lorimer & Duxbury, p. 261-262, 1994). Extrapolating from this definition, if the term "cultural development" implies that one is enhancing culture, then with "cultural industries development" one should also be enhancing the industry which is an integral part of any cultural good. It is important to recognize the distinction between non-profit cultural development which supports endeavors such as public art displays and museums, and cultural industry, which invariably produces a commercial consumer good, such as a compact disc or a book.

Therefore, when considering the development of a cultural industry, such as motion pictures, one must consider both the cultural aspect and the industrial aspect. This clarification will play an important part in the evaluation of the competing theories of cultural industries development to be presented in this chapter.

Government Involvement in Industry

Government's relationship with industry takes many forms, and there are a number of different ways the state may intervene in public affairs. The amount of power, control, and resources employed varies greatly with different acts of governing. As the following diagram (based on a similar model by Doern & Phipp, p. 111, 1983) illustrates, the instruments of governing may be placed on a continuum. Accordingly, the continuum moves from left to right, with the left representing the highest levels of state intervention and the right corresponding to the lowest level of state intervention.



Maximum (Degrees of Legitimate Coercion) Minimum

*(beyond this point government does not really intervene).

It might also be useful to examine a second diagram created by Doern & Phipp which offers examples of exactly how these modes of governing are operationalized. The following page begins with a diagram illustrating the modes of governing in greater detail (Doern & Phipp, p. 134, 1983).

Examples of Instruments of Governing

Public Ownership	Regulation	Expenditure	Exhortation
<ul style="list-style-type: none"> • Crown Corp. w/own statute • Crown Corp. under Companies Act • Purchase of Private Shares • Purchase of Assets • Joint Ownership with a Private Firm • Purchase of Private Firms Output by Long Term Contract 	<ul style="list-style-type: none"> • Taxes • Tariffs • Guidelines • Rules • Fines • Penalties • Prison 	<ul style="list-style-type: none"> • Grants • Subsidies • Transfer Payments 	<ul style="list-style-type: none"> • Ministerial Speeches • Conferences • Information • Advisory & Consultative Boards • Royal Commission • Reorganizing Agencies
Maximum	(Level of Gov't Involvement)		Minimum

Government Involvement in Cultural Industry

Government involvement in cultural industry has also been examined and categorized. As with the examples above, there are many ways that a state can involve itself in cultural industry. One of the more credible and well known evaluations of government involvement in cultural industry is found in the 1982 Report of the Federal Cultural Policy Review Committee (more commonly known as the Applebaum-Hebert Report). The Applebaum-Hebert (A-H) Report argued that the federal government may become involved in the cultural sector as: Proprietor, Regulator, Custodian, Patron, and Catalyst. Once again, it might be instructive to examine a diagram with the varying modes of intervention placed on the same left to right political/economic continuum.

A-H Modes of Government Intervention in Cultural Industry

Proprietor	Regulator	Custodian	Patron	Catalyst
<ul style="list-style-type: none"> •Ownership w/arms length control *accessibility for Canadian cultural producers *forum for Can'n product 	<ul style="list-style-type: none"> •Legislator *law *regulation 	<ul style="list-style-type: none"> •Guardian of Can'n cultural heritage *preservation *protection *free access 	<ul style="list-style-type: none"> •Provider of resources *purchases *commissions *grants *tax breaks *loans *services *prizes 	<ul style="list-style-type: none"> •Spur Private Initiative *tax incentives
Maximum	(Level of Gov't Involvement)			Minimum

While the Canadian government does more than is detailed above, the diagram should provide an understanding of where certain roles or actions might be found on the continuum. It should be pointed out that, in many instances, the federal government is playing several roles at once, and the lines between the roles may become blurred. The five modes of intervention outlined by the Applebaum-Hebert Report will become more apparent as the various theories are explained over the course of this chapter.¹

Theories of Cultural Industries Development in Canada

There have been various models of cultural industries development in Canada designed over the past few decades. Each of these various models has hoped to affect change in the level of government involvement into the Canadian motion picture industry, be it more or less. Thus, placing these competing models, and influential theorists, on a continuum allows one to visualize the level of government involvement advocated by each theorist.

Canadian Cultural Industry Development Theorists

Dependency	Liberal	"Mixed" Theory	Free-Market
•Smythe	•Audley	•Lyman	
•Crean			•Globerman
•Pendakur		•Hoskins et al	

Maximum (Level of Gov't Involvement Emphasized) Minimum

Each of the theories examined in this chapter will be examined in the same manner. First, the overall philosophy regarding cultural industry in general will be described, followed by those concepts applying specifically to motion pictures. Second, a discussion of their recommendations (and suggested government instruments) for developing Canadian motion pictures and cultural industries. Lastly, each theory will be critiqued and examined for inconsistencies and weaknesses in logic, timing, or application. The theories themselves may be broken down into three distinct categories: A) Ideological Theory - Dependency Theory and Free-Market Theory; B) Liberal/Protectionist Theory; and C) "Mixed" theory.

A: Two Ideological Options: Dependency Theory and Free-Market Theory

Dependency Theory

The first model to be examined in this study, is the theory of cultural industries development which resides farthest to the left on the political-economic scale: Dependency theory. This theory is rooted in a lengthy tradition of Marxist thought which views the world as locked in class struggle. These theorists have long maintained that Canada is economically dominated, and thereby

controlled, by its powerful southern neighbor: the United States. As the world economy shifted away from heavy manufacturing towards media, information and entertainment, Dependency theorists argued that dominating culture and communications allowed imperialist forces to continue to impose an unjust American-centered capitalist system on nations at the margins of power. In other words, Dependency theorists contend that economically-driven American cultural domination is the principle explanation for Canada's underdeveloped cultural industries.

Dependency theory was most popular in the academic circles of Canadian communications in the 1960's and 1970's. As discussed in the Role of Government chapter, during the 1960's and the early 1970's Canadian cultural industries (motion pictures included) were still in an early period of development and growth, and could be accurately described as underdeveloped. Thus, during this period, a school of thought emphasizing the negativity of the overwhelming American cultural presence seemed fairly convincing.

Dallas Smythe is a theorist who has contributed significantly to Dependency theory. After five years (1943-1948) as the chief economist for the U.S. Federal Communications Commission, Smythe began his lengthy career as an academic and eventually became one of the key early figures involved in the development of Canadian communication studies programs. Smythe spent many years writing and teaching at Simon Fraser University, and the text to be discussed in this chapter, Dependency Road (1981), represents Smythe's most comprehensive presentation of his take on Dependency theory.

In his text Canada's Hollywood Communications scholar Ted Magder paraphrases some of Smythe's main points regarding media imperialism:

Dallas Smythe sees the extension of American culture and communications into Canada as the necessary corollary to economic dependency. The 'consciousness industry,' in

Smythe's words, functions to produce 'the necessary consciousness and ideology to seem to legitimate that dependence'. For Smythe, the mass media in particular are the linchpin in the maintenance of monopoly capitalism: they produce audiences as commodities for sale to monopoly-capitalist advertisers; and they ensure a high incidence of consumer demand. Honed in the United States and exported abroad, consumer capitalism would collapse without the aid of the U.S.-dominated consciousness industry. The Canadian state, in Smythe's estimation has facilitated this process; it is little more than a 'colonial satellite,' 'effectively part of the U.S. core of monopoly capitalism' (Magder, p. 15, 1993).

Smythe's principle argument is that the Canadian state acts in collusion with the monopoly-capitalist government of the United States. In almost conspiratorial terms, Smythe contends that by cooperatively supporting consumer capitalism, the Canadian government endorses a system which facilitates its own dependence. This dependence is pervasive and given Smythe's claim that the "mass media of communications (television, radio, press, magazines, cinema, and books), the related arts..., and consumer goods and services...set the daily agenda for the populations of advanced capitalist countries...", there is clearly little allowance for the development of Canadian cultural industries within this framework (Smythe, p.1, 1981).

Since they are part of the overall framework of collusion, Smythe views the governing instruments of the Canadian state as powerless against the dominating forces of American imperialism. However, Smythe's views regarding the role of the federal government have been called into question. For instance, Smythe's underestimation of the contributions of the Canadian state is a point raised by communications scholar Richard Collins. In his text, Culture, Communication & National Identity, Collins points to other scholars who have made this point, as well raising the issue himself:

[t]he core of the challenge to Smythe is that he neglects the institutions of the state. Bruck (1983; see also Murdock [1978])

points out how difficult it is to reconcile Smythe's theory with the highly developed range of state communication institutions in Canada...(Collins, p. 173, 1990).

Canada's vast network of state communications institutions present a glaring inconsistency in Smythe's work. That is, if the Canadian government is "effectively part of the U.S. core of monopoly capitalism", how does one explain the CBC, Telefilm Canada, and NFB? Why has the Canadian government spent billions of dollars to support and develop Canadian motion pictures if the agenda is to feed American monopoly capitalism? These questions are not answered by the work of Smythe.

One Dependency theorist who addresses these concerns is Susan Crean. Crean is a Vancouver-based writer and cultural critic who made important contributions to Dependency theory in the 1970's. While her more current work has examined topics such as feminism and art, this study will discuss her text Who's Afraid of Canadian Culture (1976), an analysis of Canadian cultural policy in the mid-1970's.

Like Smythe, Crean adopts a Marxist framework citing omnipresent American imperialism as the obstacle to Canadian success in cultural industries. Crean also attacks American cultural imperialism, stating: "mass culture in Canada is controlled by U.S. multinationals" (Crean, p.266, 1976) and,

Canadian culture is consigned to an underground where it cannot possibly function as a culture in the true sense of the word.

This situation is abetted by the continentalist approach to economics, including cultural economics...(Crean, in Magder, p. 16, 1993).

While Smythe and Crean appear to be aligned on some points, a significant portion of Who's Afraid of Canadian Culture, acknowledges

the development of state institutions as representative of the state's attempt to foster and support Canadian culture:

In our time arts organizations have become important social institutions constituting a major sector of the cultural landscape, and as such they make a significant if usually overlooked contribution to the economy (Crean, p. 127, 1976).

Recognizing the contributions made by 'arts organizations' like the CBC, NFB, Canadian Film Development Corporation (later Telefilm Canada), the Canada Council and other such agencies is a marked departure from Smythe's work. Unlike Smythe, who tends to view these agencies as utterly powerless in the wake of American imperialism, Crean recognizes their contribution to the Canadian 'cultural landscape'. This recognition, however, does not preclude Crean from finding fault with the state's development of Canadian culture. Crean remains dissatisfied with the Canadian government's attempts to develop Canadian culture and argues that,

the only choice present [1976] policies offer to Canadians is between Official Culture, reactionary and colonial to the core, and the culture of U.S. imperialism: the choice between inferiority and dependence (Crean, p. 276-77, 1976).

Crean argues that the Canadian cultural industry policy fails to support or develop popular Canadian culture, thereby allowing Canadians only Canadian 'high-brow' culture, or American culture. In order to develop popular Canadian culture Crean advocates governing instruments such as increased spending, taxation, and legislated quotas both restricting foreign (American) cultural goods and supporting Canadian cultural goods.

Specifically addressing motion pictures, Crean presents a number of points in favour of increased government involvement. Crean argues that the Canadian feature films industry was done a great disservice when the CFDC (later Telefilm Canada) failed to become involved in the essential areas of distribution and exhibition

(Crean, p. 81, 1976). Crean supported legislation in the form of a tax levy on box office admissions guaranteeing returns to the film's producers and a quota ensuring screen time for Canadian films (Crean, p. 102-110, 1976). In reference to television, Crean argues in favour of increased spending and supports stricter enforcement of Canadian content regulations (Crean, p.47, 1976).

While Crean's nationalist approach might develop Canadian cultural industries in the short-term, her contention that "[w]e can belatedly create a political culture that legitimizes nationalism" and is "anti-American" has a frighteningly authoritarian tone and reflects a certain over-optimistic naivete (Crean, p. 277, 1976). How can a national cultural policy which turns Canada's largest trading partner into an enemy also advocate significant increases in spending? This sort of incongruence reflects Crean's obsession with pinning Canada's cultural failures on the United States as well as highlighting economic problems in her work.

Manjunath Pendakur continued the Marxist-influenced dependency approach advanced by Smythe and Crean into the 1990's. Pendakur studied under Smythe at Simon Fraser University in the late 1970's and early 1980's. Currently, Pendakur teaches in the Radio-TV-Film department at Northwestern University. This study will discuss Pendakur's text, Canadian Dreams and American Control, a 1990 study focusing on the political economy of the Canadian feature film industry.

Pendakur's study is one of the few thoroughly researched history's of the relationship between the motion picture industry and government. Pendakur's thesis is that,

Canada remains a cultural colony of the United States...the Canadian people's submission to expanding U.S. power and resultant dependence - is most acutely felt in the feature film industry (Pendakur, p.29, 1990).

Beginning with the earliest days of motion pictures in Canada, Pendakur sketches a history of Canadian feature film characterized by American cultural and economic invasion, domination, and suppression. Employing an argument based on class divisions, Pendakur maintains that the Canadian state has better served the interests of American monopoly capitalism than those of Canadian workers, audiences, or artists (Pendakur, p. 30, 1990). Pendakur contends that by continually bowing to the pressure of American economic and cultural imperialism, the Canadian state contributed to the creation of an impotent Canadian feature film industry.

Pendakur's defeatist and conspiratorial tone offer some explanation for his inability to present any significant prescription for correcting the imbalance he so readily points out. Pendakur believes that the strength of American cultural imperialism and the weakness or passivity of the Canadian state will perennially conspire to oppress the Canadian feature film industry. In fairness, Pendakur does discuss several failed attempts to employ governing instruments. Pendakur discusses Flora McDonald's Federal Film Distribution Bill as an attempt at implementing protective legislation, but one gets the impression that he has formulated his conclusions long before addressing such issues. This is something of a shame, because his text represents a bounty of research, but his single-causal theory overrides all other potential explanations, and eliminates the need for creative measures to improve the Canadian film industry.

Furthermore, there is little weight in Pendakur's argument that "[t]he workers and small capitalists (independent distributors) joined forces to push for national control of Canadian cinema..." (Pendakur, p. 167, 1990). Since Pendakur fails to define "workers" one is left wondering who exactly pushed for control of Canadian cinema, cultural workers - such as filmmakers, or the Canadians who work in steel mills and car factories? Certainly, the latter have never lined up in favour of Canadian cinema, and it seems only obvious that the former would do so. Nonetheless, the class struggle argument falls

down if one considers that the members of the Canadian feature film industry may not be motivated by workers solidarity or Canadian nationalism, but may simply want to monetarily profit from the sale of their art.

Perhaps the most important impact of Dependency theory on public policy was to consistently point to the weakness and underdevelopment of Canadian cultural industries. Once again, it's important to recall that Dependency theory was most persuasive during the 1960's and 1970's. Regardless, of its cause, these decades were characterized by an underdeveloped Canadian motion picture industry. Thus, during this period Dependency had greater relevance.

Scholars and critical writers such Smythe, Crean, and Pendakur highlighted the historical inability of successive Canadian governments to foster Canadian culture during an era of burgeoning nationalism. In the case of Smythe and Crean, emphasizing such points may have allowed for the subsequent increase in government attention to cultural industries.

Dependency theory, as advanced by Smythe, Crean, and Pendakur has been criticized for its narrow scope. Magder maintains that both Smythe and Crean myopically "reduce the activities of the dependent state to a strict function of the dynamic forces of the imperialist core", thereby disregarding the importance of internal forces and ignoring important developments over time (Magder, p. 17, 1993). On a similar point Magder argues that Canadian cultural producers often produce what Crean calls 'Americanized' culture based on their own free will, and the demands of the international marketplace, *not* as a result of 'defeatist' Canadian policy (Magder, p. 17, 9, 1993).

Not only do Canadian filmmakers openly choose to create 'Americanized' culture, but Canadian audiences also willfully view 'Americanized' or American motion pictures. This point is supported

by Collins who cites a 1988 House of Commons study stating that 68% of Canadians surveyed thought that the best television programs came from the United States (Collins, p. 171, 1990). Tracey and Redal argue a similar point in stating:

[I]f the experience of television is largely one in which the audience constructs pleasure for itself, rather than being forced, then the issue of U.S. television within Canadian life becomes one not of external imposition but of desire born within Canada” (Tracey and Redal, p.25, 1995).

Free-Market Theory

Free-Market theory is situated at the opposite end of the political and economic spectrum from Dependency theory. If Dependency theory represents the interests of Marxism, then Free-Market theory is the voice of unbridled capitalism. Based on the workings of ‘laissez-faire’ economics, Free-Market theorists generally believe that the state has little or no role to play in economics or culture. Free-Market theory maintains that markets unhindered by government involvement allow for free and open competition, and thereby create greater opportunity for all.

Economist Steven Globerman is one of the leading supporters of Free-Market theory. A Professor of Business and Public Policy at Simon Fraser University, Globerman’s writings on the politics and economics of Canadian culture attained prominence in academic circles in the late 1970’s and early 1980’s. Globerman’s work has been widely published, and recently he has been associated with the conservative ‘think-tank’ The Fraser Institute.

This study will draw from his 1987 monograph Culture, Governments and Markets, and his essay “Foreign Ownership of Feature Film Distribution and the Canadian Film Industry” (1991). In these studies he offers controversial, blunt analysis and critique of numerous arguments put forward by those in favor of government involvement in cultural industries.

On the subject of Canadian cultural industries, Globerman maintains that the cost of government involvement in culture likely outweighs the benefits. Globerman argues that Canada would be both economically and socially better off if federal and provincial governments were not involved in the area of culture, or cultural industry. The following quotes address this notion, the first dealing with social benefits, the second with economic benefits:

Even if one accepts the propositions that indigenously produced culture has positive externalities (even if it does not) that it is a meritorious product in its own right, one does not have to accept the proposition that increased government support and protection of culture is, on balance, socially beneficial (Globerman, p. 41, 1987).

[E]ven a fairly casual analysis of some available data suggests that the value of the increased indigenous cultural output - as measured by the response of Canadian cultural consumers - is quite modest compared to the income transfers from Canadians in general to a fairly narrow segment of direct participants in the cultural industries (Globerman, p. 32, 1987).

Globerman's analytical viewpoint raises some fundamental questions about the relationship between government and culture. One of the most important elements of his work is his ability to return the argument to basic principles. That is, directly and indirectly, he asks questions which may well be taken for granted, such as: Should Canadian taxpayers be paying for culture? What value is returned? Is the return socially and/or economically beneficial?

Globerman's recommendations for the Canadian motion picture industry deal more with industry than governing instruments. Globerman argues that improving the competitiveness of the Canadian feature film industry, "simply requires making more films that a greater number of people want to see" (Globerman, p. 204, CJC 1991). He contends that if Canadian filmmakers create films

destined for commercial success, profit-oriented distributors will distribute the films.

Globerman does, however, offer a few public policy suggestions. In his paper "Foreign Ownership and the Canadian Film Industry", Globerman proposes that the Canadian state negotiate "market access to foreign countries whose restrictive content regulations are preventing sales of Canadian films" (Globerman, p. 205, CJC 1991). He also argues that "promoting the adoption of new technologies (DBS, Pay-Per-View TV) will expand the demand for entertainment products of all sorts, including Canadian films" (Globerman, p.205, CJC 1991).

It is ironic that for all his emphasis on the economics of cultural industry, Globerman overlooks some of the most basic elements of the economics of the Canadian motion picture industry. He argues that "if Canadians have found locally produced films largely unentertaining, the blame can hardly be laid at the feet of the major distributors" (Globerman, p. 204, CJC 1991). Globerman fails to recognize the capitalist-driven economic imbalance which accounts for the small audiences.

In a rebutting article, Gasher (1992) reminds the reader of the American owned, vertically integrated nature of the Canadian feature film industry and how this leads to exclusionary practices (Gasher, p.373, CJC 1992). Because exhibitors buy film rights in blocks from the major American companies, the films Globerman is referring to were likely only given one or two weeks of screen time between blocks. It is equally likely that the Canadian films were not given adequate screen time to allow for word of mouth to spread, not that they were unentertaining.

Of course, Globerman and Free-Market theory are also subject to larger challenges. Two fundamental flaws in Globerman's work are an over reliance on ideology, and a reluctance to recognize the potential problems of an unhindered market. Globerman's

unwavering belief in the value of a purely competitive market has blinded him to the fact that historically both state-managed and free-market economies have been subject to problems. Perhaps this is because when discussing Free-Market theory, Globerman overemphasizes the theoretical realm at the expense of reality. Collins notes that “[t]he conditions stipulated in economic theory for perfect competition are seldom, if ever, satisfied” (Collins, p. 144, 1990). Thus, this overemphasis on economic theory leads Globerman to find no end of problems in a system with significant government involvement, but not recognize “the inequities and inefficiencies in the capitalist market” (Collins, p. 144, 1990).

Despite its failings Globerman’s Free-Market thinking was in tune with a Canadian government entering a Free-Trade Agreement with its largest trading partner. Globerman’s emphasis on conservative economics and free flowing markets gained relevance during the build-up to the FTA and beyond. While other points of view were also important in this era, particularly Audley’s Liberal/Protectionist ideas, Globerman’s writings have earned a legitimate place in the spectrum of thought on Canadian cultural industry in the 1980’s.

Conclusion of Section I

While the Dependency theory and Free-Market theory appear at polar ends of our continuum, Free-Market theory and Dependency theory do share some similar qualities. Principally, both paradigms offer critical and analytical alternatives to mainstream thought. On the negative side, promoters of both schools of thought have been accused of being driven more by ideology than by an actual desire to address the concerns of Canadian cultural industries.

II: Theories Near the Center of the Continuum:
Audley's Liberal/Protectionist Theory, and the "Mixed" Theories of
Lyman, and Hoskins et al

This section will examine those theories hovering near political and economic center. Of the three different approaches to be discussed, the work of Paul Audley's Liberal-Protectionist viewpoint stands farthest to left, and Peter Lyman's macroeconomic "Mixed" theory sits to the right of Audley, but still left of the microeconomic "Mixed" strategies offered by Hoskins et al (referring to the continuum diagram at the beginning of the chapter might be useful at this point). It is worth noting that these competing designs were advanced at different points in time, with the work of Audley and Lyman being prominent in the early to mid-1980's, and the work of Hoskins et al becoming influential at the end of the 1980's and the beginning of the 1990's. (The work of Lyman and Hoskins et al is labelled "mixed" because more than any other their approaches attempted to weave or mix together public policy and strategies for private cultural producers).

B: Audley's Liberal/Protectionist Theory

Of all the theorists discussed in this chapter, the work of Paul Audley has probably had the most significant impact on Canadian motion picture policy and on cultural industries policy in general. In the 1980's, Audley's work was an important influence on the architects of Canadian motion picture policy. Audley's views on the relationship between industry and government may have been given more credence because of his attempt to address the actual needs of the industry, not simply present his desired ideological framework. Unlike the Dependency or Free-Market theorists, Audley's recommendations were intended to affect change within the existing political economic framework, rather than seeking to radically change the framework itself. This is not to suggest that Audley did not represent a political philosophy, indeed he did, and if a label

need be applied, Audley should be deemed a Cultural Nationalist or a Protectionist.

Audley favours a protectionist approach for developing cultural industries. He argues that employing governing instruments such as increasing spending, reallocating government expenditure, and increasing regulation, taxation, and legislation, will help develop Canadian cultural industries. Examples of Audley's protectionist recommendations include increasing CBC's budget, generally expanding all government involvement in book publishing, reallocating government funds from one cultural industry to another, and instituting refundable tax credits for Canadian-owned magazine and newspaper publishers and Canadian-controlled recording companies (Audley, p. 318 - 332, 1983).

Audley also offers a number of protectionist recommendations particularly aimed at the development of the Canadian motion picture industry. In order to reduce foreign control and promote the industry, Audley advocates an increase in various forms of regulation, legislation, taxation, and government spending. In addition to recommending increased funding for CBC television and the creation of a national cable television entertainment service, Audley also argues that in order to increase the overall level of financing to Canadian motion pictures a "strong public-sector element" is required (Audley, p. 331, 1983).

Borrowing slightly from Dependency theory, in his comprehensive study, Canada's Cultural Industries (1983), Audley attributes the underdevelopment of the Canadian feature film industry in the 1970's to high levels of American ownership and inadequate government support. In the following quote Audley acknowledges his debt to Dependency theory, and offers an explanation for the limited success of the Canadian feature film industry:

Because Canadian movie producers, unlike producers in Britain, in fact, in almost all European countries, do not benefit from any substantial government initiatives to compensate for their relatively small and heavily foreign-dominated theatrical market, they have to function within an integrated continental market dominated by an oligopoly of major American producer/distributors (Audley, p. 225, 1983).

Audley strongly favors an increase in regulation as means of expanding and protecting Canadian feature film distribution and exhibition. Pointing to the futility of funding feature films without any consistent avenue of exhibition, Audley argues that provincial governments should instate a quota allotting approximately 10% of theatrical screen time to Canadian films (Audley, p.249, 1983). In addressing American control of domestic distribution, Audley maintains that legislation disallowing any new foreign (read American) owned film distribution companies would allow greater opportunity for Canadian distributors and correspondingly, increase the number of Canadian films exhibited (Audley, p. 245, 1983). Regarding Pay-Television distribution, Audley suggest that the CRTC could strengthen Canadian distribution by making it a license condition that exhibitors purchase their programming from a Canadian distributor (Audley, p.247, 1983).

In line with Audley's policies, the early 1980's were characterized by increases in the "public-sector element" with budgets of both the CBC and Telefilm Canada growing significantly. While increasing the budgets of these agencies certainly benefited the Canadian motion picture production industry, the expected private investment simply did not keep pace. Furthermore, as the painful reality of Canada's national debt crept into the national consciousness, a framework of cultural production heavily dependent on substantial public funding became increasingly problematic. In addition to failing to account for long-term economic shifts, Audley's plan also misjudged the movement towards freer trade with the United States which led to the FTA and then NAFTA.

The trade relationship between Canada and the United States is one of the reasons why Audley's plan of increased protection for the Canadian motion picture industry did not come to fruition. Like others before and after him, Audley recommended that the vertically integrated American-owned "majors" not be allowed to control production, distribution, and exhibition of feature films in Canada (Audley, p. 244-245, 1983). This recommendation has been made repeatedly since the United States Anti-trust Act of 1948 outlawed this sort centralization of industry power. Unfortunately, a lack of commitment from the government of Canada and political and economic pressure from the United States has continuously prevented this system of unfair "competition" from being disassembled.

An evaluation of Audley's recommendations for the advancement of the Canadian motion picture industry might conclude that while his concepts were usually sound, the problem was in their application and their timing. By and large, Audley's suggestions were appropriate and on many occasions his suggestions were successfully employed. Audley can be faulted for not recognizing a shift in the political and economic climate which could not afford a plan emphasizing increasing levels of public funding and protectionism. By not accounting for the growing national debt and the movement towards a continental trade block, Audley's view quickly became less suitable. Having said this, Audley's work remains among the most credible interpretations of the Liberal-Protectionist model.

C: "Mixed" Theory

Lyman's Macroeconomic "Mixed" Theory

Also writing in the early 1980's, Peter Lyman presents a different view of the Canadian cultural industry, proposing that government should increase collaboration with private industry. Lyman argues that improving Canadian communication industries

requires a cooperative effort between industry and state emphasizing innovation, technological advantage, and a liberalized trade environment.

Unlike Audley or the Dependency theorists, Lyman's 1983 text, Canada's Video Revolution: Pay-TV, Home Video and Beyond, does not address all cultural industries, but limits its scope to audio-visual cultural industries, such as TV, Pay-TV, video, and interactive media. Therefore, the following discussion of Lyman's ideas will attempt to amalgamate his views on audio-visual cultural industries in general and film and television specifically.

Lyman's text is predicated on the theory that "the future of cultural expression in Canada hinges on how well this country can adapt to the new communications technologies" (Lyman, p. 3, 1983). Lyman argues that Canada would benefit from government policies emphasizing the development of communication technologies and an open market designed to maximize this potential growth:

Canada should move from the mind-set of the existing essentially protectionist philosophy - it has never worked and will be much more difficult to implement in the future - and develop the capacity to compete effectively in domestic and international cultural markets (Lyman, p.3, 1983).

Lyman maintains that since technology knows no borders, 'Audley-like' protectionism is futile. Extending this proposition further, Lyman argues that as technological delivery systems advance, instituting protective national policies becomes increasingly difficult. Citing examples such as satellite television delivery and the corresponding expanse of channels, Lyman argues that culturally policing such transmissions is fraught with difficulties (Lyman, p. 30-32, 1983).

In spite of a seemingly fatalistic acceptance of the border-reducing power of technology, Lyman remains a nationalist and offers a number of less protectionist measures for the betterment of

the Canadian audio-visual industries. Among these propositions is the idea that publicly funded business/government task forces be created in order to identify and take advantage of emerging technologies. Lyman also recommends state financial assistance in research and development for new technologies and programming production. In terms of regulation and legislation, Lyman is rather vague, but he clearly supports tax provisions, investor education, and CRTC policing (Lyman, 1983, p.155-161).

The weakness of Lyman's study is his lack of attention to cultural concerns, a complaint which is common to theory emphasizing free trade. While Lyman is confident that Canadian cultural industries have the ability to succeed both domestically and internationally, he fails to recognize the potential cultural compromises ordinarily part of such an achievement. Lyman points out that "[m]uch of video/film programming does not reflect national culture...", but fails to note that this is a *symptom* of appealing to both domestic and international markets, not a trade benefit (Lyman, p. 64, 1983).

The importance Lyman places on technology may also be his 'Achilles heel'. As he himself warns: "[t]oo much emphasis on technology and the implementation of of new delivery infrastructures may divert investment from programming..." (Lyman, p. 95, 1983). Lyman argues that a healthy balance of spending on hardware and software is the answer, but he offers few answers as to how to economically balance excellence in both hardware and software. This argument is based on economic optimism which should not necessarily be assumed. A good example of how overemphasizing hardware adversely impacts software development is Canada's cable TV industry. When asked about the dearth of Canadian programming on their networks, cable representatives have argued that in order to remain technologically competitive they have had to increase expenditures on hardware leaving fewer resources for software (such as Canadian programming).

Lyman hoped that by following his recommendations the Canadian motion picture industry would become stronger, and thereby less dependent on the state. Given that the decade following his book was characterized by a growing national debt, a free-trade agreement, and an accompanying trend towards a reduction in government involvement, Lyman's plan is worth noting. Lyman is also an important figure because his work serves as an important background to other writings emphasizing a collaborative approach for industry and government.

Hoskins, McFadyen, and Finn's "Mixed" theory

The work of Hoskins, McFadyen, and Finn (here forward referred to as Hoskins et al) represents another important contribution to this view emphasizing a "mixed" philosophy. Based at the University of Alberta's Faculty of Business, the team of economists have championed an FTA-influenced, economically based analysis of Canadian cultural industries development emphasizing decreasing or reevaluation of government involvement, and encouraging international trade.

Hoskins et al consistently stress the importance of economic analysis for both industry and government :

We have attempted to demonstrate that economic analysis is essential to an understanding of the conduct of companies in cultural industries. ... Economic analysis is a prerequisite to sound public policy formulation as such policies can only be effective if companies respond in the anticipated manner.

(Hoskins et al, p.370-371, CJC 1994).

Unlike the majority of the theorists presented so far, Hoskins et al do not attempt to offer a comprehensive blueprint for cultural industries. While their work has addressed a wide range of concerns facing cultural industries, they do not offer the same breadth as other theorists discussed in this study. This is not pointed out as a

criticism, but to underline the fact that, like Lyman, analyzing their work requires a somewhat different format. Therefore, this section will examine some of Hoskins et al's arguments for reducing government involvement in industry, then their arguments in support of government involvement, and finally a separate concluding section which will introduce and comment on strategies Hoskins et al recommend for Canadian motion picture producers.

Hoskins et al's Arguments for Reducing Government Involvement

Hoskins et al may be seen to both resemble, and differ from other industry-oriented analysts such as Lyman and Globerman. Where they resemble Globerman and Lyman is in their assertion that the state should reduce its role in the affairs of cultural industry. Where they differ is in their explanation of why the state should decrease its involvement in cultural industry. Hoskins et al maintain that the state should decrease its role in cultural industries development because, among other reasons, "the cultural industries are not infant industries now" (Hoskins et al, p. 362, CJC 1994).

While not necessarily employing the same terms, Audley's Liberal/Protectionist view of the early 1980's argued that Canadian cultural industries required protection in order to develop. Stating their case in 1994, Hoskins et al argue that Canadian cultural industries (television in particular) have benefitted from years of protectionism and state support and have outgrown the conventional system of government involvement. Their school of thought suggests that in an era of free trade, significant government involvement is a hindrance. Their argument seems fairly persuasive when one considers that Canada is currently the world's second largest exporter of television shows.²

Hoskins et al do not support many of the traditional justifications for government involvement in cultural industries. They reject in turn three popular economic explanations for

government involvement in the Canadian television industry: option demand, diversified-choice, and merit good.

They reject option demand and diversified-choice on this basis:

The option demand argument is that viewers may be willing to provide public funds to produce some types of programming because they wish the option to view such programming to be made available.

The diversified choice rationale is 'that so long as the number of television channels is limited, and there is no direct consumer payment, collective provision and regulation of programmes does provide a better simulation of a market designed to reflect consumer preferences than a policy of laissez-faire' [Peacock, 1986, p.133] (Hoskins et al, p. 361, CJC 1994).

Hoskins et al argue that changes in the domestic market, such as an increased number of channels and more direct consumer payment, have made the option demand and diversified-choice arguments considerably weaker than they may have been when introduced by theorists like Crean or Audley (Hoskins et al, p. 362, CJC 1994).

Market changes such as those described above suggest that Hoskins et al may be correct in arguing that the diversified choice rationale is less applicable than in a 'pre-cable', 'pre-DBS' environment. As indicated by recent cable expansions, the number of television channels available is no longer a problem. In addition, market shifts such as 'pay-per-view' events and the ability to choose (somewhat) differing cable channels or packages represents a greater element of direct consumer payment, further weakening the diversified choice argument.

The option demand argument falls less easily. While cable expansion has ostensibly allowed for greater choice and 'pay-per-view' has increased direct consumer payment, it does not necessarily

follow that Canadians are no longer willing to provide public funds for certain kinds of programming. There still remains very little consumer input into television consumerism and if Canadians find that market shifts and expansions fail to provide adequate Canadian programming, they may choose to continue to express their 'option demand'. While not a direct parallel, an appropriate example is PBS, a station which continues to garner support (albeit private) in an American market which offers the viewer countless "free" channels.

The last argument Hoskins et al reject is the merit good argument. The merit good argument is based on the idea that "some goods are deemed especially important to society and individuals should be required or encouraged to consume them" (Hoskins et al, p. 361, CJC 1994). Hoskins et al claim not to find this argument persuasive, but offer no explanation or justification for how they reach this conclusion. Perhaps their argument is that increased direct consumer payment decreases the need for altruistic programming decisions, but this is by no means expressly stated.

The fact that Hoskins et al reject the merit good argument is puzzling as the one argument favoring government involvement that they do agree with is the rather similar external benefit(s) rationale. According to Hoskins et al, the external benefit(s) argument claims that the consumption of a cultural good will make the consumer a better citizen, and interaction with this improved citizen will then benefit others (Hoskins et al, p. 363, CJC 1994). By their definition, external benefits seem to resemble merit goods, yet they only support external benefit(s). In providing an example, Hoskins et al suggest that they have applied the external benefits argument in justifying continued funding for the CBC. If one concludes that by viewing CBC programs we become better citizens (i.e. more informed about Canadian news, public affairs, and culture), shouldn't it follow that these programs are important enough to have their consumption encouraged? Considering this question, it appears as though their dismissal of the merit good argument is rather incongruent.

In addition to disagreeing with some of the theoretical arguments for continuing with previous levels of government involvement and protectionism, Hoskins et al also offer some practical suggestions for reducing the role of the state, specifically the CBC. One of their well known proposals is their argument that where it overlaps with already well serviced areas (such as local programming) CBC should be drastically reduced and, in keeping with the externalities argument, CBC should only offer 'distinctive' Canadian programming (Hoskins et al, p. 21-22, 1994).

Another Hoskins et al proposal emphasizing decreased government involvement is their suggestion that broadcasting be deregulated. Arguing that regulation has protected the needs of industry, not the Canadian viewer, they conclude that "regulation has been largely ineffective in promoting Canadian programming consistent with the external benefits rationale" (Hoskins et al, p. 20, 1994). Further to this point, employing an argument much like Lyman's, they contend that even if regulation had been effective it would become useless in the face of technological advances such as direct broadcast satellite (Hoskins et al, p. 20, 1994).

Hoskins et al's Arguments Supporting Government Involvement

Given their dissatisfaction with government involvement, how do Hoskins et al propose that Canadian cultural industry improve? Among other proposals, Hoskins et al advocate government involvement in the form of co-production treaties, and the funding of production through proven avenues, such as Telefilm (particularly the Broadcast fund).

In reference to international co-productions and joint ventures Hoskins et al argue that Canadian producers can accrue many benefits from cooperating with other nations. In particular they cite a pooling of private resources, increased access to foreign government incentives, increased access to partner's market and third-country markets, and reducing risk through portfolio

diversification (Hoskins et al, p. 227-229, CJC 1993). In fairness, they also offer a list of potential drawbacks (such as increased transaction cost, and loss of control and cultural specificity) but in reference to big-budget, internationally oriented motion picture projects Hoskins et al strongly support international joint ventures (Hoskins et al, p. 235, CJC 1993). While joint ventures are defined as agreements not falling under a particular co-production treaty, there is little doubt that international co-production treaties pave the way for such private ventures. Clearly, they support increasing the international trade of Canadian cultural goods and argue that Canadian cultural producers should be competitive both at home and abroad.

Hoskins et al also support subsidizing Canadian television production through the Telefilm's Broadcast Fund. In a discussion analyzing subsidies Hoskins et al argue that since subsidizing the viewership of particular programs is complicated if not impossible then "the best alternative is to continue a direct subsidy to production through Telefilm Canada" (Hoskins et al, p. 21, 1994). This is but one example of their support of Telefilm's Broadcast Fund.

Thus, while Hoskins et al argue that market shifts have necessitated reduction of government involvement in some areas such as the CBC and the regulation of broadcasting, they also support maintenance or increased government involvement in other areas, such as international co-production treaties and Telefilm's Broadcast Fund.

III: Prelude to Analysis of the Case Study Chapter: Hoskins et al's Strategies for the Development of the Canadian Motion Picture Industry

This section will discuss Hoskins et al's specific strategies or ideas regarding a) cost leadership; b) differentiation; c) market niches; d) international co-productions and co-ventures; e) producing for fees; f) technological advances in motion pictures; g) convergence;

h) private investment; and i) further research. Each strategy or concept will be followed by some brief commentary discussing how these strategies apply to the Canadian/Albertan motion picture industry.³

a) Cost Leadership Strategy

Cost leadership strategy entails Canadians producing “American style drama”. Hoskins et al argue that because of the lower dollar, the deep talent pool, and the similarity between Canadians and Americans, Canadians can produce cost efficient, exportable programming which (with any luck) can be easily mistaken for American television (Hoskins et al, p. 26,1994). Because of the unique vantage point which Canadians hold (an excellent understanding of American culture, because of the cultural similarities and continentalism and so on) foreign co-producers are attracted to this sort of production. This strategy is to be employed when a firm is attempting to directly compete with American producers.

Cost leadership strategy has proven economically successful for some Canadian firms (especially for the American cable market), but as attested to by *Lonesome Dove: The Series* (filmed in Southern Alberta) and a host of runaway productions filming in B.C. (*The X-Files*, *The Commish*, *The Marshall*), currently the Americans are the ones producing the majority of TV series depicting “American style drama”. However, if foreign service production lacks Canadian cultural value, it does have a positive trickle-down effect in terms of training, partnerships, and greater economic benefits.

b) Differentiation Strategy

Hoskins et al also support the “differentiation strategy” which aims to “produce programs and films with a distinct national orientation” (Hoskins et al, p.27, 1994). Hoskins et al point out that while Canadian productions with a distinct national orientation have

achieved certain critical acclaim, commercial success has often failed to follow. They also point out that the proximity of the United States (and once again likely the similarity between Canadians and Americans) makes it difficult to differentiate between Canadian and American productions.

Traditionally, American audiences have not accepted overtly Canadian programming. Thus, firms employing a differentiation strategy would be wise to accentuate the difference of Canadian culture in their art and market their products to foreign markets other than the United States.

c) Focus/Market Niche Strategy

Hoskins et al point to the fact that Canadian firms focusing on such specialty markets as children's programming, animation, and docu-dramas are experiencing success in exporting their productions to the United States (Hoskins et al, p. 28, 1994). Hoskins et al also recommend producing informational programming which is not overly culturally specific and "offbeat low budget movies that need little box office to be profitable".

These suggestions appear sound, especially informational programming which is continuously touted as a growing market catering to an aging population. Successful American low budget feature films such as *Clerks* and *El Mariachi* (both made on minimal budgets) and the Alberta-based film *Suburbunators* have laid a path which Canadian independent producers might follow - the difficulty here is breaking into the competitive festival line-up.

d) International Co-Production/Co-Ventures

Hoskins et al have argued that Canada's extensive co-production treaties have allowed Canadians producers to pool their funds with foreign co-producers, as well as increasing access to the partner's market and third-country markets (Hoskins et al, p. 29-30,

1994). These international cooperative efforts tend to offer less risk because the pooling of funds usually results in top rate production qualities. Excluding the element of public funds, co-ventures offer the same benefits, but are not undertaken under the auspices of a treaty.

International cooperative efforts such as Black Robe have proven successful, but only a limited number of Canadian producers (even fewer Albertan producers) are large enough players to be involved in such projects.

e) Producing For Fees

Hoskins et al argue that one risk reduction strategy for producers is to try and structure the project so that the producer is producing for fees, rather than for profits. In the Canadian context this means making a project which meets CAVCO content requirements (so as to ease the tax burden) and is bankrolled by government funds. They also recommend attempting to receive funds from more than one provincial funding agencies by means of a “domestic joint venture” (Hoskins et al, p. 360-361, CJC 1994). Hoskins et al qualify this recommendation by suggesting that such a strategy should only be employed as long as “the costs (in terms of time and effort dealing with such government agencies) do not exceed the benefits” (Hoskins et al, p.360, CJC 1994).

It is becoming increasingly difficult for those who need it most, the “small” producers, to benefit from public funding, and such funds are rapidly disappearing.

f) Technological Advances in Motion Pictures

1) Hoskins et al have pointed out that the technological advances in video production have made entry into the production industry much easier. Employing the example of *America's Funniest Home Videos*, Hoskins et al point out that even the most amateur

production can now form the content for primetime television (Hoskins et al, p. 363, CJC 1994).

One might argue that the democratic/common nature of communication which is such a part of the success of the internet has the potential to cross over into television. With the production technology no longer such a barrier, it might open a door for an increased demand in creative amateur production. Convergence of technology may increase the demand for such production. This notion is, admittedly, highly optimistic.

2) Hoskins et al have also emphasized the potential of American Direct Broadcast Satellites (DBS) to alter the Canadian motion picture landscape. They have suggested that the “deathstars” represent an opportunity for Canadian firms to practice a “market niche strategy” by offering distinctive programming to these new service providers. They have also argued that Canadians should be directly beaming Canadian programming south of the border and elsewhere by means of the infant “Northstar” program (Hoskins et al, p. 366, CJC 1994).

Based on the history of American domination of motion pictures in Canada, it seems highly unlikely that Canadian firms could have any meaningful role to play in a DBS environment. DBS companies must be controlled by regulation and legislation or the Canadian presence in motion pictures will be further weakened. Given the nature of DBS technology, regulation must occur in the form of restricting access to the “new improved” dishes, but this appears to be too late.

g) Convergence

The question of converging technologies is an issue which Hoskins et al have not adequately addressed in the 1994 CJC article. This lack of attention is puzzling given their introductory statement which reads: “[t]his paper examines the microeconomic environment,

the regulatory environment” and “the technological environment” (Hoskins et al, p.354, CJC 1994).

Convergence of technologies is a critical element of the evolving motion picture industry, with all the major powers in the traditional motion picture industry scrambling to understand a marketplace which includes not only the delivery of traditional television, but an increasingly wide array of computer-related products (CD-ROMs, interactive TV, real-time video on the internet, etc.).

While one might understand Hoskins et al not addressing the inner workings of this rapidly evolving and uncertain market, one has to question why the delivery of such services is not a topic of discussion. As the traditional motion picture market evolves, the important question is not one of software, but of hardware. Increasingly, telecommunications companies are entering this market, and it is only a matter of time before the Canadian market is opened to competition. Despite the current rhetoric, which ensures a place for Canadian cultural goods, the history of Canadian cable companies promising Canadian programming but not delivering suggests that such promises should be supported by enforceable regulation, not good faith.

Furthermore, even if one were to adopt a Hoskins et al approach (i.e. supporting a non-regulatory environment), the Canadian motion picture industry should be urged to lobby wealthy, stable and convergence-oriented telecommunications companies (not DBS companies as recommended by Hoskins et al).

h) Private Investment

Another issue which seems to be of great importance to the “microeconomic environment”, but which is not addressed by Hoskins et al, is the element of private investment. While Hoskins et al have discussed investment in terms of Telefilm’s increased emphasis on marketing, and the success of the Broadcast Fund, they have not

addressed the issue of stimulating private investment. Given their emphasis on reducing government involvement, one might expect more recommendations regarding a free-market alternative.

There are a variety of means for stimulating private investment in the Canadian motion picture industry not presented by Hoskins et al. For example:

There must be an increased effort to instate a tax system which both entices private investors and funds culturally significant motion pictures. Creating a stable system of private investment will become increasingly important as government expenditures decrease.

Increased investor education is another means of stimulating investment. Investment in the “information age” is growing rapidly. An aggressive marketing/education campaign of Canadian motion picture companies is in order. This education program may or may not be government supported.

Government supported programs such as the successful Canada-Alberta Partnership Agreement in Cultural Industries should be continued. This partnership was created in order to strengthen cultural industries owned and operated by Albertans, and thereby allow these companies to pursue private investment. This concept appears sound, but must be fairly and equally distributed.

i) Role of Research

In fairness to Hoskins et al, a number of the contentious points raised in the brief comments following descriptions of their strategies might be answered by studies which they suggest in their recommendations for further research.

A few of their suggestions for further research stand out:

1) "Examine CRTC regulatory policy that continues to separate cable television and telecommunications in an era in which advances in digital technology are facilitating convergence of these and computers" (Hoskins et al, p. 370, CJC 1994).

Analyzing the regulatory position regarding telecommunications companies entering the marketplace should lead to regulatory stipulation that these service providers offer Canadian cultural goods.

2) "Examine business strategies in an era of convergence..." (Hoskins et al, p.371, CJC 1994).

As alluded to earlier in the convergence commentary section, evaluating a Canadian role in the evolving motion picture marketplace is worthy of research.⁴

Conclusion to Hoskins et al

While Hoskins et al may not have presented a broad conception of cultural industry like some of the previously discussed theorists, they have provided a number of insightful recommendations for the Canadian motion picture production firms. When considering their suggestions, it is important to keep in mind that Hoskins et al are offering their advice on how to achieve economic success, not necessarily cultural success. It is also important to note that in their strategies Hoskins et al do not pretend to offer a large macroeconomic picture, or a blueprint for Canadian cultural industry, but rather those methods which they believe to be the best means of producing economically viable Canadian motion picture products.

Many of the strategies and concepts introduced above, particularly focus strategy, differentiation strategy, and the technological advances in motion pictures will be paired with

examples from the Alberta motion picture industry in the chapter to follow. Thus, the marriage between theory and application will be tested, as the strategies of Hoskins et al are weighed against the experiences of the members of the Alberta motion picture industry.

Chapter Conclusion

This chapter reviewed some of the relevant schools of thought in Canadian cultural industries development theory. The discussion began by explaining the general relationship between government and industry, and then the relationship between government and cultural industry. Detailed diagrams were provided in order to offer a mental picture of how the evaluation of public policy may be placed on a political and economic continuum. This continuum concept was then applied to the work of the competing theorists. The different frameworks were analyzed and critiqued for their contributions to cultural industries development theory, public policy, cultural industries, and motion pictures. The intent was to illustrate that cultural industries development theory covers a broad spectrum of thought spanning from Marxism to unbridled capitalism and stopping at points in between.

The discussion of the competing theories began with two critical theories at opposite ends of the spectrum: Dependency theory and Free-Market theory. The works of Smythe and Crean were noted for their fundamental influence in shaping Dependency theory and for their impact on Canadian communication studies. It was argued that Dependency theory played a valuable role in the 1960's and 1970's by stridently pointing to the underdevelopment of Canadian cultural industries. At the opposite end of the spectrum, it was argued that the Free-Market theory Globerman introduced in the early 1980's was relevant to a Canadian government entering the FTA, and served to return the discussion to fundamental questions which may have been lost in over-analysis. Both schools of thought were found to be too heavily dependent on ideology and suffering from the myopia which accompanies unwavering political belief.

The Liberal/Protectionist viewpoint of Paul Audley was presented as having a profound impact on public policy regarding cultural industries. Audley presented a framework which emphasized significant government involvement and protection in order to foster the growth of Canadian cultural industries. The increased cultural industry budgets of the early 1980's and attempts to legislate and regulate Canadian culture are testament to the influence of Audley's work. Unfortunately, Audley was not able to anticipate shifting political and economic tides, and with the arrival of the FTA and the debt crisis, Audley's protectionist, 'big government' approach was no longer feasible.

The "Mixed" theory of Lyman emphasized cultural industries growth through technology and trade. A groundbreaking theorist of the 1980's, Lyman hypothesized that technological advantage would guarantee strong Canadian cultural industries. Lyman proposed that in order to gain this technological advantage, government and industry should actively cooperate and trade should be emphasized. Lyman was criticized for placing too much value in technological advantage and for not paying enough attention to cultural concerns.

The industry-based writings of Hoskins, McFadyen, and Finn represent the last works to be examined in this study. It was argued that Hoskins et al favour a view which would have the role of government decreased. They have maintained that market shifts such as an increased number of channels and greater direct consumer payment have weakened many of the traditional arguments supporting protectionism and government involvement in television. They have also argued that some government initiatives are not working and have advocated measures such as a reduced CBC and a deregulation of the broadcast system as corrective measures. Hoskins et al have also supported certain state sponsored programs such as Telefilm's Broadcast Fund and international co-production treaties. Finally, an entire section was devoted to the specific recommendations Hoskins et al offer to Canadian motion picture

producers. It was argued that this work represents one of the few examples of writings designed to actually assist Canadian motion picture producers, thus ample respect was devoted to these strategies.

Notes

¹ The five modes of intervention described here are paraphrased from the Applebaum-Hebert Report, p.72-94.

² Tony Atherton (Atherton, 1995, A20) cites Canada as the world's number two exporter of TV shows, with sales of approximately \$300 million annually.

³ The majority of these points are drawn from Hoskins et al's 1994 papers "The Environment in which Cultural Industries Operate and Some Implications" (Hoskins et al, CJC 1994) and "Trade Liberalization in the Americas: Canadian Policy and Strategy Options for Television Programming and Film" (Presented at the Communications in the Americas conference at the Learned Societies Conference, June 5, 1994, University of Calgary).

⁴ Those areas which necessitate further research are found in the comments appearing after each explanation of the Hoskins et al's view of the particular subject heading. Briefly summarized, they are as follows:

- 1) Examine the actual benefits of foreign service production (financial, training, extended business relationships, etc.).

- 2) Examine foreign market interpretations of "distinctive" Canadian programming. Is this programming interpreted as Canadian elsewhere, or is it still mistaken for American?

3) Examine the market for “offbeat” low budget films, and strategies for entering the highly competitive festival market which ordinarily launches these films.

4) Examine the structure of those companies involved in co-productions and co-ventures. Is it possible for smaller players to benefit from this strategy, or is this exclusively for larger companies?

5) Examine those investment suggestions outlined in the private investment section:

- i) culturally supportive tax credit.
- ii) education of investors.
- iii) public support of cultural producers as a means of developing private investment.

6) Examine the regulation of telecommunications companies entering the motion picture service delivery business as a means of ensuring exhibition of Canadian motion pictures.

Chapter 5: Case Study: A Province In Motion

Introduction

The function of this chapter is to analyze the data produced by the conference A Province In Motion. Providing a wider context for the evaluation of this data will be the facts, arguments and ideas presented in previous chapters. That is, the views of the members of the Alberta motion picture industry expressed at the conference will be displayed against a background of cultural industries development theory and, to a lesser extent, the history of industry and policy. As a prelude to analyzing the data, this chapter will begin with a brief discussion of research methods, followed by an explanation of the processing and interpretation of the data obtained. Following the Research Methods section, will be the main component of this chapter, and one of the central elements of the entire study: the case analysis.

Research Methods

Introduction

The considerable lack of information on the Alberta film and television industry represents one of the largest challenges of this study. Most academic studies begin with a review and discussion of the relevant literature. This study is something of an exception because in-depth literature, either academic or popular, discussing the Alberta motion picture industry is in scarce supply. Since there is only a small body of existing literature, it was determined that other means would be required to properly evaluate the fitness of any academic theory, public policy, or industrial strategy regarding the Alberta motion picture industry. Potential means of research included a variety of quantitative and qualitative field research

methods. This Research Methods section will present various research options such as surveys, interviews, and focus groups and argue that the method employed (a symposium of experts) was the best available means of garnering the most current and informed data. Therefore, the bulk of this section will be devoted to explaining the reasoning behind holding the conference A Province In Motion, discussing the development of the conference, and the subsequent processing of the information rendered by the symposium.

Available Literature

Textual sources regarding the Alberta film and television industry are by no means abundant. Of course, there is a broader body of literature focusing on the national industry, but work specifically examining the provincial industry remains minimal. Available and useful resources are limited to government documents (annual reports and the occasional difficult to obtain industry study), the popular press (rarely anything beyond cursory magazine newspaper articles discussing local filming), and trade magazines (*Reel West*, based in Vancouver, has shown itself to be one of the best sources of information regarding the motion picture industry in Western Canada). Essentially, these are the only sources of literature available, and one would be hard pressed to conduct a study of the Alberta motion picture industry based on these resources alone.

Competing Research Methods

A variety of research methods could be employed in order to learn more about the Alberta motion picture industry. Depending on the actual information required, one could use quantitative and qualitative approaches such as surveys, interviews, focus groups, and other such methods. For example, if one were interested in determining the knowledge level of Albertan's regarding this local cultural industry, then one might consider surveys, interviews or focus groups with lay persons, inquiring as to how many Albertan

motion pictures they had seen, when they last saw an Alberta motion picture, and so on. Since the information required for this thesis is far more industry specific than that which could be collected from lay people, a different research strategy was required.

The best source of information for this study is the Alberta motion picture community. After a few discussions/interviews with people actively involved in the Alberta film and television industry, it became readily apparent that the information essential to this study was in only one place: the minds of individuals active in the Alberta motion picture industry. Establishing the location of the information was considerably easier than designing a strategy for accessing this information. The amount of valuable information collected from three preliminary discussions/interviews¹ suggested that the research strategy would have to involve the informed opinions of members of the Alberta motion picture community. It was then decided that rather than attempt to conduct dozens of interviews which would most certainly overlap in content, might not provide the necessary information, and would do nothing to benefit the industry, it might be wiser to try a different approach.

A symposium of experts was the research method selected. Based on the preliminary discussions, it was decided that it would be necessary to create a forum which would allow members of the Alberta motion picture industry to present their expert knowledge of the industry to their peers. Creating a situation where the players in the provincial industry could address and debate opinions about the current and future status of the Alberta motion picture industry would undoubtedly increase the quality of the data, eliminate the need for numerous separate interviews, and provide a service to the industry at the same time.

Designing The Conference: Employing the Research Method

The first steps taken in planning A Province In Motion were critical to the end result. One of the earliest challenges was

determining the agenda for the day. Before any significant steps were taken, several knowledgeable members of the Alberta film community were consulted. Largely, these informal consultations were intended to elicit feedback on the general idea of conducting a conference, and to discuss potential themes if there was positive feedback regarding the concept.

Based on these initial consultations, our general knowledge of the Alberta motion picture industry, and the research goals of this study, Dr. David Mitchell and I designed an agenda based on four categories. This initial agenda was intended to examine the four themes of private investment, public and private funding, production, and marketing. As a result of the teleconference (discussed later) this agenda was narrowed down to two more focused topics. However, this initial four theme agenda was key in indexing and categorizing the information produced by the conference. The value of the initial agenda will become clearer as this chapter moves into the actual analysis of data yielded by the conference/symposium.

Approximately forty invitational letters mailed out at the end of November 1994 introduced the Alberta film and television community to a January conference focusing on the previously described four themes. The recipients of these letters were selected in an attempt to provide a sufficient cross-section of filmmakers, government film agency representatives, and academics.² Over the course of December 1994 and early January 1995, there was very little response to this first batch of invitational letters. Still optimistic, during this period David Mitchell and I attempted to enlist the assistance of AMPIA, AMPDC, Canadian Heritage, Calgary Economic Development Authority, the Alberta Film Commissioner's Office, the Banff Centre, and several Alberta-based independent producers.

On the ominous date of Friday January 13, 1995 a teleconference planning session was conducted with representatives

of the groups mentioned above.³ Approximately ten people assembled at the University of Calgary's telepicture lab and about a half a dozen gathered at the University of Alberta's lab in Edmonton. This meeting was a critical turning point in the development of the conference for a number of reasons. First, it became clear that while some of the aforementioned groups may have previously assured us they were committed to the idea, when asked for actual assistance their commitment wavered. Second, a consensus was reached that the initial four theme plan was too broad and the agenda should be narrowed down to two themes. Third, it was agreed that the best means of addressing the issues was to create a relatively intimate seminar setting rather than a conference open to the public. Lastly, the date of February 10, 1995, not the initial date of January 27, 1995, was selected as agreeable to all parties.

A result of the teleconference which would prove crucial to the success of *A Province In Motion* was the cooperation of AMPIA. Following the teleconference planning session, AMPIA Board Members Nancy Marano and Murray Ord agreed to join Dr. David Mitchell and I in coordinating the event. Two of the most important qualities which AMPIA brought to the conference were the association's knowledge of the industry's players and their high profile within the industry itself. As a result of knowing the personalities in the industry, AMPIA was very helpful when it came to organizing speakers and determining panels. AMPIA's reputation as the voice of the Alberta motion picture industry and their active promotion and endorsement of the event spurred increased interest in the motion picture community.

AMPIA members were also valuable in determining the agenda for the day. After the initial plan of examining the four themes of investment, public and private funding, production and marketing was rejected, AMPIA assisted in developing a new agenda.⁴ The preliminary idea for this new agenda emerged during the teleconference after it became very clear that the initial plan was too broad for a one day conference. Therefore, with the input of AMPIA,

it was concluded that the final agenda would be based on the two simple themes: Where Is The Money? and Where Are The Markets?

The conference development reached a critical mass following the partnership of AMPIA and the finalizing of the agenda. Thus, on February 10, 1995, sixty-five members of the motion picture production industry, government representatives, academics, and students gathered at the University of Calgary to discuss and debate where the money and markets are for the Alberta film and television industry. A few months after the conference, each conference attendant received a one hundred and forty page conference proceedings edited, indexed, and formatted for publication.⁵

The information provided by the conference is invaluable to this study as it represents the educated, informed, and topical opinions of the foremost authorities on the Alberta motion picture industry. This "Research Methods" section began by pointing out the significant void in the literature examining the Alberta motion picture industry. Recognizing this gap, a variety of competing research methods were proposed and it was concluded that, when compared with other potential strategies, a symposium of experts proved to be the best method of attaining the necessary data. Finally, this section also sought to explain how the research method was employed and this was accomplished by emphasizing the importance of AMPIA's partnership and discussing the construction, and subsequent reconstruction, of the agenda.

Case Analysis

Introduction

The purpose of the Cultural Industries Development Theory chapter was to examine those theories which were created in order to understand and interpret the politics and economics of the Canadian motion picture industry. This historical cross-section of

competing academic interpretations was concluded with a discussion of Hoskins et al's strategies, which currently offer the best advice for Canadian Canadian motion picture producers. It was argued that the value of Hoskins et al's contribution to the literature is their ability to offer succinct economic commentary, as well as pragmatic strategies and recommendations. Having, in most cases, supported the work of Hoskins et al as being the most applicable to the Canadian motion picture industry, the next logical step might be to weigh some of these strategies against the opinions of actual members of the Alberta motion picture community. In this case, the views of the members of this provincial motion picture industry will be balanced with the findings of the academic literature.

Processing The Case Data

As a means of managing the transcribed presentations, discussion, and debate, a simple index was employed. It was hypothesized that most of the data produced by the conference could be indexed under headings based on the four themes suggested as the initial agenda: investment, public and private funding, production, and marketing. It was hoped that with some modification, categorizing the data in this manner would serve as useful means of managing such diverse qualitative data. In addition, it was anticipated that arranging the data as such would create a structure whereby the data could be more easily balanced against some of Hoskins et al's strategies. Thus, this was the first method employed in the process of analyzing the conference data.

With the idea of balancing some of Hoskins et al's strategies against the views of the Alberta motion picture community, an attempt was made to categorize the conference data as explained above. It quickly became apparent that the presentations and discussion of the conference did not neatly fall into the four described categories. Therefore, the categories were altered in order to more accurately reflect the topics which were most widely discussed at the conference. Finally, the four categories evolved into

three broad classifications of information: 1) Investment (encompassing private investment as well as public and private funding); 2) Markets (encompassing domestic and international markets, and marketing); and 3) Convergence. So, while this chapter will not directly list all the information categorized in this fashion, it is important that the process be understood.

Interpreting The Data

In addition to focusing on those points relevant to the work of Hoskins et al, this chapter will also address pertinent issues raised by the conference attendants, but not discussed in the literature. As mentioned earlier, one of the goals of this chapter is to gauge the theories of Hoskins et al against the views of those members of the Alberta motion picture community represented at A Province In Motion. Having said this, obviously, the focus of the conference was not the microeconomic strategies of Hoskins et al. Thus, their theories can only be applied to a percentage of the overall discussion. The concepts raised by Hoskins et al which are most applicable to the conference data are niche/focus strategy, technological advances, differentiation strategy, and the growing shift toward emphasizing television production over feature film production. There were, in fact, many valuable points raised regarding issues which are not addressed in the works of Hoskins et al, these too will be examined.

I: Applying Hoskins et al's Strategies to the Conference Data

Niche/Focus Strategy

One concept addressed by both Hoskins et al and the conference attendants is the strategy of niche marketing, or what Hoskins et al refer to as a "focus strategy". In terms of a focus strategy, one example which Hoskins et al point to is the export success of Canadian firms focusing on specialty markets such as informational programming.

Focus strategy was introduced at various points in the symposium. For example, in discussion of the evolving or fragmenting international television marketplace, and the resulting proliferation of channels, focus strategy was presented as a goal which Alberta producers should be striving toward. This point is illustrated in the following comment by producer Tom Dent-Cox of WDC Entertainment:

Talking to Andy Thompson [Great North Productions], one of the most successful programs he has right now as a revenue generator is a series on bird watching which is selling in Asia... It isn't what he thought he'd be doing this year, but it is working very, very well (p. 19).

In addition to echoing Hoskins et al's argument emphasizing focus strategy, Hoskins et al's notion that cultural and censorship barriers are "likely to be very low for wildlife/nature/outdoors programming" also seems to be supported by this point (Hoskins et al, p. 28, 1994).

Capitalizing on the expanding market by employing focus strategy or 'narrowcast' television was a point raised by a variety of speakers. For example, Nick Rye of Superchannel pointed to this shift:

The other thing that is happening is there is niche television now. So, if you want to do a cooking show, or you want to do a documentary, there is somewhere to go. A few years ago, if you had a good documentary trying to get it financed was very tough (p.55).

Lars Lehmann of Alberta Releasing presented a similar point:

What we are doing is providing programming to niches of people ... Anything that has information or entertainment quality of any kind can be sold. Every channel will represent... a specific format, and that's where you are going to be selling to ... it lowers the price of making programs, especially with the technology hopefully allowing us to lower the price per minute of making programs (p.91).

Technological Advances

Hoskins et al have also addressed issues similar to distributor Lars Lehmann's point about technology potentially lowering the cost of production. As discussed in the previous chapter, Hoskins et al point to the fact that a successful primetime program such as *America's Funniest Home Videos* employs 'handy-cam' production values (Hoskins et al, p.363, CJC 1994). By nature of the content of the show, this example is something of an exception, but there is little doubt that technological advances (specifically in terms of cameras) have allowed for greater ease of entry into motion picture production. It's worth noting that touting the benefits of technological advances was also a key component of Lyman's work.

The conference attendants were fully aware of the notion that advances in production technology present new opportunities (and potential competition) in a marketplace which is increasingly hungry for product. *North of 60* producer Tom Dent-Cox:

I think we look at high 8, that we look at high def [high definition], that we look at doing projects with a crew of ten people and a handy-cam. There is a market for just about anything now... it is really important not to stick to the model of the \$2.5 million made for TV movie and the \$500,000 an hour drama for television. There aren't that many windows for that kind of product in the world and there is a huge market for other kinds of product (p. 19-20).

Geoff Le Boutillier of Tohaventa Holdings provided a good example of the “other kinds of product” mentioned by Tom Dent Cox:

I think my favorite project of all the ones that I am doing is with a group of six Cree kids from Wabasca, Desmarais, Big Stone, where we are actually teaching people out in the boonies how to make movies... If they made a program, there's no reason why it couldn't get on Newsworld or Discovery, or anywhere. It would be fascinating for people in Germany to look at a home video made by people on a little Cree reserve up in the bush (p. 104 -105).

The opinions expressed by established Alberta motion picture producers Geoff Le Boutillier and Tom Dent-Cox lend credence to Hoskins et al's argument that technological advances have eased the entry into production, but their comments regarding content are also significant. As pointed out, there appears to be a growing demand for 'non-traditional' programming. In many cases, this 'non-traditional' product tends to be more informational in nature rather than strictly an entertainment product. In terms of informational programming, as exemplified in the comments above, so long as the content is engaging enough, the production quality need not necessarily be first rate. This potential acceptance of lower production values could prove valuable to creative and adventurous Alberta producers who do not have significant financial backing.

Hoskins et al have acknowledged the acceptance of lower production values in their comments concerning *America's Funniest Home Videos*. They have also promoted the production of “offbeat low budget movies that need little box office to be profitable” (Hoskins et al, p. 28, 1994). However, in spite of the fact that offbeat low budget production might seem better suited to television than theatrical release, by employing the term “movies” Hoskins et al have not yet suggested that producers create this sort of product for television. Comparing the accessibility of television to theatrical release, and the television market's high demand for product of all

kinds, television would appear to offer more opportunities for the producer of low budget products.

Traditionally, however, feature film audiences have been more willing to embrace offbeat low budget motion pictures (as the recent success of the American productions *Clerks* and *El Mariachi* suggest).⁶ Having said this, the recent domestic and international success of the irreverent low budget Canadian comedy series *The Red Green Show* might suggest that television audiences are warming to such programming.⁷ Of course, 'cult television' is not a new phenomenon and many 'underground' programs, including the classic Canadian example *SCTV*, began with small 'cult' followings. The question is whether television audiences are now more willing to accept low budget, "non-traditional" programming on a regular basis, rather than making exceptions to their rule of perfect production values and Hollywood script formulas.

One might make the case that the motion picture marketplace is moving in two opposite directions simultaneously. That is, while there appears to be an increase in demand for standardized, 'homogenized', 'assembly-line', Hollywood-style motion pictures, there also seems to be an increased demand for motion pictures which embody the opposite. Given the traditional lower budgets and lower production values of Canadian motion pictures (as compared with American productions), creating "alternative" motion pictures would seem to be a more viable and sustainable route. Employing examples, Canadian/Albertan producers should be looking to *The Red Green Show* as a model rather than *Due South* (a big budget, American-style program which features the tried and true "fish-out-of-water" formula).

Differentiation

In addition to promoting niche strategies, and recognizing the benefits of the technological advances in production, Hoskins et al have also discussed a “differentiation strategy”, which “aims to produce programs and films with a distinct national orientation”. Hoskins et al have concluded that “English-Canadian movies with a distinct national orientation received more critical acclaim, but lower North American box office rentals than those without. This suggests that this differentiation strategy is not commercially promising” (Hoskins et al, p.27, 1994). As a speaker at A Province In Motion, producer Dale Phillips presented an example of an Alberta-made feature film employing a differentiation strategy. In his candid discussion of *Road To Saddle River*, the film which he recently produced, Phillips pointed out that while the film had achieved some critical success, it did not succeed at the box office.

Road To Saddle River is an intriguing, humorous film with a distinct regional and national orientation, but it is also indicative of the difficulties of Albertan/Canadian feature film production. In the words of the film's producer: “it ain't easy trying to find a compromise between getting marquee value players and the cultural expectations of funding agencies in this country” (Dale Phillips, p. 108). As is often the formula with Canadian feature films, *Road To Saddle River* was financed by a collection of government agencies (Telefilm Canada, AMPDC, NFB), as well as Malofilm Distribution and a producer deferral.

Regrettably, the commercial performance of *Road To Saddle River* is characteristic of Canadian feature film. The reason a majority of Canadian features fail at the box office is not as much a reflection of the film, as it is a lack of emphasis on consumer and market identification, advertising and publicity. Regardless of the quality of the film, if adequate promotional techniques are not employed, consumers will simply not show up. This is by no means a revelation to Canadian filmmakers (as Telefilm's supposed increased emphasis

on business plans and marketing might suggest), but this pattern of commercial failure persists largely due to a failure to recognize the importance of promotion and the slim budgets of Canadian feature films. It is not an industry secret that the amount of money spent on promotion often dictates the amount garnered at the box office. Dale Phillips's following comments speak to this relationship:

Not ironically, it did better where an advertising budget was put to work... There is a direct correlation between the kind of money that was spent in those markets on awareness, in front end publicity and advertising and results at the box office (p.107).

If we are going to start playing the theatrical game, then we are going to have to start delivering as much in the way of investment into publicity and promotion as we do in getting the picture made. For a number of the pictures made south of the border, the investment in publicity, promotion, and advertising sometimes exceeds the production budget, sometimes by two or three or four times. That makes you really turn your head when it comes to trying to make indigenous production under the rules as they stand in Canada. I think it's very difficult (p. 109).

Unfortunately, the economic realities of Canadian feature film production do not allow for large promotion budgets. As the multi-agency financing of *Road To Saddle River* suggests, simply guaranteeing a production budget is a difficult enough task, let alone attempting to win the necessary additional funds required to launch appropriate promotion. For better or for worse, any Canadian attempts to match the promotional campaigns launched in support of Hollywood productions are highly optimistic. Recognizing the limitations of commercially successful publicly funded feature film, Canadian feature film producers either must increase their creativity or continue to produce for fees, not profits. One cannot help but wonder how *Road To Saddle River* would have been received if Audley's quota system for exhibition of Canadian feature films had

come to fruition, or if more money was available for adequate promotion.

Decrease In Feature Film Production In Favor of Television

It is precisely because of the lack of profits, and continuous difficulty infiltrating the American dominated vertically integrated 'domestic' market, that many Canadian motion picture producers and the funding agencies are reexamining Canadian feature film production. As Hoskins et al point out: "made-for-TV movies or mini-series often do very well on broadcast TV without this boost [marketing and publicity], in fact usually better than movies that have previously been released theatrically" (Hoskins et al, p. 25, 1994). In the context of this same argument, Hoskins et al also support the work of Ellis (1992), who has argued that too much attention has been devoted to the theatrical distribution and exhibition of Canadian films. Ellis argues that television has proven to be more effective in delivering Canadian motion pictures to a greater number of Canadians. Thus, the movement away from feature film inevitably leads to television. This shift is evidenced not only in the academic literature, but in the following comments from the practitioners present at A Province In Motion.

Garry Toth, AMPDC:

...the last 24 months we have primarily focused on television product, mostly made-for-TV movies and series, and we have moved away from financing product that is aimed at the theatrical market (p. 5).

Bruce Harvey, Illusions Entertainment:

I am a feature film producer and if you listened to what Garry said, it was clear that AMPDC is not involved in features. AMPDC got out of feature film production because of the return on investment (p.6).

Nick Rye, SuperChannel:

I was in Montreal a few days ago and Telefilm has even reached the point where they are asking: "how do we make theatricals work? I mean other than doing art films, how do we make this commercial?" They certainly haven't found a way. What is working for Canadian producers, and has been very successful, is television and video...(p. 55).

While feature film production remains an important element of the Canadian motion picture industry, producing for television is clearly the order of the day, and of tomorrow. The increased emphasis on television as a medium which can deliver Canadian messages is evidenced by Telefilm's commitment to the Broadcast Fund. Hoskins et al have argued in support of Telefilm's Broadcast Fund as a successful means of creating visible Canadian motion picture production, and cite a 1991 study undertaken for Telefilm which claims that "the Fund has virtually created an independent supply system" (Hoskins et al, p. 19, 1994).

As outlined in the "Role of Government" chapter, the Alberta motion picture industry has benefited greatly from Telefilm's Broadcast Fund, but seen little of the Feature Film Fund. Given that Canadian television appears to offer the accessibility which feature film has failed to provide, it is not necessarily negative that Alberta received \$8.2 million from the Broadcast Fund compared with approximately \$1 million from the Feature Film Fund for 1994-1995 (*Reel West*, p.7, Aug. 1995). The thoughts and actions of the practitioners, the policy analysts, and the policy architects all point to television.

The main thrust of this section ("Applying Hoskins et al's Strategies to the Conference Data") has been that the opinions of Hoskins et al resonated in many of the points raised by the conference attendants. Hoskins et al and the quoted conference attendants espoused similar arguments regarding the following points: 1) pursuing niche/focus strategies as a means of infiltrating

crowded markets; 2) how technological advances in motion picture production have altered the product, the market, and producer strategies; 3) how employing differentiation strategy has resulted in Canadian critical success, but not commercial success; and 4) the significant decrease of feature film production in favour of television, and the corresponding expanding television market.

II: Issues Addressed by the Conference Attendants, but not Widely Discussed in the Literature.

As mentioned in the 'Interpreting the Data' section of this chapter, there are numerous subjects which were noted topics of discussion at A Province In Motion, yet have not received comparable attention in the academic literature. Of the many such issues, perhaps the most prevalent are: stimulating private investment; infrastructure development; and convergence. Of course, it would be incorrect to suggest that these topics have not been mentioned in the academic literature relating to the Canadian motion picture industry, but judging the importance afforded these issues by the conference attendants, these appear to be concerns which should receive more attention by theorists and cultural industry analysts alike.

Stimulating Private Investment

It is rather surprising that Hoskins et al and other industry-focused cultural industry analysts like Globberman have not offered written works concentrating on stimulating private investment in the Canadian motion picture industry. It would seem natural that those theorists who emphasis reducing, or restructuring, the role of government in the Canadian motion picture industry would offer specific recommendations for producers wishing to stimulate private investment. This, however, has not been the case. While Hoskins et al have offered recommendations as to what sort of product might be most commercially successful (focus strategy, differentiation, etc.),

little attention has been paid to the details of how a producer encourages private investors to invest in motion pictures.

Given the entrepreneurial nature of the Alberta motion picture industry and the Alberta economy in general, a thorough investigation of stimulating private investment in motion pictures would likely be of great use to Alberta's motion picture producers. However, it is readily acknowledged that there are some inherent difficulties in conducting such a study, not the least of which being the fact that those producers who have managed to successfully win the support of private investors have a vested interest in not sharing their trade secrets with their competitors. Recognizing this potential barrier, there are, however, some general, fundamental points regarding private investment which could be analyzed without too much threat to producers currently attracting private investment in their motion pictures and in their companies.

Perhaps the most revealing discussion of private investment in the Alberta motion picture industry heard at A Province In Motion was investment broker Francis Roche's presentation. Therefore this sub-section (Stimulating Private Investment) will feature excerpts from his presentation, and comments from other attendants, followed by some commentary and recommendations.

1) Motion Pictures vs. Oil & Gas

Frances Roche (Roche Securities) explained some of the difficulties of attracting investment:

Raising money in Alberta is especially difficult because of the dominant oil and gas industry which offers a very attractive 100% write-off deduction on flow through shares. There is a 30% tax write-off that is available for the film industry, but in Alberta we are competing against that 100% write-off and that makes it very difficult (p. 35).

Nancy Marano (Marano Productions) raised a similar point:

The investment community in Alberta is wrapped up in oil. That's what they understand. They look at what we offer and they say: "number one, it's not tangible..." And we say: "yes, it is. It's a piece a film that we know we can sell to certain markets"...

The other thing we do is educate them. They don't understand film ... They think that if you produce a flop, it's a flop and they get nothing back. Well, excuse me, but a dry hole gets absolutely nothing back and it costs you because you have to plug it ... I would say that this investment community understands risk better than most. What we have to do is learn to run the comparison ...

[T]he independent production community in Alberta has to spend many hours sitting down with brokerage firms telling them what they know and answering their questions... (p. 45-46).

Louise Gallagher (writer, former broker) offered an interesting insider's perspective:

The one thing I found as a broker was that the entertainment industry did not treat us the same as the oil industry did. The oil and gas people came in and did their homework...[t]he entertainment guys didn't (p. 64).

Lastly, Eda Lishman (The Producers) identified a related problem:

One of the biggest issues that we have had in this province is that most of us have not been able to get out there and convince anybody that this is a business that makes money (p. 15).

Synthesizing the ideas stressed in these three points leads to some conclusions regarding stimulating private investment in motion pictures in the oil and gas dominated Alberta market. Clearly, one of the principle issues is education: education not only of those brokers who intend to sell investment in motion picture products, but of

those producers who must first sell brokers on the concept of investing in motion pictures.⁸

The number of Alberta-based producers who possess the experience, business acumen, and savvy necessary to convince, and then educate, investment brokers of the advantages of investing in motion pictures is limited. However, those few leading producers with all the aforementioned characteristics would likely benefit from developing partnerships with less experienced producers. These kinds of alliances and similar topics will be discussed in a following sub-section labeled 'Infrastructure Development'. As the 'Infrastructure Development' sub-section will point out, many Alberta producers feel that they could benefit from banding together. There is the possibility that in some cases, such associations, if successful, may someday lead to publicly traded companies. Therefore, it is worthwhile presenting those comments weighing the investment in public companies versus investment private enterprises and individual projects.

2) Individual Projects vs. Public Companies

Francis Roche (Roche Securities) explained the impact of larger Central Canadian public motion picture companies on smaller, private Alberta-based production companies:

The first point I want to make about the investor market is that you have, on the one hand, these public companies (Alliance, Atlantis, etc.). On the other hand, you have most of the people in this room who are trying to raise money, but don't have a public company...

The fact that you have these public companies is good and bad. The good thing is that investors now know a little bit more about the film industry, compared with five years ago when they knew very little because there was very little chance to invest. The bad thing is that you are competing against these public companies, and these public companies have two

significant advantages over you when you are trying to get money from investors ...

They are diversified by nature - some of them have libraries, Alliance has Equicap - so, the risk of investment is less if they invest in a public company than if they invest in your film. Secondly, public companies offer investors liquidity, which means that they can buy and sell shares anytime they want, as opposed to if they invest in your company they are locked in - under most circumstances. So, you are going to have to offer your investors a better deal, a better rate of return than what those public companies offer ...

Now public companies in this industry, generally speaking, should have a rate of return of around 10% to 15%, before tax. You have to show a private investor probably, on an after tax basis, a minimum of 20% return or you are not in the ballpark (p.36 - 37).

Francis Roche's comments regarding what Alberta motion picture producers must offer in order to compete with publicly traded companies is the sort of information which is of significant value to the Albertan/Canadian motion picture community. If this is true, why are topics like these not widely discussed in the academic literature? Perhaps, economic analyses such as these have not been properly addressed in the literature because they have been dismissed as common sense. Perhaps, the emphasis on public sources of funding has been so great, that examining the details of private investment in motion pictures was not considered worthwhile. Perhaps, cultural industry analysts do not see it as their role to educate motion picture producers on the workings of their own business. Or, since the academic literature discussing the Canadian/Albertan motion picture industry is so negligible, this is simply not a topic which has yet received the attention it deserves. One cannot be exactly sure why this sort of discussion is not more prominent in the literature focusing on Canadian/Albertan motion pictures, but it seems increasingly clear that it should be. Discussions and analyses of the stimulation of private investment will likely take on increasing importance as the publicly funded traditional sources

of investment continue to reduce their involvement in the Canadian motion picture industry.

Infrastructure Development

Comparing the corporate structure of publicly traded Canadian motion picture companies with potential motion picture investment opportunities in Alberta serves as an appropriate segue into a discussion concerning infrastructure development in the Alberta motion picture industry. With a few exceptions, over most of its history, the Alberta motion picture industry has not been highly centralized, nor has infrastructure development been a principle concern. However, two contributing factors have precipitated a situation where infrastructure development has increasingly become a topic of discussion. The first element is the fact that the practitioners of the Alberta motion picture industry have reached a stage of growth where they may be able to consider larger undertakings which might contribute to their sustainable growth. The second factor, is the very real concern that some preparations must be made in advance of the impending curtailment of both provincial and federal funds allocated for the development of the Albertan/Canadian motion picture industry.

The two aforementioned factors have created a situation where many members of the Alberta motion picture industry feel as though some significant action should be taken in order ensure the longevity of their industry, but exactly what should, or can be done remains undetermined. Thus, as the following comments will allow, there was ample discussion of forming alliances and developing “infrastructure”, but there was little definition of what these terms actually meant, and little agreement reached.

Eda Lishman (The Producers) presented many salient points emphasizing industry cooperation and developing infrastructure. For example:

The issue is most producers in Alberta do not have an infrastructure in place to keep them alive long enough to get the product to the market ... [O]n an individual basis if you look around the table at those who have gone and managed to raise money, some of us have made money. The reason we haven't made more is we don't have an infrastructure that supports us - and I am not suggesting that government should do that - I am suggesting that we do it (p. 14 - 15).

Tom Dent-Cox (WDC Entertainment) brought the discussion back to the basics:

I think, again, production precedes infrastructure and I think the financing of production has to be foremost in our minds. Looking at creative and perhaps cooperative ways to secure financing should be foremost in our minds because it is through the financing of production that we will have the wherewithal to try and create the kind of infrastructure - whether it is solo or cooperative - that we are talking about (p. 28).

Lance Mueller (White Iron Film & Video Productions) argued that cooperation was key to industry development, either large-scale or small-scale:

We sit in a province where there has not always been good cooperation. The fact of the matter is that if we want this industry to grow, we have to work together, it is that simple. Whether it is theatrical work, whether it's episodic work, whether it's corporate work, whatever it is, the bottom line is there is a lot of money out there and a lot of talent out there and working cooperatively we can move things forward. I think that is one reason why we are all here (p. 28).

Significant infrastructure, and the necessary alliances, partnerships, investment, and commitment which must precede such infrastructure remain abstract concepts for the members of the

Alberta motion picture community. It would be overly optimistic to suggest that major infrastructure development is right around the corner. The potential for any such growth is contingent on the continued success and maturity of the Alberta motion picture industry, which in itself is not assured. It has been suggested that the Alberta motion picture industry currently sits in a situation where, if public funding is suspended, it must either sink, swim, or drift aimlessly. Time, the evolving marketplace, and the will of the Alberta motion picture community will play a hand in determining the results.

Convergence

Like the future of the Alberta motion picture industry, convergence is a topic which should be examined with cautious optimism. In fact, examining the topic of convergence was specifically left until last because, like the Alberta motion picture industry, there is much excitement and plans for a bright future, but no one is exactly sure how or when this will come about. What is certain is that convergence, new delivery systems for motion pictures, and the evolution of these carriers, do in fact represent a growth market for a variety of motion picture products. Once again, the comments of the conference attendants best express how the Alberta motion picture industry views these issues.

Lorna Higdon-Norrie (Telus) offered the corporate perspective on the impact of convergence:

I think what the information age has done for us is create the questions. It seems like the pace has changed. There is a whole new category of things I never even thought to ask. To a large extent, I think that is where some of the distribution agencies or policy makers or companies are at right now... We are not talking about different people carving up pieces of the same pie, we are talking about an information explosion of new services, new channels of distribution, and a new means of

marketing them - in ways we haven't even thought of yet (p.115, 117).

Conversely, Geoff Le Boutillier (Tohavent Holdings) offered a producer's perspective:

Everybody is hedging their bets about what is going to happen and who is going to be the carrier. But, we as independent producers shouldn't care, we are the program providers. We create the software and it can be used by any one of a number of different carriers in a number of different ways (p. 104).

While convergence has received ample attention in the academic literature of a variety of disciplines from public policy to computer engineering, communications to economics, and others in between, it remains (as pointed out by Lorna Higdon-Norrie) an issue which, currently, is more about questions than answers. What is known is that there is no shortage of parties interested in delivering some form of motion picture product to consumers. And, (as pointed out by Geoff Le Boutillier) it doesn't matter if it's cable or telcos, so long as Alberta's independent motion picture producers can produce the "software" they will maintain a position in the marketplace.

It has also been suggested that the Alberta motion picture industry should consider other means of taking advantage of the potential new competitors in the business of motion picture delivery. It has been argued that the entry of telecommunications companies into the marketplace represents an opportunity for the industry as a whole to benefit, not simply individuals producers benefiting from sales of their products. This is an argument which has significant potential and should not be ignored. The following comment is a candid discussion of this suggestion which the Alberta motion picture industry should take notice of.

The following comment by respected industry veteran Wendell Wilks (Cinetron Communications) emphasized the potential impact of new carriers on the Alberta motion picture industry:

Who has got the money? The other people who want to be principle players in the electronic highway, the phone companies. I assure you, they have got a lot money if anyone saw Telus's returns last week. Believe me, they want to get in and they don't know how to get in. I believe that if you want to spend some worthwhile time as an industry, spend it with Stentor, Bell, AGT, BCTel. There are giant masses of money. These are well financed mature corporations that aren't the cripples that the CRTC has created called the Canadian cable television industry (p. 67).

This last point seems an appropriate place to end this chapter as is conveniently combines the three topics assessed in this section: stimulating private investment; infrastructure development; and convergence.

Conclusion

The function of this chapter has been to contextualize the strategies of Hoskins et al within the framework of the Alberta motion picture industry, to consider those issues which are most important to this industry, and to infuse critical analysis and opinion into the examination of both these topics. It was argued that the views of Hoskins et al regarding focus strategy, technological advances, differentiation, and the decrease in film production in favor of TV found support in the comments of the members of the Alberta motion picture industry present at the conference A Province In Motion. In addition, there were also many valuable points raised by the conference attendants which have not been properly addressed in the academic literature. It was decided that stimulating private investment, infrastructure development, and convergence are issues which are of significant importance to the Albertan/Canadian motion picture industry, but have not received adequate attention from those who study the industry. Therefore, it was deemed important that this study be employed as a platform for these critical but little mentioned issues.

Notes

¹ These three preliminary discussions/interviews were with Wendy Dykhuizen of AMPDC, Sandra Green of Heritage Canada, and Josh Miller formerly of SuperChannel (currently with Minds Eye).

² Alberta Works, a directory of the Alberta motion picture industry was a main source of information regarding invitees, as were the already cooperating members of the motion picture community.

³ It is worth recognizing that the teleconference was an effective and useful method of conducting a meeting which likely would not have occurred without the benefit of this technology. In some cases, it was a difficult enough task convincing members of the motion picture community to attend the teleconference meeting, let alone drive three hours to either Edmonton or Calgary for such a meeting. The teleconference technology made attending the meeting as convenient as possible for all involved. Therefore, while this technology was not absolutely essential to the success of the conference, it clearly made the meeting easier to attend and thus facilitated, in this case at least, positive results.

⁴ During the teleconference meeting I repeatedly made the point that what I truly desired was a conference where the agenda was determined by the industry itself. It was, and is, my belief that allowing the Alberta film community to determine the agenda would allow for those ideas most important to the industry to be addressed. While this concept seemed sound in theory, in practice there was more competition for control of the day's agenda than I had ever anticipated. Amidst a variety of competing agendas AMPIA was the group which I felt best represented the true interests of the industry, and their agenda suggestions were closest to my own

research goals. Lastly, AMPIA was the only organization which stepped up to offer cooperative assistance and I felt a sense of responsibility to acknowledge this support.

⁵ The published conference Proceedings from A Province In Motion may be found in Mackimmie Library and the Communications Studies Library at the University of Calgary. Copies have also been sent to the University of Alberta, SAIT, Mount Royal College, and the public libraries in Calgary and Edmonton. The page numbers following the quotes from Conference attendants are from the Conference Proceedings.

⁶ *Suburbanators* (produced by John Hazlett and Gary Burns), an Alberta-made low budget, 'non-traditional' feature film, released in the fall of 1995, might prove to be Alberta's first success story in this expanding "off-beat" independent market.

⁷ Starring veteran Canadian comedian Steve Smith (formerly of Smith & Smith), *The Red Green Show* (produced without a cent of tax dollars) is seen on 54 stations across North America (Blakey, 1995, p. C7).

⁸ There should also be an attempt to increase the awareness and education of the motion picture viewer. Generally speaking, there is very little public awareness of the Alberta motion picture industry among Albertans, and virtually no attempt has been made to create grassroots interest. Perhaps, if Albertans were made aware of the burgeoning cultural industry in their midst, they might seek out Alberta motion pictures for entertainment, cultural value, and possibly investment opportunities. Certainly, they will not be motivated to support Alberta-made motion pictures if they are not aware that they exist.

Chapter 6: Summary and Recommendations

Summary

The primary function of this study was to examine the current status of the Alberta motion picture industry and, based on these findings, consider some possible paths of development. In order to contextualize the subject at hand, it was necessary to introduce the history of motion pictures in Alberta, and in Canada in general. Having briefly discussed the evolution of the provincial and national industry, the next step was to create some parameters and outline the more current affairs of the Alberta motion picture community. In light of the important connection between industry and government in the Albertan/Canadian motion picture industry, significant attention was paid to the role of government, first in terms of explanation of its varying roles, and second by nature of an examination of competing theories of cultural industry development. Analysis of cultural industry development theory introduced a number of different ways in which one might interpret the Albertan/Canadian motion picture industry.

While one could certainly study the Alberta motion picture industry employing only the concepts outlined above, it was felt that in order to provide a more thorough and current analysis, a certain research void would have to be filled. In fact, it was discovered that there are many facets of the Alberta motion picture industry which require further research. However, before one could begin to satisfy the multiple research needs of the Alberta motion picture community, the members of the industry had to identify which issues were most important to them. Therefore, perhaps the most significant contribution of this study was gathering together the members of the Alberta motion picture community and facilitating a discussion focusing on their industry.

Thus, the last and most important element of this work was the conference *A Province In Motion*. As outlined in the Research Methods chapter, *A Province In Motion* was a rather unconventional attempt to present the issues most important to the Alberta motion picture community through the eyes of its practitioners. The portion of this study which examined the conference and its findings was an attempt to synthesize the history, current knowledge, policy and theory with the views of the members of the Alberta motion picture industry.

Review of Chapters

Industry and Policy History

The relationship between policy and practice in the Albertan/Canadian motion picture industry has grown in relation to the industry itself. That is, in the early 20th Century when the Canadian motion picture industry was in its infant stages, so was the policy. One might go so far as to say that from the filming of the first Albertan/Canadian motion pictures until the mid-1960's, there was very little in the way of effectual industrial policy. Certainly, the NFB and the CBC represented public involvement in the motion picture industry, but until the formation of the Canadian Film Development Corporation in 1967-1968 (renamed Telefilm Canada in 1983), little was accomplished in terms of developing, supporting, or promoting popular Canadian motion pictures, either in the public or private sectors. By the time the CFDC arrived, the Canadian motion picture marketplace had long been dominated by vertically integrated American-owned companies.

The creation of an agency committed to developing a Canadian motion picture industry did not radically alter the American controlled 'domestic' market, but it did begin to make inroads. While Telefilm Canada's Broadcast Fund would later prove to be one of the key reasons Canada is now the world's second largest exporter of

television product, many of early federal policy decisions were not as successful. In particular, many of those feature films created under the 1970's 100% CCA scheme were devoid of Canadian content, themes or sensibilities.

In the early 1980's, both the Albertan/Canadian motion picture industry and the policy relating to this industry began to mature. As Canada entered the 'free-trade era' a more systematic policy was applied, and a more seasoned industry emerged from the post-100% CCA collapse. The mid-to-late 1980's represents the period in which the Alberta motion picture industry began to grow significantly. By this point the provincial film commission, ACCESS, AMPIA and AMPDC had all been established, a core of proven and committed producers had arisen, and Allarcom has built their studios in Edmonton. In addition, the FTA created an environment which was more attractive to American service production. The FTA, coupled with the revival of the Western as a popular genre and a movement towards filming in more cost efficient non-Hollywood locations contributed significantly to the development of the provincial motion picture industry, and will undoubtedly continue to do so.

By the early 1990's, Alberta was home to two Canadian television series, the number of Alberta-based productions had risen substantially and, following Clint Eastwood's film *Unforgiven*, Southern Alberta was becoming an increasingly popular location for American service productions. In the mid-1990's, Alberta is still home to *North of 60* and *Destiny Ridge*, with at least two other Alberta-made TV series well underway (*Nobody's Business* and *Jake and The Kid*). In terms of American service production, Alberta is the site of the American TV series *Lonesome Dove*, with rumors of more to come. Ironically, while the Alberta motion picture industry is rapidly climbing to new heights, it also sits perched on the edge of financial uncertainty as the traditional sources of public funding rapidly dissipate.

Academic Literature

As the Canadian motion picture industry developed so too did a variety of schools of thought presented in order to interpret and analyze this industry. As demonstrated in the chapter examining the theory of Canadian cultural industries development, these differing viewpoints may be placed on a continuum of political economy. Basically, it was surmised that this continuum may be broken down into five competing interpretations of Canadian cultural industry: Critical Theory; characterized by Dependency Theory and Free-Market Theory, Audley's Liberal/Protectionist Theory, and the "mixed" models presented first by Lyman and then by Hoskins et al.

Emphasizing the work of Dependency theorists Smythe, Crean, and Pendakur, it was argued that while often obscured by a dated Marxist framework, Dependency theory has contributed some valuable arguments to the cultural industry debate. While offering little that would influence public policy regarding cultural industry, Smythe remains widely respected in academic circles for providing a foundation of critical communications analysis. Not as convinced of American omnipresence as Smythe, Crean highlighted the contribution of publicly supported institutions like the CBC, NFB, CFDC (Telefilm), and the Canada Council, and wisely advocated continued support for these culturally enriching organizations. Addressing the issue of American domination of the Canadian feature film marketplace, Pendakur's text, Canadian Dreams and American Control, is one of the most thoroughly researched historical studies of this subject. Unfortunately, while offering a detailed history, Pendakur failed to present any credible suggestions for altering this imbalance. By and large, it is the adherence to an antiquated Marxist ideological framework which prevents most Dependency theorists from offering any employable strategies which could be readily operationalized to improve the lot of today's Canadian motion picture industry. Having said this the value of Dependency theory as a critical theory is readily acknowledged.

At the opposite end of the political economic spectrum, is the brand of Free-Market theory put forward by Steven Globerman. As Cultural Dependency theorists tend to overemphasize the magnitude of American political, economic and cultural influence, Globerman fails to emphasize this point enough. While certainly there is credence in theory emphasizing free enterprise and “laissez-faire” economics, Globerman has invested so much belief in these values that he fails to acknowledge the detrimental impact of an American owned, vertically integrated “Canadian” domestic market. Once again, this theory is important because it holds a legitimate place on the continuum and offers a pointed critical view.

A framework which proved to be more applicable to the Canadian motion picture industry was Audley’s Liberal/Protectionist view. Audley’s recommendation of an increased public sector element, emphasizing increased spending in support of the Canadian motion picture industry was readily adopted by the federal government in the era before the debt crisis began to dictate federal spending and policy. Assuming a steadily growing economy, Audley’s suggested budgetary increases for CBC and Telefilm soon became less feasible. Audley’s formerly accurate emphasis on increasing public funding and protectionism as means of developing the Canadian motion picture industry became incongruent with a political and economic agenda emphasizing North American free-trade, and national budget reduction.

Another groundbreaking “mixed” theorist whose macroeconomic analysis proved to be something of forerunner to the work of Hoskins et al was Peter Lyman. Emphasizing convergence of technologies and increased free trade, Lyman argued that government and industry should be working cooperatively. Lyman proposed government/business task forces, and a variety of legislative and regulative measures of increasing private investment in Canadian motion pictures.

While the theories of Audley and Lyman may have proved useful to the motion picture industry of the 1970's and 1980's, the mixed model presented by Hoskins et al was found to be the most accurate school of thought for examining the present Albertan/Canadian motion picture industry. Due to the unyielding trend towards significant reduction of government involvement in cultural industry, Hoskins et al's perspective emphasizing private sector goals and integrating selective government involvement seems to fit the current needs of the Albertan/Canadian motion picture industry.

Rather than presenting a grand over-arching plan for the policy and industry of Canadian motion pictures, Hoskins et al have chosen to offer research-driven strategies for an economically successful industry. Generally down-playing government involvement in the Canadian motion picture industry, Hoskins et al's Cost Leadership, Differentiation, Focus strategies were found to be sound advice for the members of the Albertan/Canadian motion picture industry. The applicability of these strategies and other relevant concepts outlined by Hoskins et al were scrutinized in the Case Study Analysis chapter.

Case Study: A Province In Motion

As mentioned in the introduction to this chapter, the conference *A Province In Motion* is likely the most important contribution of this study. While attempting to assemble the conference, it was readily acknowledged by the Alberta motion picture community that their industry had reached an important turning point and *A Province In Motion* would provide a forum to discuss the current and future development of their industry. Thus, fortuitous timing allowed for the research goals of this study to be met while at the same time providing a service to the subject of study: the Alberta motion picture industry. Recognizing that their industry could indeed benefit from a meeting of its most important players, the Alberta Motion Picture Industry Association (AMPIA)¹

became actively involved, and thereby increased the credibility and value of the event.

The purpose of the "Case Study" chapter was to examine the views of the conference attendants regarding the current and future status of the Alberta motion picture industry. Some of the concepts expressed were analyzed in order to measure how the strategies of Hoskins et al apply to the Alberta motion picture industry. Other subjects were examined not because of their relationship to the work of Hoskins et al, but because they were deemed issues highly relevant to the current and future status of the Alberta motion picture industry.

Employing quotes from the conference attendants, it was argued that the opinions and activities of the Alberta motion picture industry supported a significant percentage of the findings of Hoskins et al regarding niche/focus strategy, technological advances, differentiation, and the decrease of feature film production in favour of television. Comments emphasizing the fragmentation of the international television marketplace provided indirect support for niche/focus strategy, while other opinions directly advocated "narrowcasting" as an increasingly probable and successful strategy. Conference attendants also acknowledged that cost reductions and technical improvements in motion picture technology have democratized production to the point that "handy-cam" production values are now acceptable. These points regarding such technological advances are in keeping with the assertion of Hoskins et al that there is a place for creatively produced television products, even if the production values are below traditional industry standards. In reference to differentiation, the Alberta-based film *Road To Saddle River* was employed as an example in support of Hoskins et al's argument that films with a distinct Canadian orientation tend to do well critically, but not as well commercially. Lastly, the emphasis on television production as opposed to feature film production was irrefutable as funding agency representatives, feature film producers and television producers all agreed that television production was

gaining a larger share of the marketplace and of the public resources devoted to motion pictures.

Of course, there were also a number of topics raised which are of importance to the Alberta motion picture industry, but are not discussed by Hoskins et al or elsewhere in the academic literature regarding the Canadian motion picture industry. It was decided that the most relevant of these concerns was the stimulation of private investment, the development of provincial infrastructure, and the role of convergence in advancing the industry.

Comments examining the stimulation of private investment were divided into two sections: 1) motion pictures vs. oil & gas; 2) individual projects vs. public companies. It was argued that in order for motion picture producers to win private investment in Alberta they must compare investment in motion pictures to investment in oil and gas, and they must increase their knowledge of both the oil and gas market and the economics of their own market. It was also pointed out that in order for Alberta producers to compete with larger, publicly traded companies they must, among other things, offer the investor a higher rate of return.

Both developing provincial infrastructure and the role of convergence were topics which were widely discussed, with much debate, but few conclusions were reached. Beyond agreeing that in light of the deficit environment it would be to their mutual benefit to work together toward increasing their resources, little was established with regard to sustaining or increasing provincial infrastructure. Regarding the convergence of technologies, there was ample optimism that this could present significant opportunities for the Alberta motion picture industry, but the uncertainty which accompanies this subject was also acknowledged. One of the more thought provoking views on this topic was the suggestion that the Alberta motion picture community begin courting telecommunications companies as a potential source of funding.

Recommendations

Many of these recommendations are seeds of ideas planted by the members of the Alberta motion picture community present at A Province In Motion. If one considers the diverse parties present at the conference, they may be seen to reflect certain elements of this study. That is, this study has presented history of industry and policy, theory, practical knowledge, current events, and analysis of all of the above. Present at the conference were established and new producers, government agency representatives, academics, students, and others. Therefore, the conference may be seen not only as a source of data, but as means of combining the parts which form the whole of this study.

The following recommendations are observations which may have been introduced at varying points in this study, but are reiterated now for the purposes of emphasis and clarity. The section entitled Provincial Infrastructure deals with the actual and potential alliances growing in the Alberta motion picture industry and with the increased role which AMPPIA must play in the future. The second section, Markets for Alberta-Based Motion Picture Product, is divided into the subsections feature film and television, and offers some recommendations regarding products and promotion. Lastly, a brief section offering some thoughts on further research will round out this study.

Provincial Infrastructure

A) Alliances

There is a growing movement in the Alberta motion picture industry towards the development of a variety of alliances. These actual and potential alliances take many forms and vary greatly in size and scope. First, motivated by the impending reduction or elimination of provincial funding, there is the potential for an increase in solidarity and partnerships among the members of the

Alberta motion picture community. Second, there is also the potential for an increase in “grandfathering” partnerships between more established Alberta-based producers and younger producers, and between larger central Canadian or American motion picture companies and Alberta-based motion picture producers. The third possible alliance is the recommendation that a partnership be formed between the new carriers of home-based motion picture related services, the telecommunications companies, and the Alberta motion picture industry.

Although the concepts introduced were still very elementary and not thoroughly defined, one could conclude that ideas for at least two models were suggested. The first model is a collective motion picture co-operative, where producers share work space, expenses, and profits. The second scenario is more representative of free-enterprise values and involves individual producers sharing the costs of work space, and possibly some other expenses, but remaining independent and not pooling profits. Of course, the lines between the models often became blurred, and one could argue that if Alberta producers do begin to form such partnerships, the reality will probably involve some combination of both models.²

The Alberta motion picture industry has matured to the point where larger, more established production companies will begin to “grandfather” smaller, younger Alberta-based motion picture producers. As government funds and industry development programs decrease further these kind of ad-hoc, mentoring partnerships are more likely to develop than any grand collectives or large-scale alliances. Furthermore, this proposed evolution is more in keeping with the entrepreneurial attitude of Alberta’s film-makers, and more probable given the industry’s traditional geographical and philosophical divisions.

Similar symbiotic alliances between Alberta motion picture companies and parent companies based in Central Canada and in the United States are already in existence. These kind of partnerships

represent opportunities for the Alberta motion picture industry to grow by associating with larger players, but these relationships should be approached with caution. In many of these instances, Alberta's producers are in the difficult position of shelving their Alberta-based productions in favour of stable and lucrative employment on the parent companies projects. This overemphasis on service production has become an acknowledged problem in British Columbia's motion picture industry, and the growing Alberta motion picture industry should remain wary of detrimental impact of becoming too dependent on service production.

Lastly, as argued in the "Convergence" section of the Case Analysis chapter, the emerging new carriers of home-based motion picture related products, specifically telecommunications companies, represent a potential ally and partner for the Alberta motion picture industry. These established, wealthy corporations are anxious to deliver television as well as other motion picture and computer associated services. Alberta motion picture community should be actively developing relationships with these corporations, attempting to secure a significant role for Albertan/Canadian motion picture producers. This is a window of opportunity which may close once the telecommunications companies are delivering such services. Thus, negotiations should be undertaken while the telecommunications companies are still before the CRTC, as the creation of such a partnership is a political card which will decrease in value once the telecommunications companies are allowed to compete with cable companies.

B) Role of AMPIA

As presented at A Province In Motion, one strategy for solidifying the tenuous future of the Alberta motion picture industry is for the film-makers to band together. Considering the sale of ACCESS and the potential phasing out of the AMPDC, it appears as though the number of organizations representing the Alberta motion picture industry are dwindling rapidly. With these two important

elements of the provincial industry gone, AMPIA will likely find itself attempting to assume increased responsibilities. AMPIA's success in assuming a larger role will be contingent on the association's ability to foster increased cooperation and collaboration among its members, and secured support from the investment community.

Whether AMPDC continues or not, AMPIA should begin a systematic policy of investor education and increased public awareness. Elevating the awareness level of the viewing public would be a worthwhile investment in creating interest and local support for Alberta-based motion pictures. Increased private investment in Alberta-based motion pictures is an achievement that can only be accomplished by producers actively promoting their industry as an investment opportunity. A higher level of awareness and education in both these areas appears critical to the sustainable growth of the indigenous industry, and is becoming increasingly important in light of the reduction of government supported cultural industry.

Markets for Alberta-Based Motion Picture Products

A) Feature Film

As touched upon in the Case Analysis chapter, there are a number of product and production concepts which Albertan/Canadian motion picture producers should be focusing on. For countless reasons, television has clearly presented itself as the medium which can deliver Canadian messages. But, those motion picture producers who continue to produce products for theatrical release must increase their emphasis and spending on marketing (in the broad sense), advertising, and publicity.

Although the Alberta motion picture community was never properly supported in this now bygone era, the age where Canadian feature film-makers could rely solely on public funds to support

their endeavors has passed. While this recommendation is by no means the first of its kind, the timing is such that Canadian/Albertan feature film producers can no longer expect to produce for fees and ignore the importance of promotion.

B) Television

In reference to television, since only a few of the larger companies in the Canadian television industry (and even fewer in Alberta), can produce export-driven, revenue-generating 'Americanesque' "Canadian" programming (a la *Night Heat*), this strategy should not be widely employed. Certainly, service producing such motion pictures in Alberta should not be discouraged, but this "cost leadership" strategy should not be pursued by the relatively smaller Alberta-based producer.

Alberta-based motion picture producers should be thinking small, not big. Technological advances, greater appreciation of "non-traditional" motion pictures, and an expanding television marketplace all contribute to the argument that Albertan/Canadian producers should increasingly offer low budget, exportable "alternative" television, not second-rate American-style product. It should be noted that although exportable should be part of the equation, this should not preclude exhibition in the domestic market. As *The Red Green Show* indicates, it is possible to create successful, low-budget, alternative television which is saleable both at home and abroad. Low budget, creative, and different should be the key words for the Alberta-based producer.

Further Research

It has been repeatedly stated that the Alberta motion picture industry is an area of study which has not received significant attention. Further studies on the Alberta motion picture industry, from an industrial perspective are required. The same might be said of the Canadian industry as a whole. While there is no shortage of

academic and popular literature devoted to the cultural component of Canadian motion pictures, other than the work of Hoskins et al, little has been written offering cogent industrial analysis and recommendations. From a cultural perspective, a thorough and complete history of motion pictures in Alberta, including a bibliography of films, would be a welcomed. Lastly, given the research methods applied in this study, further examination of employing a conference as a research tool is recommended. These represent but a few of the many points of study which should be encouraged.

Conclusion

The function of this chapter was to summarize the various elements of this study, and some recommendations regarding the current and future status of the Alberta motion picture industry. It is hoped that this analysis of industry and policy history, theoretical frameworks, and the case study, will provide a greater understanding of the current and future challenges and opportunities of the Alberta motion picture industry.

Notes

¹ Simply saying AMPIA became actively involved is not enough. In particular, Murray Ord and Nancy Marano were essential to the success of the conference and I am deeply indebted for their time, effort, and support. (I am pleased to add that during the writing of this thesis Murray Ord was appointed Calgary Film Commissioner).

On this same note, David Mitchell, Edna Einsiedel, and the secretarial staff of the Graduate Program in Communication Studies also deserve many thanks for the unwavering commitment and support of the conference.

² The best example of these 'grand scheme' models was outlined during Eda Lishman's presentation at A Province In Motion.

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