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MARKETPLACE

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HEADLINE: Vivendi Universal being accused of selling out its Gallic heritage in a bid to please shareholders Hollywood style

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BODY:

DAVID BRANCACCIO, anchor:

Money-losing Canal+ is owned by the media conglomerate Vivendi Universal, which is being accused of selling out its Gallic heritage in a bid to please shareholders Hollywood style. Media business commentator Martin Kaplan is associate dean of the Annenberg School for Communication at the University of Southern California.

Professor MARTIN KAPLAN (Annenberg School for Communication): Unlike the US, where we don't subsidize film production, in France, there is public support because there's the decision that there is a kind of patrimony at stake; that without an intervention by the public through the vehicle of its bureaucratic system, that worthy products won't get made and, instead, people will only watch the junkie Hollywood imports. The problem is that people like the junkie Hollywood imports; they also like the quality Hollywood imports, and they don't like what is alleged to be the quality native product because they find it really, really boring.

BRANCACCIO: The irony here is that the boss of Vivendi Universal, Jean-Marie Messier, is a Frenchman, yet from the Canal+ French perspective, he's seen as having "gone Hollywood."

Prof. KAPLAN: Yes, or at least "gone New York" in that he moved his family and himself into a multimillion-dollar Park Avenue apartment and has also cut quite a swath here through Hollywood. I recently saw him work a room of Hollywood executives wearing no tie, which would be the uniform appropriate at Universal Studios, which he now...

BRANCACCIO: *Mon dieu!*

Prof. KAPLAN: ...which he now owns, but certainly not in his former culture in Paris. And it's regarded that he's gone native to us. He declared that the French cultural

exception, which is the summary of what that policy of subsidy is about, is dead, which, *sacrebleu*, is not what the politicians in France, who are now quickly adopting this as part of the *cause celebre* of their race, would like to happen.

BRANCACCIO: *Cause celebre* of their presidential race.

Prof. KAPLAN: Yes, exactly.

BRANCACCIO: But, Marty, to be fair to Canal+, I mean, they produce some wonderful feature films. *Amelie* had that association, the big French film of the year.

Prof. KAPLAN: Even a broken clock is right twice a day. Canal+ is the major financier of French films, so all the great ones get credit, but all the bombs also deserve blame. Over the last five years, Canal+ has consistently lost money, and last year it posted an operating loss of \$440 million.

BRANCACCIO: Something Vivendi Universal shareholders are noticing.

Prof. KAPLAN: And if you are a shareholder, you might want a change of management and a change of leadership and a change of plan. In Hollywood when that happens, what's not at stake is national pride and cultural patrimony; in France, it is, and that's the problem.

BRANCACCIO: Marty, thanks.

Prof. KAPLAN: *Pas de tout*.

BRANCACCIO: Martin Kaplan is also director of The Norman Lear Center at USC.

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