

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH DAN GLICKMAN, CHAIRMAN AND
CEO,
MOTION PICTURE ASSOCIATION OF AMERICA

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MS. SMITH: Good afternoon. Welcome to the National Press Club
for our speaker luncheon today featuring Dan Glickman. My name is
Donna Leinwand. I'm vice president of the National Press Club and a
reporter for USA Today. I'd like to welcome Club members and their
guests in the audience today, as well as those of you watching us on
C-SPAN.

We're looking forward to today's speech, and afterwards I will
ask as many questions as time permits. Please hold your applause
during the speech so that we will have time for as many questions as
possible.

For our broadcast audience, I'd like to explain that if you hear
applause, it may be from the guests and members of the general public
who attend our luncheons and not necessarily from the working press.
(Scattered laughter.)

I'd now like to introduce our head table guests and ask them to
stand briefly when their names are called.

From your right, Nadia Charters, Al Arabiya; Ken Mellgren, AP
Broadcast; Alan Biurga (sp), Bloomberg News, and treasurer of the
National Press Club; Linda Klamer (sp) of Glamour; Ann Ramsey (sp) of

Back Story Productions; Bill Triplett of Variety and a guest of the speaker. And skipping over the podium, we have John Hughes of Bloomberg and former chair of the speakers committee.

Skipping over our guest, we have Alison Fitzgerald, Bloomberg News, and speakers committee member who organized today's event -- thank you, Alison; Brooks Folick (sp), Hollywood Reporter, and a guest of the speaker; Marc Heller of the Watertown Daily Times; Mark Drajem of Bloomberg News; and Bob Okun of NBC Universal. (Applause.)

Dan Glickman, chairman and CEO of the Motion Picture Association of America, has made intellectual property theft his big fight. He's up against a formidable foe. On Friday, the U.S. trade representative said that movie, music and software piracy, particularly in China and Russia, cost those industries an estimated \$2.2 billion in lost sales in 2006.

Mr. Glickman represents Walt Disney Studios Motion Pictures, Paramount Pictures, Sony Pictures Entertainment, 20th Century Fox Film Corporation, Universal City Studios, and Warner Brothers Entertainment in Washington. I don't think we're in Kansas anymore. I always wanted to say that.

Mr. Glickman served as the U.S. secretary of Agriculture from March 1995 until January 2001. Under his leadership, the department administered farm and conservation programs, modernized food safety regulations, forged international trade agreements to expand U.S. markets, and improved its commitment to fairness and equality in civil rights.

Before his appointment as secretary of Agriculture, Mr. Glickman served for 18 years in the U.S. House of Representatives, representing the 4th congressional district of Kansas. During that time, he was a member of the House Agriculture Committee, including six years as chairman of the subcommittee with jurisdiction over federal farm policy issues.

Moreover, he was an active member of the House Judiciary Committee, chairman of the House Permanent Select Committee on Intelligence, and was a leading congressional expert on general aviation policy.

Please welcome Dan Glickman to the National Press Club.
(Applause.)

MR. GLICKMAN: Thank you. Thanks, Donna. I appreciate it. I might introduce my wife Rhoda, who came here with me to critique the speech. We're delighted she's here as well. (Applause.)

Actually, I got up this morning, and I sometimes listen to "Morning Joe," and somebody says, "Big speech at the Press Club today." So thanks so much for coming out. (Laughter.) I want to thank you.

But it's great to be back here. Last time I spoke here was nearly four years ago. I was reminiscing with Rich Taylor. I had just been appointed to succeed Jack Valenti, who interestingly passed

away a year ago on Saturday. And he sat in the front row. Jack was one of the great speech-makers and writers of all time, and he graded my speech. And, needless to say, that was about the scariest day of my life. And I did not get an A. I only got above average, which was pretty good for Jack. So we remember him today.

And in January 2001, as Donna said, I was secretary of Agriculture. And as the then-secretary of Agriculture, I gave my farewell Cabinet speech here based on how humor has affected my life, noting the irony in the fact that there was a Jewish secretary of Agriculture who had spent six years actively promoting the pork industry. (Laughter.) What a country is all I can say.

And I suppose there is some irony today that one of the emerging issues of our time -- not currently in my job description, but one that still interests me -- is the growing shortages and high prices of food worldwide, which leads me to the topic of the times.

Today we are in the midst of probably the most interesting presidential election since 1960. Now, some say this is turning out to be the ugliest and dirtiest campaign ever. I just fundamentally disagree. By historical standards, things seem pretty tame.

I recall the story of a young Winston Churchill who, as a member of Parliament, got into an argument with a political nemesis, Lady Astor. The good lady said to Winston, "Sir Winston, if you were my husband, I would poison your coffee," to which he replied, "Madame, if I were your husband, I would drink it." (Laughter.) So that is real dirty politics.

But the high drama and the high stakes of this election, I think, is made for the movies. This is a true story. Senator Obama had told us at a symposium we had last year that he'd like Will Smith to play him. And that's a smart choice, because there's no safer bet at the box office. I don't know who would play Hillary or who would play John McCain. My wife wants Angelina Jolie to play her. (Laughter.) So I guess that means I'm stuck with Brad Pitt in the movie of our lives; I know (nothing ?) about it.

But I would like to talk today about the enduring power of the movies, what they mean to the country, to the world and to us as

individuals, and the importance of continuing this proud American tradition of movies as a force to change the world and the need to protect and advance these creations that are so economically, socially and politically significant, particularly in this period of global uncertainty and rapid technological change.

Movies are among our nation's most important diplomats. To tens of millions of people on this earth, they are the face of America, from the U.S., India, to the UK and South Africa and everywhere in between, they bring near-universal enjoyment.

Like many in this town, after the Barack, Hillary and McCain show, I've been riveted by this extraordinary HBO miniseries on John Adams based on the book by David McCulloch. In it Adams says, and I paraphrase him -- he says, "I studied politics and war so that my

children may have the liberty to study mathematics and philosophy, so that their children can study poetry and music."

We are those favored children today. We have the luxury of determining if we continue to strive towards our better lives, our better selves, live our ideals, share them with the world, and truly answer the call we hear every day out on the campaign trail -- the call for change. And it's going to be tough for a while, both in the country and the world, from the economy to the war and a lot of other challenges.

Movies will continue to make a positive contribution. Film and television drive about \$60 billion in annual U.S. economic activity and create about 1.3 million American jobs. Equally important, movies will continue to be an oasis, cheaper and often more effective, in my view, than a psychiatrist. There's a reason when the going gets tough, the tough get going to the movies. We need some relief, if only to escape and share a communal laugh, an increasingly lost joy in our modern world.

At best, movies teach us very important lessons. In my childhood, it was films like "South Pacific," where I first heard the quote, "You've got to be taught to hate and fear." Or it could be "Schindler's List," quoting the Talmud, "When you save one life, you save the entire world."

Several members of Congress have shared how inspired they were by Robin Williams' character in the movie "Dead Poets Society," who taught his students as a professor, "No matter what anyone tells you, words and ideas can change the world." Or as Jimmy Stewart famously put it in one of my favorite movies of all time, "Mr. Smith Goes to Washington," as Jefferson Smith he said, "The only causes worth fighting for are lost causes." And so he fought a pork-barrel project in his own state. Imagine that.

Film has a long history of taking up for the underdog and doing so in game-changing ways, challenging us to step out of the familiarity of our lives and really think about the world around us,

to get off the fence, so to speak. Today it could be "Crash," "Brokeback Mountain," "An Inconvenient Truth," "Michael Clayton," "Stop Loss," or a myriad of other films.

The spotlight will continue to shine, and that is a beautiful thing, a source of great comfort. To me, American movies are synonymous with American democracy, the freedom of artistic and political expression. And that is probably what makes it such a phenomenally important American industry. But it's a worldwide industry, and I'm going to talk about that in a minute.

Beyond all the technological progress, one of the most exciting developments of our industry today is the increasing work our studios are doing with local film-making communities around the world, expanding their efforts not only to sell American movies overseas but to find and develop new stories and new voices that advance a truly global medium.

Because movies offer this window to the world for so many people, we in this business care deeply about matters of international trade. The closer we get to election day, the more it seems that the global marketplace, and the profound reliance of our nation on other nations for our future growth, is lost in the political debate.

Having spent 18 years in Congress, I recognize the temptation when the economy is down and American jobs are being lost. And in that case, and in that time, other people, other countries and leaders make, at times, for an easy scapegoat. And I fully recognize that the benefits of trade agreements have often been oversold by their proponents, as have the negative consequences of trade agreements by the opponents.

The truth, like most things in politics and government, lies somewhere in the middle. Of course, I also recognize that it's easy for the chairman of the MPAA to be pro-trade when approximately 60 percent of our box office -- 60 percent -- of box office and home video receipts come from outside the United States. American movies run a trade surplus with virtually every single country in the world we do business. Virtually no other industry can say that.

Fifty years ago, the global box office was largely an afterthought. Today, the U.S. is one -- just one important market among many for our movies. We see an increasingly international flavor to the casting of major films, more global premieres, international co-financing, co-production, co-distribution, all reflecting the rising importance of global audiences for our films.

Film, of course, does offer a classic example of the benefits of international trade, but the basic premise applies throughout our economy. There is a limit to what U.S. consumers can buy. New markets, new customers, new collaborations will drive the ongoing growth and competitiveness of our nation.

During my years in public life, I supported most trade agreements. And as a member of President Clinton's cabinet, I worked actually to bring China into the WTO. We were trying to bring the world together around shared interests and shared aspirations. While I admit that not everything worked out exactly as we had hoped, on balance, those were prosperous and largely peaceful times -- something it's easy to get downright nostalgic about today.

That's why I recently joined with other folks from the Clinton Administration -- folks that had been in the cabinet and other senior places, to support the Colombian Free Trade Agreement. We need to encourage those leaders who are bringing their countries and economies up towards democracy, towards the rule of law, and Colombia is a classic example. While recognizing legitimate issues in this debate -- like worker rights, human rights, intellectual property rights, I worry that the process to approve trade agreements has become entirely too political in this country, incapable of compromise and conciliatory discussion, like a lot of other hot-button issues have in America.

I think it's time for a new debate about trade policy. From

domestic economies, to world hunger to global stability, the stakes are too high to continue at this impasse. The simply reality is that free and fair trade, with proper conditions and protections, creates far more opportunities for the U.S. than it takes away. And what's the alternative? The alternative, in my judgment, is slower economic growth and giving up the ball to other countries that are more than happy to supplant us politically and economically as well.

And I think that's a big mistake for us if America wants to engage the world in the future. It is critically important that we engage the world, and that we take these international relationships into the modern era. It was encouraging to see the recent summit in New Orleans of Presidents Bush and Calderon and Prime Minister Harper. There we saw intellectual property cast as a central economic issue for all three nations.

Here in the United States, intellectual property industries -- of which several folks in this room, including my friend Mike Gallagher (sp) who's over here, and others -- but the industries involving intellectual property account for 40 percent of our economic growth, and half of our nation's gross domestic product, extending far beyond movies and music and games, to computer software, the automotive industry, aviation, pharmaceuticals, and yes, even agriculture.

MPAA was early to this battle. Our member studios invest tens of millions of dollars each year rallying the world to this cause. As more diverse countries pursue their own innovation economies, I believe we will see rising global support for intellectual property rights. This is no longer just an American issue, but one that is extremely meaningful to all who create something of value with their minds.

We have to stand together -- private sector, public sector, global trading partners and world-wide consumers, to shore up the intellectual property, the IP foundations of the global information economy, and secure the common stakes for all of us. It's just one more example of how we all feel the heat of these fast-changing times. Business, governments, the media, all must adapt. It's simply a question of whether we do so by choice, or at the not-so-tender mercies of disruptive change.

The industry I represent is working hard to evolve, to shape this future with our customers and technology partners rather than to bear passive witness. For example, I grew up with a love of the local cinema -- the Crest Theater in Wichita. Still remember going three times a week with my dad to get popcorn there. And I still love the theater as the core foundation of this business. It's heart -- and it's heartening to see, amid the rise of MySpace, and Facebook and other digital watering-holes, that the movie house remains the original social network.

Young Americans, like most consumers, continue to tell us that the best way to enjoy a movie is to go to the movies. Make it a social thing with your friends. In fact, our research shows the more technology you have at home -- HD TV, DVR, BOD, IP TV, pick your acronym -- the more you have at home, the more you go to the movies. We are working hard to enhance the movie-going experience, from

digital cinema and 3D to the quality and variety of films.

We are headed into high season right now. This time last year it was Spiderman; Pirates; and Shrek. Over the next month we have Iron Man; Speed Racer; The Chronicles of Narnia; Sex in the City -- one of my wife's favorites I think; Maid of Honor -- opens this Friday; What Happens in Vegas; and the Return of Harrison Ford as Indiana Jones -- I think a lot of folks will go see that one as well.

Later in the summer we have Batman; Get Smart; The Mummy; Will Smith in Hancock, over the 4th of July weekend; and terrific family options, including Disney-Pixar's "WALL-E," just to name a few. So, I think it's going to be a great summer -- a big box office summer, this particular summer, even with the economy in somewhat shaky shape. But we also know that consumers increasingly want to enjoy their movies and films in new ways. We have to give the folks the choices they desire -- legal choices, in the comfort of their homes and wherever else they wish to enjoy our movies.

Here I often think about young parents. I'm proud of the family films that the studios have put forward. But at the end of the day, when the kids are in bed, maybe you want to watch something else besides Alvin and the Chipmunks for the 13th time (laughter), perhaps, something new that has people excited at that moment in the popular culture.

People want, and people demand this freedom today. There is no question in my mind that the studios hear the consumers loud and clear on this point. There are technology and policy issues to work through -- and we'll get there, advancing both the theatrical experience, as well as the anytime-anywhere enjoyment of movies the consumers clearly want today, and that technology is making possible. I think we'll soon see some progress that will really open up how exciting this future could be for all of us.

Delivering these new possibilities is what brought us into the debate over the future of the internet. I want to briefly talk about

the internet. The internet has brought extraordinary opportunities, not only to the companies that I represent -- and probably every company and every media operation represented here, but to independent filmmakers, to writers, to musicians, to new voices in the American political debate, like we've never seen before, here and around the world, and especially to millions of consumers who feel it's a strong force with which they as individuals can engage the world.

The Internet is a powerful and still evolving medium and we need an environment that encourages investment and innovation that gives consumers new choices and that gives so many artists and thinkers a platform for their creative visions. All of this has made a tremendous difference in this art form, in our democracy and in the world. And we have to be careful with it, and certainly ensure protection of intellectual property as a bedrock principle of the Internet's future.

H.L. Minkin once said that for every complicated problem there is a simple and a wrong solution. There is no simple one-size-fits-all

solution for public policy issues involving how we oversee the Internet. Broad regulation of the Internet opens up a host of new and unexpected issues, and the laws of unintended consequences are always applicable. We need to be extremely cautious before going down this road.

I believe there are good people on all sides of this increasingly divisive issue surrounding regulation of the Internet. Similar to trade, and other hot-button issues, we need to move past the extreme rhetoric of our times. Spending a little less time about talking about what we're against and instead be builders and architects of the future and its many possibilities.

I am proud to represent this powerful medium of film that gives so many the opportunity to make a difference in our world. In talking about the enduring power of the movies, I cannot help but think of a story shared with me and others by Will Smith at last year's MPA Symposium in Washington -- that I mentioned before.

Will Smith had the opportunity -- as he said it -- to meet Nelson Mandela in South Africa. He said it was a very humbling experience. Smith told Mandela that he felt his work in film was insignificant when he considered all that Mandela had accomplished.

Mandela, in turn, shared with him how movies helped him persevere during his 20-year imprisonment in Robben Island. One movie Mandela remembered in particular was "In the Heat of the Night" starring, of course, the legendary Sydney Poitier, as well as Rod Steiger. Watching the film in prison, Mandela said, it became clear that censors had cut out a critical scene. They knew something was there, because it didn't make sense the way the movie was playing.

Several months later, Mandela was able to learn what that scene that had been cut out was. He learned that in an American movie in 1967, a white man had slapped a black man. And Sydney Poitier's character, Virgil Tibbs, had slapped him right back. An action, incidentally, that Poitier himself added to the scene.

Mandela said that the fact that American movies were putting out that imagery -- imageries considered so dangerous in South Africa that they wouldn't allow it to be seen -- that that inspired him to believe that the possibility of change is real and obtainable. Somebody was looking in on him. Mandela looked at Will Smith and he said, don't ever underestimate the power of what you do.

Whether we work in motion pictures or public policy or yes, even the media, we have the opportunity every day to strive together to improve the world around us, to leave to our children and their children the poetry and music of democracy and freedom to help us all trade up to a better world.

It's a wonderful opportunity and I relish every day doing it. I hope you do to. And I thank you so much for the chance to address you today. (Applause.)

MS. LEINWAND: Now, the question-and-answer portion.

Intellectual property theft is a crime. What type of relationship does the industry have with law enforcement? Is it a law enforcement priority and how would make it so if it's not?

MR. GLICKMAN: We have a good relationship with law enforcement -- federal and state. There's an awful lot that's been done at the state level, as well as internationally. In fact, our most famous employees, Lucky and Flo -- two black labs -- are in town today. These are dogs that can sniff out polycarbonate. Now, they can't tell the difference between a pirated and non-pirated disk -- we're going to get there one of these days, hopefully -- but they can sniff out contraband, especially when it's hidden, and they've picked up several million pirated disks.

There's a bounty on their heads by pirates in Southeast Asia -- true story -- a higher bounty that's on any of our other employees, by the way. So I say this to talk about the cooperation that we do have with law enforcement.

The other thing we've found is internationally, a lot of international property crime is in fact connected with organized crime. It is high stakes, big money, pervasive, international syndicate driven crime.

So you know, obviously, we do our best at working with our partners in the recording industry and the other copyright industries, as well as international and domestic governments, to see that it remains on everybody's frontline thinking in terms of dealing with criminal issues.

By the way, the dogs -- like I said -- are in town. And if anybody wants to see them, we're going to show them tomorrow on Capitol Hill and then we're going to bring them over to the MPA, I think, later in the afternoon.

MS. SMITH: You've said China will come into line on trade and piracy issues as the Olympics come there. Why hasn't that happened?

MR. GLICKMAN: Well, it's -- of course, I never promised that, I would have tell you. I don't have the -- China is just such a difficult nut to crack.

You know, the government has worked with us very cooperatively -- USTR especially. And the government's filed two important trade cases in China involving intellectual property issues. One of them has to deal with enforcement. The other has to deal with market access. Nine out of 10 DVDs sold in China are pirated. So it's an endemic, systemic problem. And now that China's in the WTO, at least we're able to bring them into the international court to litigate the issues.

You know, there are a lot of things on our government's plate right now as we go into the Olympics. The Olympics are not only a sporting event -- they are that -- but there just as much a major international political event. And so I would just hope that we will continue to press the Chinese as best we can on piracy and

intellectual property enforcements, as I think the government will do the same thing on those issues, as well as Tibet and Darfur and human rights as well.

And we'll see how things go during the next two or three or four months. You know, I'm obviously hopeful that from the IP standpoint, you'll probably see a China when the Olympics occur in which the streets will probably be freer and more clear from pirated materials. The question is whether it has any sustaining value to it or not.

I mean, look, China is an extremely important country. It's going to be a dominant economic and political power in the world. But they really have to play the game by the rules that the rest of us do it, because if they don't, it will continue to cost Americans in our business lots of jobs. It will cost people in other industries lots of jobs. They've got to be complying with food safety, health safety, drug safety rules like we are as well. And so you know, we just have to continue to push them as much as we can.

MS. SMITH: Senators Clinton and Obama have run campaigns critical of NAFTA and other trade pacts. Is this a mistake and what will that mean if either one is elected president?

MR. GLICKMAN: I talked about this a little bit in my remarks. It's kind of interesting. In a sense, I know this issue pretty well, because in 1993 and '94, I supported NAFTA as a member of Congress. And through the extraordinarily marginal judgment of my constituents, I was dis-elected in 1994.

I don't know how much of that was due to my vote on trade or other issues; however, I am mindful of the political controversies that members of Congress face on trade issues -- especially as we go into a recession and there's job loss and instability and uncertainty and anxiety.

I come from an industry where trade is lifeblood to our business. I mean, we can't really exist in the same way unless we sell this product overseas. So I see it, obviously, from a positive and economic reason.

But I do believe that if we -- and I also think the rhetoric is just so extreme. I remember that sometimes people told me that all the interpersonal problems in the world were caused by NAFTA. I mean, it's just not that case, you know? And yet, you empathize with the struggles and anxiety, particularly in the industrial parts of this country that people have to work in all the time. And they do see jobs moving overseas. I mean, there's no question about it.

I just think that we've got to try to figure out a way to de-politicize the discussions on trade. These are not impossible issues to work out.

And our leaders have to understand that for America to be a strong power in the world of the future, we must be an engaged nation. We cannot withdraw. We'll lose influence desperately.

And the thing that strikes me about Colombia -- I know that there

are some issues involving labor rights and human rights which are legitimate in Colombia, but, you know, we don't have a lot of friends in that part of the world. Colombia's a country that really wants to be the positive force with respect to America as they fight narcotrafficking and other things.

So it's tough. I don't have any magic answers for our leaders, but I would just say that disengagement is not a good way to keep an America that --with its muscles flexed to deal with the problems in the world.

MS. LEINWAND: How much will other countries' emerging movie industries eat into American movie-making dominance?

MR. GLICKMAN: The more the merrier. I'm just telling you -- the more movies are made everywhere in the world, the more people go to the movies and the better it is for everybody in this business.

I have traveled a bit around the world -- other people in the MPAA here have done the same thing -- and there is growth occurring in the film industries worldwide. India is one example, China has a burgeoning film business, of course, Western Europe has always had that way. And it's positive for the movie industry to see more film writers, more creators everywhere in the world. We do our best to encourage that but, you know, that's certainly a constructive thing to do.

And I would have to say that it -- most of our movies that we sell since the majority or even more are sold overseas -- all of our movies have to take into account what the international viewer will think when they see our movies. So the movie industry, just by its very nature is becoming so much more internationalized. You see globalization of movie stars, actors, directors. It's just -- the world is much different in this business. At the same time, we remain an undisputed leader in the production of movies.

I'll tell you an interesting story. When I first got in this job, I went to India and I was visiting a film festival outside Mumbai and I went to see a Cineplex, a modern movie house there. And there was people seeing every movies, but there was one American movie and it had a line. And at that time the movie was a Universal movie called "Meet the Fockers." (Laughter.) And it always struck me as so interesting -- why is this movie so popular in India? And I asked the theater manager and he said, "Mr. Glickman, this is a movie about happiness, about color, about celebration and about family. It is exactly what we want to see here."

So for those people who think, well, our culture is somehow in disconnect with the rest of the world, I think when it comes to this particular industry, they're wrong.

MS. LEINWAND: With pirated movies on the Internet days after release in the theaters, will the industry be forced to shorten the theatrical window and will prices go up?

MR. GLICKMAN: Well, let me just say that the -- companies make

their own decisions like on the window and I'm not going to get into that. But I will say that we spend an awful lot of our time dealing with Internet piracy issues, trying to identify where bad material is coming from, to do our best to take it down, where it appears working with the Internet service providers and others to cooperate with us doing the same thing.

We have people, both inside the U.S. and around the world, that work on these issues, you know, every single day.

The one thing I think you are going to see us do without commenting on the window issue is that new technology is making it easier and easier to get material into people's homes than it ever did before. And I can't tell you how that's going to affect the windows issue, but I will tell you that the more -- using new and modern technology, the better ways that we can get into people's homes, I think it will make it -- less incentive to want to go out and download illegally.

Our companies have a very aggressive business plan to bring film and television in a hassle-free, reasonable priced way to consumers using the new medium of the Internet and of course you have all sorts of other companies like iTunes and Amazon and Netflix doing all the new media way of getting movies to people's attention.

The more we can get opportunities for people to see and hear movies, music, games and others online and do it in a way that is reasonably priced and it's easy to access, I think you'll tend to find less people want to steal and download from the Internet.

MS. LEINWAND: Okay, speaking of prices, what is with the price of a movie theater ticket? Why does it cost so much? What's behind the rapid increase in prices?

MR. GLICKMAN: Who wrote that question by the way? (Laughter.) It's not true. Actually, movie theater prices have gone up roughly about the rate of inflation. In fact, in the last couple of years, I think it's been deemed wasn't slightly less than the rate of inflation.

And, you know, granted, if you go into a big city, movie ticket prices are naturally higher than if you go to Wichita or a smaller community. But by and large the price of a theater ticket is pretty much just about what the rate of inflation is. Now you compare that -- and this is not to knock other things like sporting events, theater tickets, opera tickets -- it's still a real bargain for people to go to the movies.

MS. LEINWAND: Okay, let's move on to Washington. How do you feel about the patent bill now before Congress?

MR. GLICKMAN: I feel real good about it. (Laughter.)

I -- you know -- actually we haven't gotten as involved in the patent bill -- some of our companies have, but as a trade association, we haven't taken a formal position on the patent bill. Correct,

Fritz? Okay, thanks. (Laughter.)

MS. LEINWAND: How much do bad, coarse or overly violent movies impede your ability to get things accomplished on Capitol Hill? Do you hear from lawmakers about bad movies?

MR. GLICKMAN: Well, if you mean bad movies like they didn't like them, I -- yeah, I hear once in a while, that was a bad movie. But if you're talking a bad movie in terms of violence or sexual content or nudity or those kinds of things, really not very much.

This is a great tribute to my predecessor, Jack Valenti. He created the MPAA's rating system. And the rating system which we run is -- its goal is to give people in general, but particularly parents, ideas and help as to what the content of a movie is going to be and then we give it a grade, as you know: G, PG, PG-13, R or NC-17. And in recent years, we've added a descriptor so when you look at the ad, it will say, rated R for, let's say, graphic violence or, PG-13 for adult themes, or whatever it is.

And so the information that we give to people, basically makes it -- empowers parents so they don't get quite as upset because they're going to know more about what's in a film than they would otherwise.

And we've made changes. In fact, some of you know in the last year, we've added smoking as a factor in the rating system that can be considered by the raters in terms of what a movie ought to be rated.

You know, rating will change as the cultural of society changes. The rating system tends to follow the cultural, doesn't necessarily lead it. But I think that's one of the reasons why we tend not to get a huge amount of criticism about the content of film and movies.

MS. LEINWAND: The film industry is often characterized as politically liberal. Now that you've seen Hollywood from the inside, how would you characterize it?

MR. GLICKMAN: You know, I think that is one of the biggest (chibalas ?) -- one of the biggest nonstarters that I've seen.

Now, let's talk about this in terms of who we're talking about Hollywood. I remember when I was in the cabinet and I -- USDA, I'd get a call and my staff would say, "Dan, the White House is on the phone." And I'd say, "Oh, really? Is it the president? Is it -- or a 12-year-old kid who claims to be the president?" The White House is a building; it's not anybody in between.

Hollywood is -- is it a sign? Is it Bob Oaken's (sp) studio? Is it -- I mean, depends on who's calling up.

This is a very diverse industry with well over a million people working for it. These are -- I work for very large media companies that are involved in a multitude of different businesses. And most of Hollywood is business. They tend to be interested in business issues like any other business would be. So it tends to be very nonpartisan, apolitical.

Now, saying that, I can't tell you about the talent because a lot of the talent in this business is more to the left. I suspect that talent has been to the left since the Greek times.

You know, actors are creative types. Right, Murray? They're like expressive. They want to stretch the envelope, you know. And so, yeah you have a few actor and actresses that tent to get more involved on the democratic or progressive or liberal side of the picture, although, frankly, that is all overstated of this too because I've met quite a few actors and actresses and talent who are on the Republican side, but there are more on the liberal left side from talent's prospective, but not from the business side. It is clearly a bipartisan world that's interested in the issues I've talked about today -- intellectual property, tax, trade, free speech, those kinds of things.

MS. LEINWAND: How do you persuade college and high school students not to illegally download and share films?

MR. GLICKMAN: We are spending a lot of time on the education front. What we've found in this world of trying to change people's behavior that enforcement alone just won't do it. Yes, we're out there and when people break the law, we have opportunities under the statues to go after them. But in order to change behavior, we've got to do more to influence kids, particularly in the elementary and secondary level, that intellectual property rights is very much a fabric of the American free enterprise system and that stealing a movie or a piece of music or a game online is the same thing as stealing it at a Blockbuster. And -- so we have much more aggressive work we do now.

We're also working with universities to try to get them to not only teach their students but, provide ways by which they can control illegal content at the university level, figuring that the schools are the places where people need to be taught about the right and wrong of theft. It's a tough issue, particularly in this ubiquitous world of online media, to let people think that something that's on the internet is different than something that's physical. And -- but I would have to tell you this, this country particularly, but the world as a whole, the future growth and development of the economies of the world are dependent a lot more on the growth of the mind, and the intellectual property of the mind it creates, than anything else in the world. And so, it's a complicated battle but we're pursuing a lot of different options to try to deal with it.

MS. LEINWAND: Who should bear the cost of the developing internet filtering technology?

MR. GLICKMAN: Well, I mean, filtering is a subject -- it's basically a way of preventing piracy online and, you know, the internet service providers are obviously involved in this. There are a variety of new technology companies that are involved with it. You know, I can't come up now and tell who specifically ought to be paying for it, other than the problems of preventing piracy that they're shared and the only way we're going to be able to deal with them is through collaboration.

MS. LEINWAND: As the home theater experience and TiVO and HD DVDs continue to grow in popularity, how will the traditional movie theater experience remain relevant?

MR. GLICKMAN: Well, I spoke about this a little bit in my remarks. The communal value of the movie house is, I think, critical to the core of this business because you -- first of all, it provides a social outlet. People are going to go out. They're going to have a good time. And so it means two things. Number one is the theater experience must be safe, clean, fun, interesting. That's why you're seeing things like 3D and digital cinema that will make it a lot more adaptive. The theaters -- the multiplexes are becoming more comfortable. But I have to tell you an interesting -- you know, in the late 1940s, half of Americans went to the movies on a regular basis. Today that number is just a fraction of that. Why? Because we have so many multiple ways to entertain ourselves. So even in my zeal and love for the local theater, I recognize that if we want to get people to watch and listen to our product, we've got to do it in a multitude of ways, not just the local movie house, although that remains an important part of it.

MS. LEINWAND: Okay, you have a bit of agriculture fan group here, so we're going to do some agriculture questions as well. A new farm bill may be passed which President Bush has threatened to veto. Would he actually do that? Why? Why not?

MR. GLICKMAN: You know, I haven't talked to him about this so I don't know what's on his mind. I mean, we have former congressman Stenholm who's in the audience. I think he's still here. Is Charlie still here? He was very senior on the Agriculture Committee. He's the one that you probably ought to ask that question to.

I, frankly, have my doubts that the president would veto a farm bill, particularly that's got bipartisan agreement. Agriculture is so different from any other policy issue in terms of how the Congress deals with it. It tends to be much more bipartisan. It's got traditional farm programs and programs for the neediest of people and home and around the world all in one bill. So that was this great coalition that was developed by Senators Dole and McGovern and Hubert Humphrey and others, and that coalition still survives today. So my betting is that they'll get this bill done and the president will sign it.

MS. LEINWAND: Okay, so you can all corner Congressman Stenholm when you get out of here. He's in the corner. How do the farm bill and USDA affect food prices? What could the government do to alleviate rising food inflation?

MR. GLICKMAN: This is a very easy question. I'm looking back there. You know, I'm not going to get into the specifics of what the government can or can't do. Most of these are market driven, for all practical purposes. I would tell you that I think we're entering into a much longer term period of high food and high energy prices, and we have not seen that in this country for a very long time. And it means is that there's going to be more pressure on the middle class, and particularly the poor, to cope in this country and especially worldwide.

We have the potential to grow as much food as we need. There are some issues involving distribution certainly, but this problem, and The Washington Post has been running the story which you should read, is one that, it kind of hits us a little bit like the tipping point. It's like we were kind of moving in this direction and, particularly the growing economies of India and China being uplifted so quickly, coupled with energy problems, coupled with weather conditions in Australia and other places, coupled a little bit by the biofuels issue. But there's really no one culprit in this. It just exploded and we're now in a much longer term -- we face a much longer term period of very high -- of high food prices -- I won't say very high food prices. And the government can do some things to encourage more production. I think we need to be much more interactive in international food assistance, the United States, than it's been in the past. We used to be much more aggressive in that area, I think. But, beyond that, there is no simple answer to it.

MS. LEINWAND: Should the U.S. reconsider agriculture subsidies and its ethanol policy?

MR. GLICKMAN: Charlie, Marshall? (Scattered laughter.) You know, I mean, we've to look at all these things. You know, it's like, I was a big advocate of ethanol. In fact, it was the first bill I ever sponsored, I think, in the House in 1977. And it still is an important part of our food and fuel issue. You know, I think it's clear that if we have food shortages and very high food prices, policy makers have to look at the food-fuel issue in different ways than they might have looked at it 15 (years) or 20 years ago when we had very low prices. But I better stop there because I don't know enough about to really determine what that change of policy should be.

MS. LEINWAND: Do worldwide food prices have the ability to destabilize U.S. foreign policy? And could there be more chaos?

MR. GLICKMAN: Well, I just remember -- Napoleon said, "An army moves on its stomach." I mean the fact of the matter is, is that food is the, excuse the word, the basic fuel that runs the world. I will tell you it does show us. It's interesting. We talk about a lot of technology issues but when you get down to a common view of problems, these basics are things we've kind of neglected -- food, fuel, water and to some extent electricity. And you think about how vulnerable we are as a society, And it's just not automatic that these things will happen. We've got to keep on top of it. So the only advice I would give to all of this is, "Go to the movies more often." (Laughter.)

MS. LEINWAND: Alright, here's our last agriculture question and then we'll go back to the movies. What are your thoughts on a new USDA rule on regionalized beef trade with Argentina, a country whose beef has been know to carry diseases and who owes U.S. investors billions of dollars?

MR. GLICKMAN: You know, Matt Lauer was in Buenos Aires this morning. We should have asked him. I have no idea how to answer that question.

(Audio break) -- through a variety of different ways and venues, and again, making technology friendly and accessible and reasonably priced so that they have access to it in a myriad of different ways from the movie house to their homes to their cell phones, and in the process encouraging -- that will give people a lot of different venues to see the product in more places, and that will encourage a new generation of creators, writers, producers, especially independent producers that really can fill the void and produce a lot more product that's out there.

I would also say one interesting thing: The diversity of the American movie is amazing. I mean, I'll tell you -- and recently I have seen "Forgetting Sarah Marshall" and "The Counterfeiters" all within a week's time. Now, I could not tell you how different those two particular movies are. (Laughter.) When people say to me, "Well, you're not putting out good stuff," I say, "You must not be going to the movies. You must not be reading what's out there." There is just this myriad of diversity of material out there. And what I'm seeing a lot more of, interestingly, is the documentary, where we're seeing more and more people create quasi news, like Al Gore did, through the documentary, and I think that is going to excite people a lot and I think you're going to see a lot more of that in the future as well.

MS. LEINWAND: Do you anticipate 3-D movies becoming the industry standard?

MR. GLICKMAN: I don't know if all movies will be 3-D, but I suspect that a much larger percentage of movies will be 3-D, and with digital technology, you'll be able to do a lot of things in terms of movie distribution that we couldn't do before -- move films in and out of a theater quickly, show different things in theaters. I suspect that the movie houses of the future will not only be new generations in terms of three-dimensional or the Omni IMAX type of theaters, which you're seeing more of, but you'll see a lot more things that can be done and shown in a movie theater than have been done in the past.

MS. LEINWAND: Having been pretty much on all sides of government now, what kind of influence do you think trade associations, lobbyists and special interest groups have with policymakers, and is it too much?

MR. GLICKMAN: Well, you know, I mean the American system works actually quite nicely. This kind of free marketplace of ideas I think does tend to produce a good balance of ideas. And I've never been one who have been overly critical of lobbyists because I think that they actually get information into members' offices in an extremely complicated world. You know, I mean, I would say if I have any grief with the system -- and I participated in now -- it's just the saturation of money in politics. It just -- it's not a constructive force in our political system.

MS. LEINWAND: Do you have any thoughts for reform?

MR. GLICKMAN: Not now, no, thank you. (Laughter.)

MS. LEINWAND: All right. Before -- we're almost out of time, so

before we ask the last question, there's a couple of important matters that I'd like to tell you about. First I'd like to remind you of our future speakers. On May 2nd we have Bobby Jindal, the governor of Louisiana, discussing "Bold Reform that Works." On May 7th we have Glenn Tilton, CEO of United Airlines and board member of the Air Transport Association. On May 9th, Leonard Slatkin, music director of the National Symphony Orchestra, will discuss "Reflections and Forethought; 12 years in DC and beyond."

Second, I'd like to present our guest with the official centennial press club mug.

MR. GLICKMAN: Okay. Oh, thank you. (Laughter, applause.)

MS. LEINWAND: For our last question, what are your three favorite movies, and do you have any really great movie lines that you love and use all the time?

MR. GLICKMAN: Well, my favorite movie line is -- there are two lines from Godfather. One is, "I know it was you, Fredo," because we had a dog -- a beagle, and my son, who is a film producer himself now, used to come in and the dog would be jumping on him and he'd look at that dog and he'd kiss him right on the mouth and he'd say, "I know it was you, Fredo." (Laughter.) So we use that.

And then the other line is -- of course from Godfather -- is the line when Hyman Roth sees Michael and I don't remember what the discussion was, and he looks at him and says, "Michael" -- oh, it was something about they didn't like the deal that he was getting, and he said, "Michael, this is the business we have chosen." And I always thought that was a great line.

And my third line is the one I quoted today from Jefferson Smith in Mr. Smith Goes to Washington, which is, "My father told me the only causes worth fighting for are lost causes." I thought, gee, what a statement that is about the world.

I guess my favorite movie is Godfather. And I sat next to -- I have to tell you, at the White House correspondents' dinner I sat next to Justice Scalia, and that was a most interesting experience. (Laughter.) He is an interesting man. We were listening to the

Marine Band play, and Justice Scalia is an old high school band player, so he was telling me, "Okay, here comes the trumpets; here comes the drums; here comes the trumpets." And I thought, gee, I've got Justice Scalia coordinating this music for me. What a great thing! And -- but anyway, he himself said that -- he said he wished there were more movies like The Godfather. But I'd say Godfather one and two. I liked the movie a lot -- Shawshank Redemption with Morgan Freeman. And then Mr. Smith Goes to Washington would probably be in that category.

Sometimes I half facetiously say Animal House -- (laughter) -- and you may think that's funny, but that was my world. I grew up -- I was in that fraternity exactly. You know? I was the sane guy in that fraternity house. But that's the movie that gives me nostalgia about what things used to be like in America.

MS. LEINWAND: Thank you very much.

MR. GLICKMAN: Thank you. Okay. (Applause.)

MS. LEINWAND: I'd like to thank you for coming today, Mr. Glickman. I'd like you all -- to thank you all for coming, as well. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booz and Howard Rothman for organizing today's lunch. Also thanks to the NPC library for its research.

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Thank you, and we're adjourned. (Applause.)

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