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Almost two years ago, as I began my job as the CEO of the Motion Picture Association of America, I was asked the following question: *Why do movies matter?*

Today, in these brief remarks—nine days before the 85th Academy Awards Ceremony—I would like to try and answer that question.

First of all, I want to share with you why I believe movies matter as an art form.

Unlike most other forms of art, motion pictures represent a spectacular convergence of visual arts, language arts, and music—attracting some of the world’s most creative and talented people to produce this remarkable product.

To state the obvious about most artists: they like audiences—the bigger the better.

That explains, in part, why some of the most extraordinarily creative talent in the world goes to Hollywood. After all, movies offer artists the opportunity to paint on one of the largest and most stimulating canvases ever created.

Movies matter, too, because of the human emotions they excite: they entertain, they frighten, they comfort, they amuse and educate. The best motion pictures also elevate and enrich the cultural landscape. They dare us to think differently, and they can make us walk—often uncomfortably—in another person’s shoes.

But most of all, movies tell stories. Stories that help us make sense of our world—and ourselves.

This year’s nine Oscar nominees for Best Picture do all of this and more.

Movies that stir the heart—like *“Les Misérables,” “Beasts of the Southern Wild,”* and *“Amour.”*

Edge-of-your-seat movies like *“Life of Pi,”* and *“Django Unchained.”*

Gripping dramas like *“Silver Linings Playbook.”*

And, finally, three films that prominently feature politics in their storyline: *“Lincoln,” “Argo”* and *“Zero Dark Thirty.”*

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As a vehicle through which to raise awareness about important social and political issues, movies matter culturally.

This ability to not only entertain—but to stimulate, provoke, challenge, and *educate*—has been at the heart of the creative film community since its birth more than 100 years ago.

For decades, entertainment content creators have had the courage to cast their gaze on some of the most pressing social problems of their day. And once they did, their work profoundly impacted millions for the better.

Actors, directors and writers have constantly taken a leap of faith—putting themselves out on film for the world to see and scrutinize.

Tom Hanks, who in the film *Philadelphia* dared Americans to confront bigotry against people with AIDS.

A Gentleman's Agreement, released in the late 1940s, cast an unflattering bright light on anti-Semitism. Or consider the impact on racism that *To Kill a Mockingbird* and *Guess Who's Coming to Dinner* had on people here at home and all over the world.

The best movies ground us in common values and ideals.

America is a big place, with red states and blue states—as we are constantly reminded. We are a nation of conflict and division. A nation of competing interests.

But gathered together in darkened theaters—regardless of our difference—we become in that shared experience *one* place.

A place, for example, where two 10-year-old girls—one from a gritty West Texas ranch, the other from a three-family flat in the Bronx—girls who might seem to have little or nothing in common—will go to their local cinema on a Saturday afternoon to see the same animated film—“*Brave*”—and walk out having absorbed the same vital lessons of courage, love, character, and duty.

We should remember that these movies that impact us so deeply – movies that unite us – are not just the products of well-known directors or actors – a Tom Hanks, Sidney Portier or Steven Spielberg – but they are the result of incredible collaboration often involving many thousands of people.

These collaborations generate more than just social and cultural dividends, but economic ones as well—here in the US and abroad.

The movies create jobs—*lots of them* all over the U.S. and elsewhere.

So next week when you join millions of other Americans to watch the Oscars, and famous people walk the most famous red carpet in the world, keep this in mind:

For every unfathomably rich and beautiful star you see —they represent less than 1% of the people responsible for creating these incredible products — the motion pictures.

The other 99% of the movie production work force are men and women not unlike the people who erected this dais ... installed these lights ... wired my microphone ... or prepared our lunch today.

We are all guilty of viewing the film industry through the wrong end of the lens.

Yes, talented actors, directors, writers and musicians are often the face of the film industry. But for every talented and recognizable face, there are literally tens of thousands of working people off screen, who help create the magic in the movie theater.

Every work day, more than 2.1 million of our fellow citizens go to work at a job that either directly or indirectly depends on movies and television.

These jobs involve producing, marketing, manufacturing, and distributing movies and TV shows and related movie and TV businesses—nearly 700,000 direct jobs in all.

Many of them are part of a network of 95,000 small businesses located all across this country.

And let me add, the film and television industry does more than simply create jobs—*it creates careers*. And many of these careers do not require a college degree or advanced education. With a high school diploma and several years of technical training, you are off and running in the movie and TV business, earning a good living—one that pays on average around \$62,000 a year.

And let me tell you something else that may surprise you.

When you look for all those jobs Hollywood is creating, avoid the temptation to aim your telescope west toward Los Angeles ... or east toward New York.

Aim it everywhere in America—in the direction of every state in the union—because the motion picture industry creates jobs in all 50 states, including film hubs in Georgia, North Carolina, and New Mexico among others. Even in small communities like Montegut, Louisiana, where “*Beasts of the Southern Wild*” was filmed.

Over the past two years, more than 100 movies and nine TV series were filmed in Louisiana. These productions created more than 8,500 direct jobs—and paid out nearly \$400 million in wages for both production and distribution-related labor.

In 2011, ten movies and five TV series were filmed in Pennsylvania, including Oscar-nominated “*Silver Linings Playbook*,” creating more than 16,000 jobs and paying out nearly three quarters of a billion dollars in wages.

Oscar-nominated “*Lincoln*,” filmed in Virginia in 2011, was one of five movies and one TV series filmed there—creating almost 14,000 jobs and paying out more than \$640 million in wages.

You can go down a list of states all across the nation and find one economic impact success story after another.

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And the true impact of this American industry is realized far beyond the 50 states. Increasingly, movies matter on the global stage as well.

It is our movies—and I would add television shows—that in many ways brand America in the eyes of the world.

Right now—somewhere in the world—a young man or woman, or family, is starting their exodus to America ... excited to begin a new life.

There are many reasons why they will have made that decision over the past six or seven decades—to escape oppression, to make a better life, to chase their wildest dreams. But I would wager that one of those reasons is because they had seen American films—which convinced them America would be, for them, a land of unlimited possibility.

This is just as true today as it was more than a century ago, when the motion picture industry in the United States began to flourish—not coincidentally—at the hands of immigrants who came from Central and Eastern Europe for similar reasons.

Last year was a *great* year for the film industry. At cinemas the world over, movies reached the biggest tally in box-office history. According to Rentrak, international box office receipts – outside of the US and Canada -- weighed in at \$23.1 billion—that is up nearly a billion dollars compared to the previous year.

From Singapore to Berlin to Buenos Aires, in almost every market in the world it was American films —the American movie —that audiences most wanted to see.

Our movies matter because they solidify the industry’s standing as one of the premier American industries in the world.

In 2011, the film and television industry had \$14.2 billion in exports — an incredible 7-to-1 export to import ratio. No other major American industry has a balance of trade as positive in every nation on the globe in which it does business as the American film industry.

And business is growing dramatically —especially in China, which is the big international story of 2012. Chinese box office receipts grew a staggering 31% — to about \$2.75 billion— making China the second largest international market behind Japan.

The total number of cinema screens in China stands today at more than 11,000, and is expected to more than double by 2015. Ten new screens a day are opening in China.

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All of these factors add up to show the impact the American movie industry has on a global scale. But in the final analysis— both here and abroad — this industry is so successful because it represents an extraordinary value to consumers.

Two weeks ago, I was in Los Angeles for the 65th annual Directors Guild of America Awards. One of the pre-awards events was a discussion with the five directors who had been nominated for the DGA Best Director award about the craft of filmmaking.

On that panel was “*Lincoln*” director Steven Spielberg “*Life of Pi*” director Ang Lee ... “*Zero Dark Thirty’s*” Kathryn Bigelow “*Argo’s*” Ben Affleck and Tom Hooper, the director of “*Les Mis.*”

When I listened to those remarkable artists and the incredible collaboration they had orchestrated to make these enduring masterpieces, I realized that this iconic American film industry is like no other on the planet.

In a very real sense, every movie the film industry creates is hand-crafted and utterly unique. The product is made with the creative equivalent of the finest gourmet ingredients available: writers, actors, directors, film scorers, technical support, and so many others.

It would be ludicrous, of course, to suggest that every film Hollywood creates is of enduring value, but I would suggest that this year’s lineup is particularly excellent.

Film and television content are expensive to produce. It is not uncommon for a film to take two years or more and tens of millions of dollars to make. A product that dozens and dozens of people toiled over, making every second matter.

And increasingly, they are incorporating major technological breakthroughs in their work— especially in IMAX and 3D, which are revolutionizing the theater-going experience.

Take “*Life of Pi.*” The novel of the same name was published in 2001. Ang Lee read it, was riveted, and wanted to make the movie. But there was one catch – creating scenes of a boy and a live man-eating Bengal tiger on a lifeboat would be awkward, to say the least.

He knew technology was the answer. But twelve years ago, technology had not yet caught up with his vision. Last year it did. Thanks to a production team that pushed themselves to deliver something that had never been done before, a marvelous movie was made.

This is yet another reason why we go to the movies, to be astonished – to dream.

Yet, with all this technology, innovation, and creativity, the ticket price to consumers has remained remarkably stable over many years — roughly \$8.

Other than staying at home listening to music or watching free TV programming, the most affordable, accessible form of entertainment, is watching a motion picture inside a state of the art theater.

That is why in the United States, and around the world, I am told that movie theaters continue to draw more people than all theme parks and major sporting events combined.

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It has never been a better time to be a consumer of movies and TV.

Because movies matter—to more people, in more places, who want to watch them at more times, across multiple platforms—the film and television industry is continuously innovating to meet that demand.

Today movies and TV shows can be viewed in theaters, on the big screen, or at home on TV screens, laptops, iPads, Kindles and smart phones.

There are more than 375 unique licensed online distribution services around the world that provide high-quality, on demand film and television shows, offering the easiest, fastest, safest, highest quality product and viewing experience possible.

These services cater to every manner of consumer viewing model, including rental viewing, download-to-own, subscription viewing, and ad-supported viewing.

These distribution services are provided by every conceivable type of commercial entity—including technology companies ... broadcast television networks ... pay channels ... Internet providers ... movie retailers, and content-renters like Amazon, Netflix, iTunes, and Vudu.

So the next time someone suggests the film and television industry is not innovating fast enough to satisfy consumer demand — remind them of those innovations.

To paraphrase Norma Desmond in *“Sunset Boulevard”*- Pictures may be getting smaller on some screens, but movies are still big.

And about to get even bigger.

Increasingly, the movie industry’s creative talents—including actors and directors—are creating feature content for television and online audiences.

The cable stations—even smaller ones—are getting in on the action. Content providers such as Hulu just announced it will produce an original program called “Battleground.” Amazon.com will develop television pilots and feature films. And Netflix invested \$100 million to produce—exclusively for its subscribers—a remake of the classic BBC series *“House of Cards.”*

These innovations are *great* for consumers. I'm not exaggerating when I say a new golden age in television and film is being ushered in. You can watch more content than ever, through more channels, and the quality of the movies and TV shows is outstanding.

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This is why it's so crucial that we protect this content from theft. Because consumers deserve to enjoy first-generation versions of their favorite films—not secondhand, pirated films-of-films shot and recorded inside a movie theatre on a mobile phone.

We must strike a balance between the desire for a free and open internet and the protection of intellectual property. The future cannot be about choosing one over the other—between protecting free speech OR protecting intellectual property—it must be about protecting *both*.

We *can and must* have an Internet that works for everyone, and we can and must have protection for the creative industry's genius that intellectual property represents.

There should be no confusion. For the more than two million Americans whose jobs depend on the motion picture and television industry “free and open” cannot be synonymous with “working for free.”

To protect IP, and the openness and freedom of the Internet, we must together innovate our way through these challenges. Fortunately, Silicon Valley and Hollywood are making some progress on this front.

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So, to answer the question put to me almost two years ago—*Why do the movies matter?*— they matter because of the enormous contribution they make as a creative art form.

Movies matter because they elevate and enrich the cultural landscape.

Movies position America favorably on the global stage—both politically and economically.

Either directly or indirectly, the film industry puts food on the table for more than two million Americans.

The movies deliver extraordinary value to consumers—from their affordable price point ... to their delivery across multiple platforms.

Most of all, movies matter because they educate and inspire. They have the power to change people's minds... and even people's lives.

I can tell you movies changed mine. Films like “*To Kill a Mockingbird*” ...and “*Deer Hunter*” ... and “*Platoon*” had a profound effect on me.

If I asked you about a movie you saw that changed your life — that challenged you to think differently, or dared you to chase a dream—I'll bet you could name one too.

And the moment you did, I'd tell you that you just proved my point - movies do matter.

Thank you.