The production of feature films by the private sector was spurred dramatically in 1978 by the introduction of a financing mechanism which the motion picture industry, world-wide, has come to know as "the Canadian public offering." Federal tax legislation, provincial securities legislation and the older creative tax credit for production conspired to create an environment in which larger sums of money were raised from investors in each of the last three years than had been gathered for film production in any earlier period of five consecutive years. Production values increased measurably; the general welfare of personnel in the industry improved noticeably and new resources permitted producers to push vigorously into the international marketplace.

However, the most significant fact of the last three years has been the evolving presence of a financial and managerial infrastructure in the Canadian film industry. Lawyers, accountants, stock brokers, consultants and other professional advisers found economic justification for their involvement in the business of filmmaking. Money was there to reward their interest. Many have even quite caught up by the excitement, opportunity and the extent that technology is rapidly changing the internal financial mechanism which is required to maintain the production industry. Some have taken an active role as high profile producers. But in any case, large numbers of these advisers have come face to face with the industry and the range of opportunities which is for them, a new and often thrilling phenomenon, the production of movies.

In Canada, both the film industry and the television industry which are quickly and inexorably merging - are caught in and partly sustained by a complex web of regulation and government intervention in the communication business. There are tax regulations, tax bulletins, securities policies, regulatory bodies, federal and provincial government agencies producing and financing programs of all kinds, federal, provincial and municipally-owned and provincially-owned broadcasting authorities, councils providing grants to filmmakers, and a host of other agencies across the country run on taxpayers' money to assist producers and to facilitate production. The National Film Board of Canada, Canadian Broadcasting Corporation, Canadian Film Development Corporation, Ontario Educational Communications Authority and L'Institut québécois du cinéma, among others, are institutions which recognize that people and ideas which are attracted to the screen are capable of representing, a tradition of quality production. There is also clear and more than passing interest on the part of the public policy vs. private purpose.

In the movie business, the traditional conflict between public policy and private commercial purposes has had a largely healthy effect. For what is at stake is the survival of the production industry has first attracted capital, then repelled it, then attracted it again. However, the turn of the cycle has not always been smooth. The government belief in a larger, more stable, more permanent industry. Not surprisingly, even happily from a creative point of view, it is conviction and belief on the part of the film industry community which will be responsible for stimulating the industry. There are now large numbers of persons who speak the language of both money and production. It is they who will engage the sustained belief of the managers of the capital pools - if they are not transmitted by the policy-makers.

Who will play?

by G. Chalmers Adams

The debate escalates

by Connie Tadros

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The year end 1980 left producers in Canada in an uncertain mood. The obvious loss of investor confidence, as evidenced by the $40 million short-fall in the sale of public issues, seemed to be counter-balanced by reports of the high quality, both commercial and artistic, of the films which had been produced.

During the first months of 1981, everyone was taking stock, and there was considerable house-cleaning. The CFDC was getting ready to announce new policies concerning distribution and had yet to define its attitude toward 1981 productions. The Certification Bureau was reworking the capital cost allowance criteria, and the Cultural Industries Division was looking for ways to toughen up its application of the CCA.

There was considerable jockeying, as well, among the producers. The Canadian Film and Television Association (CFTA) was wooing the Association des producteurs de filma du Québec in hopes of presenting a united front. if not a single organization to the government and unions. It was also hoping to win back the allegiance of the feature film producers who had bolted in 1980 to form the Canadian Association of Motion Picture Producers (CAMP). Cinema Canada polled producers and the director of the Cultural Industries Division, Minister of Communications, to find out how they saw these forces working themselves out over the coming year. Mid-way through these conversations, the Association of Canadian Motion Picture Companies (ACMPC) was created, adding a new element to the equation.
Mirada Productions
Presents
a Pierre Caro production

WORLD SALES:
DAVID RAPHAEL FROM CAMBRIDGE FILM GROUP
CANNES, HOTEL CARLTON, TEL: 88-88-08
LOS ANGELES, 627 SAGULVADA, SUITE 408
CITY: BURBANK, TEL: (213) 390-8841
TELEX: 180941 S.A.A., CAMBRIDGE

Black Mirror
a film by Pierre-Alain Jolivet
based on HAUTE SURVEILLANCE by Jean Genêt
Editions Gallimard
original scenario by Pierre-Alain Jolivet in collaboration with Jean Genêt
and Jean-Claude Carrière
screenplay by Arthur Samuels
Director of photography Perci Young
also starring Carolyn Maxwell • Lyn Jackson
associate producer Pierre Caro – executive producer Nardo Castillo
I also think that the government did not have the capacity to administrate the CCA as tightly as it should have been administered. We are now about to go to the Treasury Board to ask for significant resources — 4 or 5 new people — to administer the CCA. We're going to administrate it tight as a drum from now on.

We're also going to computerize it and put out industry statistics on a regular basis. We want to get a whole information system going which will take inputs from the industry, the CFDC from the NFB and plus the inputs from all certification applications. It will be used as an information base.

I don't know how long the CCA will last. The press has been very bad, and it goes on and on. The real problem is the brokers who have gotten out of the business, and the investors who have been burned. Those people carry a lot of clout. But I don't see any alternative to the CCA except massive equity investment from someone like the CFDC, and that's a non-starter, except for French production.

André Link

Co-producer, Happy Birthday To Me

The less the government does, the better it is going to be. We already have too many regulations. An increase and a tightening would be suicidal.

Second, the guilds, associations, ACTRA, Union des Artistes, writers and everybody should rethink their positions because definitely there are major problems: monetary and restrictive.

The climate that was here last year

James deB. Donville

Film Commissioner

National Film Board of Canada

You have heard it before, I am sure: Canada faces a cultural crisis. What's happened? Are our cultural markets telling a dismal story? In 1978, 3.75 per cent of movie screen time was Canadian; about 2.7 per cent of paperbacks were published in Canada; about 6 per cent of record sales were Canadian. In 1979-80, a little over 3 per cent of television drama viewed in English was produced in Canada; much less, but not enough in a world of proliferating cable channels. In these mass media, the Canadian share of the market is still minuscule.

Yet these are the old markets, if you will. What of the new markets, such as home video, pay television? Quite simply, the introduction of these new television delivery systems seems to upset Canada's capacity to feed them with high-quality, competitive program material. We must design new systems that will fill the vacuum. Some may say, will this not increase freedom of choice? No. With the advent of these new technologies, there is no choice for viewers who will have fewer opportunities to choose a Canadian program, much less a competitive and sometimes expensive Canadian program.

To meet this challenge, I believe we have to use all the tools we have at hand: public sector and private sector; within federal jurisdiction and provincial jurisdiction; on the demand side of economic policy as well as on the supply side. We must ensure that the capacity to contribute to the Canadian film industry is present in some significant way. It also means that we need to look at some way not to use the CCA to make the kinds of films we want to make."

The big question is how to bring in investors to participate in the low-budget films. First, the films which are making money, generally last year are all low budget films, they're not big budget films. Second, the brokers and the investors are going to be brought back on board and gain control of the industry about $6 per overnight. But when you have CFDC investment in the film or interim financial assistance, you're going to make it a more attractive proposition.

What the film industry has gone through in the last two years has been really devastating, but from what I can see now is unbelievable, just unbelievable. There's no investment out there. Producers are pressuring the Ministry of Communications, Ottawa, for a clear set of rules with the government. The solid producers are companies, I'm very happy. It's really a bad scene, and I feel the producers brought it on themselves.

There is no question of leadership. There cannot be any leadership with the government. The government is the leader, automatically, because they are acting in government in everything. But there are pressure groups, lobby groups, associations, and unions. If you're asking me what they should do, that's another question altogether, it's not happening... nothing new... there's no antagonism. Everyone wants to get organized and everyone's going to talk.

Ian McLaren

Director, Cultural Industries Ministry of Communications, Ottawa

I personally see the NFB and the CFDC having a much greater role, particularly in the interim financing area. They are going for low budget films, low budget financing, rolling over money. If they get it, then I would see them playing a much more significant role.

This is just one example where, as a public enterprise, the NFB has been able to give Canadians, in both languages, a unique expression of themselves that would not have existed if left to market forces. After all, the Film Board was created with the idea of public service foremost: public service to ensure that Canadians have the best opportunity to know themselves and the world they live in. In the process, the NFB has built a tradition for experimentation and excellence that is acknowledged worldwide.

Building on these achievements, the Film Board must become increasingly innovative if it is to meet the objectives of the act and better serve the public interest. Specifically, my priorities as film commissioner are laid out in the blue-covered objectives paper that we sent to you, but let me just briefly summarize them.

Firstly, I want to connect our programming to the concept of public service, which underlines all my thinking about the Film Board. Secondly, the Film Board must improve public access to its films. I want to take full advantage of the new technologies which are revolutionizing the television screen to better reach the Canadian public. As well, to reach the public, the Film Board must help the public reach other Canadian program through these new technologies. Just as we now offer some CCA and private sector films through our catalogue and our national distribution.

Third, I want to develop into the best and most innovative centre for filmmaking in the world. Some may say that we are already the best, and I think we are in some areas, but we must go much further. That means re-emphasizing the need for research and development into all aspects of film production and distribution. I see the NFB being an industry-wide centre for technical research and development experimentation in film styles and techniques, with an organized training program at the highest level of expertise, including rotating chairs for internationally distinguished filmmakers.

I would like to reaffirm our international roles as well. These include interpreting Canada abroad, helping the Third World develop better communication skills, promoting a better balance of international information and broadening our international connections at the highest creative and technical levels to assure our position and the leading edge of film development.

There is an old Chinese curse which says: "May you live in interesting times." Well in this area, we are certainly living in interesting times when it comes to cultural industries. The policy issues before the government are critical, as both Conservative and Liberal governments recognized when they established a federal cultural policy review committee. I believe the Film Board should be supporting the act as adviser in film activities to the Governor in Council and that is one reason we produced those weighty issues that we sent out to you, to help fulfill that mandate.

- From evidence given before the Standing Committee on Communications and Cultural Affairs, April 4, 1981.
Lake commercial type films. They will continue to be the survival of the fittest.

In 1980 there were some very fine pictures made. Hopefully they'll find distribution. No doubt they'll all find distribution, but hopefully, the showcases for them will be the proper ones.

Power shifts, things change. My feeling is that those who are in the business and have been for some time will probably stay put, because they have a personal motivation. But we have to make valid pictures. We've proven that we can base an industry on tacky, commercial pictures which don't make it. We have to make commercial pictures that are good.

Nobody is relaxed anymore. Everyone is very upset and if the government comes in with new regulations which are so stringent that it hampers us in making international-type movies again, without foreign help we're going to have a problem. I don't think it should be any more stringent than it is.

We live in North America, we have to be content. We need the North American market. We can't live in Canada alone.

David Patterson
Co-producer, Hearts and Hearts

The government's role will be determined by its attitude toward Canadian film. In general, decisions concerning the marketplace, world-wide, and television industry... The development of comprehensive strategies would focus on direct and indirect mechanisms of support to commercial distributors and for television industry... The governments role will be determined by its attitude toward Canadian film.
Ronald L. Cohen
Executive producer, Ticket To Heaven
The new producers' group (ACMPC) is going to provide a lot of strength. That's the perspective on what happened over the course of 12 to 15 months. I would be surprised if the government's attitude would be over-zealous concerning regulations.

I think that investment confidence can be regained fairly rapidly. Because films take so long to get out and to generate revenue, I would say that we are looking at a fair part of this year before some of last year's product gets out into the movie houses and does its thing. Then the good news hasn't been anybody's particular responsibility, and it seems to have come down. Then the general track records of the companies have to improve. That should happen. You know, it's been very many successful Canadian films. I've said always, their hard enough to sell movies when you can hire the best in any category. When you have generous content regulations, it makes it all the more difficult. All in all, we've not done too bad.

Peter Simpson
Producer, Prom Night
Everything's so personal. My biggest problem is that I'm not a joiner, and I didn't join the new group (ACMPC). I never joined CAMPP. I've said, the world suffers from perennial meetings and I just like to doing things. Meetings tend to be people just sitting around, talking about doing things, so I didn't join but I endorse exactly what they are doing, which is a consolidation of those people who really make the movie business - who have permanent staff and a commitment in terms of money and funds for development in the long term.

I think the 1986 crop of films will be the best ever in Canada, and I think they will yield very substantial returns in 1982 to those investors who did participate in 1980. I think they will be more successful, critically, artistically and at the box office.

The government has reaffirmed its commitment to the capital cost allowance, and I think the government's attitude toward pay television as an extension of that CCA commitment seems very healthy. It's the synergism of the pay television money and the capital cost allowance, and healthy producers who are able to bring to the table their own interim financing and things like that.

We've had a weeding out process, and that, probably was very necessary. I don't think that the growth should have gone