

# Production slides as returns come in

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feature documentaries by Harry Rasky and Diane Létourneau. It was a busy time, and the industry had geared up to service that volume of business.

Today, in Toronto, two films are being shot: *Magic in the Sky* which is a documentary with a one-year shooting schedule, and *Music of the Spheres* which is a \$110,000 feature with a similar shooting schedule. The Nielsen-Ferns/NFB co-production *The Wars*, pegged at \$3 million, has moved off to Europe to complete principal photography.

In Montreal, things are not appreciably better. Jean-Pierre Lefebvre is back for a three-week shoot on *Les Fleurs Sauvages* (\$300,000), and a series of six one-hour films for television called *Les Transistors* is before the cameras.

Never have production plans seemed so fragile. Astral, wrapped up in the preparation of a pay-television proposal, "may make one film this year," reports Stephen Greenberg. The date for the start of Ron Cohen's George Carlin film has been pushed back repeatedly and no information is forthcoming. Filmplan has bumped four features from its 1981 schedule, and is going with only two. Dal is playing its cards close to the chest, revealing nothing publicly, but expected to make one feature. Simcom has one low-budget film in the wings, *Tiberius* is pulling out of Canadian production to make its first American film, and Jon Slan is expected to follow suit.

The laboratories are also feeling the pinch. At Film House, which processed 12 features last year, four are slated for this year; *Videodrome*, *4X4*, *Battlezone-Adams High* and *Canadian Caper*. Only the latter has actually been shot. "So far, it hasn't affected us, but if it continues at this level it's going to be cold and dark out there in two or three months," comments Film House's Wilson Markle. For the moment, the lab is relying on its printing services which have attracted many American clients.

Negpro, a smaller organization, has only done half the business to date that it did last year at this time. "We depend on features, with 16mm in between," says Eva Fleming. "This year, there's no 16mm."

Certainly the NABET strike at the CBC is adding insult to injury, drying up not only the work which comes directly from the corporation, but hamstringing the private producers who normally sell to the CBC. Northern Motion Picture Labs, which deals mainly in 16mm industrial and educational films, finds business to be off by as much as 30% compared to

this time last year. And Bob Clemson there thinks that nothing is liable to improve until September.

In Montreal's Sonolab, André Fleury expects to do about the same volume of feature business as last year, counting on about five films, among them an Altman film, one from Dal, and Claude Léger's *Neighbour*. But even he calculates that, in general, business will be off by about half in the city.

Bellevue-Pathé labs laid off about 18 people in February, and have not yet been able to ask many of them back. "Business is awful, and not liable to pick up," comments lab president André Collette. He goes on to explain that bad business in a lab now means bad business for a long time, because there can be no finishing work next winter on films which don't materialize now.

David Bier of Quebec Film Labs has simply closed his doors and is selling off his inventory. Other small service companies like Proparms which supplies guns and special effects, are also getting out, unable to cope with the "feast or famine" fluctuations in the Canadian industry.

If the above documents the situation, it hardly explains it. For that, one must speak to the financiers who oil the machine the Canadian government is trying to build.

"We won't be touching film this year," says Guy Desmarais of Geoffrion, Leclerc Inc. Desmarais sits on the board of directors of Filmplan International, handled its prospectuses two years running, and was proud last year to announce that Filmplan offered the best deal in the country to its investors. "We'll simply take a pause this year," he says.

Desmarais blames the bank interest rates for creating an untenable situation. Reminding *Cinema Canada* that most investors were encouraged to borrow to make payments for their units, he concludes that the floating rates are now greater than the amounts of monies being returned to investors when the producers are able to make returns.

Myron Gottlieb of Merit is tougher. "Nothing's happening. People are sitting with inventory, the products aren't getting distribution and the returns are dismal." Having privately financed *The Amateur* earlier this year, Gottlieb is standing back.

And so it goes. Laurence Nesis of Newhouse Securities and Filmco, who will finance Filmplan International this year according to Pierre David, recognizes the difficulty. "The fact that a number of interim financiers remain with unsold units has hardened their stance this

year," he told *Cinema Canada*. "Without the interim, the producers can't proceed, and soon there will be a shortage of product."

Nesis also recognizes that the withdrawal of certain brokers and the resultant non-promotion of films to their investors compounds the difficulties.

The irony, of course, is that the slump comes just as the first signs of real success seem at hand.

"Two of the issues we sold last year had the biggest advances in the history of the film industry internationally," continues Nesis. *Heavy Metal* received \$8.3 million U.S. from Columbia (budget: \$7.3 Canadian) and investors should "recoup their total investment by September," he says. *Happy Birthday to Me* got a \$5 million advance (budget \$3.5 and investors received their total investment back four weeks ago, he concludes.

Even Geoffrion Leclerc's returns seem steady. The Filmplan package for '79 has returned 40%-50% so far, and Desmarais expects investors to receive total reimbursement. "We have already returned 30% on Filmplan's 1980 package, and those investors will certainly be in a profit position eventually."

For the moment, the government is coming to the rescue with an additional \$4 million to the CFDC and is encouraging co-productions between the private sector and the NFB.

All commentators agree that the heat generated last year could not be sustained, and that a cooling off period was desirable. Whether or not the climate will prove to be just too cold, even for Canadians, we should know by year's end.

## Surfacing in release

TORONTO - Beryl Fox's production of Margaret Atwood's *Surfacing* will receive a major promotional push for its Vancouver opening, according to Linda Friendly of First Performance Public Relations.

The drama, which toplines Kathleen Beller, Joseph Bottoms, R.H. Thompson and Margaret Dragu prems at the Bay Cinema July 24.

Friendly told *Cinema Canada* that Bottoms, Dragu, Fox and composer Ann Moritfee will all be present at the premiere and at press functions. Distributor Pan-Canadian is also planning a press breakfast at the Kenham Inn and a radio launch night for the film with Joseph Bottoms present for autographs.

In addition to the usual print and newspaper buys, they are also selling *Surfacing* T-shirts in the coast city's Thrifty stores.

The film is scheduled for a fall release in Eastern Centres.

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**Administrative and editorial office:** 834 Bloomfield Ave., Montreal H2V 3S6, Telephone (514) 272-5354. **Toronto office:** 67 Portland St. Toronto M5V 2M9, Telephone (416) 366-0355. **Mailing address:** P. O. Box 398, Outremont Station, Montreal H2V 4N3.



POST  
PRODUCTION  
SERVICES

EDITORS CUT LIMITED  
44 WELLINGTON ST. E.  
SUITE 24  
TORONTO, ONT. M5E 1C8  
(416) 364-4038