

### Full implementation of law due in Q C

MONTREAL - By the end of October, the Quebec Cabinet is expected to have approved the final version of the regulations of the Cinema Law. Approval of the 140 articles of the regulations will permit promulgation of the remaining articles of the law which was passed by the National Assembly on June 22, 1983.

The final, public consultation on the regulations took place in Montreal on Sept. 10-13 as the Régie du cinéma held hearings at the Cinémathèque Québécoise. In all, 22 briefs were heard, Astral Bellevue Pathé being the only registered participant to withdraw from the proceedings. André Guérin, president of the Régie du Cinéma which has quasi-judicial jurisdiction, presided the hearings in the company of commissioners Pierre Lamy and Claire Bonenfant of the Régie, and Isabelle Juneau, the Régie's legal counsel.

The hearings dealt with technical questions related to the way in which the Régie proposes to apply and monitor the sections of the Cinema Law which are its responsibility. These are: the granting of distribution certificates for both films and videos; the definition of "producer" and "world rights" for the purposes of obtaining a special distribution certificate; the regulations which apply to exhibition of films and the categorization of sorts of theatres; the formula which should apply between exhibitors and distributors for the allocation of the box-office

gross; and the factors which should determine the 'house nut' or the cost of operating a theatre.

For articles concerning film distribution as defined in the regulations see page 44.

Other briefs presented at the hearings dealt with video-cassette distribution and the prevention of piracy, the relations between distributor and exhibitor, and the physical specifications of theatres.

The hearings were held to allow the Régie to fine-tune the regulations which were then sent to minister of Cultural Affairs Clément Richard on Oct. 1. "There was clearly a wish on the part of the participants to have a less regulated climate," Guérin told Cinema Canada, "and so we have modified many of the regulations to make them more supple. The atmosphere has changed greatly in the three years since the law was written. Then, people were asking for tighter regulation. Now, it's the opposite."

Guérin also stated that a strong consensus was formed around the definitions of "producer" and "world rights", and that this consensus was taken into account in the final draft.

The regulations now are with the minister who can modify them if he so wishes. They then go to the Cabinet for discussion, modification if desired, and approbation.

Once the regulations are approved, the Cabinet will then promulgate the articles of the law which are pertinent. Guérin does not foresee any parts of the law being set aside, and commented that the cinema dossier is one of the minister's priorities. Richard has already announced that he will not stand for re-election, but has promised to see the Cinema Law completed before he retires from government.

The associations and companies which presented briefs at the public hearings are the following:

Association des propriétaires de cinémas du Québec; Réseau indépendant des diffuseurs d'événements artistiques unis; Les Grands Explorateurs; Association des cinémas parallèles du Québec; Ciné-Campus (Trois-Rivières) Inc.; Association vidéo et cinéma du Québec; Ciné-Canada, Vidéo-K-Sept.; National Film Board; L'Association des producteurs de films et de vidéo du Québec; Société d'information des normes de la vidéo; Association des clubs vidéo; Cineplex Odeon; Canadian Motion Picture Distributors Association; Home Video Board Canada; Motion Picture Association of America Inc.; Société générale du cinéma; Institut québécois du cinéma; Association québécoise des distributeurs et exportateurs de films, de télévision et de vidéo; Syndicat des techniciennes et techniciens du cinéma du Québec; Union des artistes and Audio Ciné Film.

### National Halifax confab protests cultural cuts

HALIFAX - A meeting of many minds concentrating on Canadian culture spanned four days in this city with the holding of the National Forum on Canadian Cultural Policy Sept. 21-22 and the federal-provincial culture ministers' conference on Sept. 23-24.

Hosting the Forum was the Nova Scotia Coalition on Arts and Culture, formed in protest over last fall's federal budget cuts to public cultural agencies, and whose steering committee, when unable to obtain participation in the ministers' conference, were sparked into organizing the counter-event. The coalition, which continues on a local basis, attracted 336 participants to its two days of presentations and workshop debates (from a 1,00-strong

mailing list, with invitations sent out to participants of the coalition's previous panel discussions).

Not intended as an annual event and timed to precede the ministerial gathering, one key objective achieved by the Forum was the forwarding of a conference declaration to the ministers. Included in the declaration were such points as the following: a recognition of the cornerstone role played by public support of the arts community in Canadian culture; a call to the ministers to observe the arm's-length principle to guarantee artistic independence; a re-affirmation of the cultural community's guiding role of Canadian culture, with government's duty being to implement the direction taken;

and a call for the reformation and revitalization of all official federal and provincial cultural agencies to better fulfil their mandates.

Attention received by the Forum from the ministers (on whose conference plate was believed to be discussion of Canada's cultural sovereignty in the context of current free trade discussions with the U.S. as well as federal objectives in the arts funding, film industry and broadcasting task forces amounted to attendance by some deputy-ministers of culture and principally an appearance and presentation by former Communications minister Marcel Masse, who also introduced new Canada

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### Private labs suffer from NFB/TF productions

MONTREAL - Figures recently released by the National Film Board to Sonolab's president André Fleury reveal for the first time the ventilation of investments made by the NFB on productions involving Telefilm Canada and are sure to fuel the long-standing battle involving the Board and the private-sector service houses.

The conflicts between the private sector and the NFB are legend, and in the areas of sponsored-film production and the use of free-lancers, the private sector has made important gains. Now the Montreal laboratories, in the guise of letters from both Fleury and André Collette, president of Bellevue Pathé Quebec, to the minister of Communications and the heads of all concerned federal and provincial agencies, have signaled the final offensive against what they consider increased encroachment by the Board into the area of laboratory services.

Figures sent to Fleury by Barbara Emo, director of Finances, Administration and Personnel at the NFB on Aug. 19 show that the NFB and Telefilm have participated in

15 projects since the beginning of the Broadcast Fund for budgets totalling \$32,528,000. Of this amount, the NFB spent \$4,399,000 internally on technical services while it spent only \$65,000 on the same services in the private sector. Emo explains in her letter to Fleury that the Board's policy is clear: it intends to maintain a chain of services for production which will allow to NFB to process film from principal photography through answer print.

Fleury and Collette draw the conclusion that the Board is their direct competitor for laboratory work and that since an increasing proportion of Montreal-based production, especially francophone production, is funneling through the Board, the volume of private available film processing has fallen off importantly. It is of little consolation that the NFB has its release printing done by the private sector. As Fleury comments, "How many prints of *Plouffe II* do they need?"

In a letter written on July 4 to Ed Prévost, chairman of  
cont. on p. 34

### French production cheap

MONTREAL - An analysis of Telefilm Canada's document After Two Years shows that in an effort to bolster French-language production, TF is spreading its monies thin, fostering many projects in French with slight budgets. On the English-language production scene, budgets are substantially greater on a per-project basis.

In French-language dramatic production, 34 projects are cited for total budgets of \$61,415,799 or an average project cost of \$1,806,347. This compares on the English-language side to 61 projects for a total of \$147,751,931 or a per-project average of \$2,422,163. Because of the veiled way in which Telefilm releases its figures, no adjustment can be made for the size of the projects, i.e., series, mini-series, features, etc.

The production of variety programming shows more equitable budgets with English-language costs still superior to French-language budgets. French figures show

16 projects for an average budget of \$557,556, while 25 English projects have a budget average of \$747,070.

It is in the production of children's programs, however, that the greatest discrepancies are seen. While the average French-language budget is a meager \$637,237 (13 projects totalling \$8,284,085) the average English-language budget is \$1,206,415 (25 projects totalling \$30,160,377).

One of the greatest difficulties facing production in Canada currently is finding the formula whereby French-language dramatic production can be assured. TF figures reveal that private investment still flows more easily to English-language programs. While \$23,882,673 was available from private sources for the latter, only \$5,127,080 was raised for French production, a break-down of 82.3% vs. 17.7%. Nevertheless, a break-down of the total budgets for dramatic production shows

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**Telefilm analysis**

cont. from p. 33

that while TF's participation in English drama amounts to 31.5% of the total budgets of the programs, its participation is only 21.7% of the total

budgets for French programming, leaving producers to find the remaining funds through other government agencies or broadcasters.

When these figures are compared to those released by the National Film Board, one sees that of the 15 projects the

Board has produced in conjunction with TF and the private sector, total French budgets amount to \$18,095,000 while total English budgets are considerably less at \$14,433,000. It would seem, therefore, that French-language production is becoming

dependent on the Board's participation to a more considerable degree than is English-language production. While the National Film Board provides only 2.2% of all the monies which go into TF-backed projects, it provides 39.2% of the budgets (on an average) of those films it produces with the aid of Telefilm. Co-producing with the NFB, therefore, means the acquisition of a considerable portion of a budget for a private producer, prompting many in the private sector to look carefully at the current role of the Board.

plans for this year and next involve setting up a PAL/SECAM service to make transfers to European standard, the installation of a Chyron Character Generator for video titling, and the acquisition of an Editroid system so that film editors can use the video format. Although at the present time the NFB has no professional video cameras, Dearnaley said, post-production in video is proceeding apace.

Interestingly, the acquisition, installation and breaking in of the new equipment is not done under the auspices of the Video Centre but under the Board's Research and Development Branches, said Dearnaley. Only once the systems are up and working are they turned over to the post-production divisions.

Aware of the NFB's expansions in video, Fleury expects Toronto's post-production houses to become involved in the current campaign since Toronto is more active in video than is Montreal. Meanwhile, both Sonolab and Bellevue Pathé are ready to make huge investments to up-grade their facilities; witness the opening of Bellevue's new Video Duplication Centre and Sonolab's plans for an expanded studio facility. "Making these investments will be ruinous if the federal government and its agencies do not clarify the position of the Board and state strong support for the private laboratories," concludes Fleury.

Perhaps not coincidentally, Fleury told Cinema Canada that the volume of his film processing business has doubled over the summer months since he started his offensive against the Board.

**Labs suffer**

Telefilm, Fleury reiterates the need to create an infrastructure in the private sector if private production is to be seconded by a strong technical capacity. He sees the activity at the Board as undermining this infrastructure, and demands that Telefilm, with its mandate to shore up the private sector, intervene. He reminds Prévost that when the Broadcast Fund was created, the involvement of the Board was to be marginal and only concerned with films that could not be made without the collaboration of the Board. Not only does this now seem to involve a major proportion of French-language production, according to Fleury, it also involves such prestigious English-language production such as the two Atlantis CanLit series.

The situation is not without a parallel to that of the Majors in distribution. Just as Telefilm has finally announced that all films made with Telefilm investment must be distributed by a Canadian distributor, so the laboratories would welcome a policy stating that all films and programs produced with Telefilm money must be processed by the private sector. Fleury sees the Board as a feudal giant, ready to involve itself in all aspects of production until private initiative becomes impossible.

Adding fuel to the apprehensions of the private sector, NFB president François Macerola has announced that he intends to increase the Board's video capacity to parallel the technical services available for film processing. In a July 15 document outlining the NFB's administrative strategies, Macerola states that the Board will maintain its status as an active production centre, integrating the use of video until that NFB has the capacity to process video through the production of a master copy.

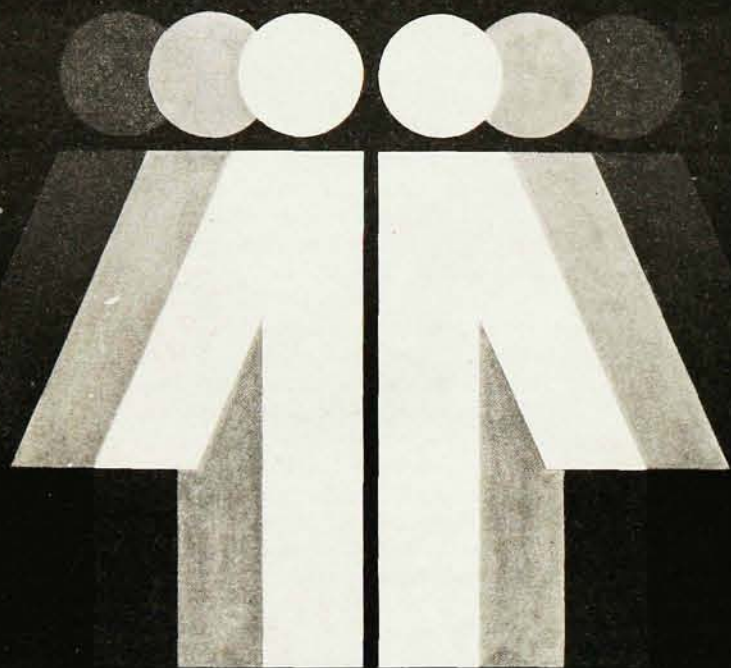
Grant Dearnaley, head of the Board's Video Centre, told Cinema Canada that expansion

**NFB/TF into Spectel video clips**

MONTREAL - The National Film Board of Canada and Spectel Video Inc. have announced the completion of the latest video-clip in a series developed to showcase and preserve Quebec popular music. *Un Chanteur chante*, directed by Pierre Savard and featuring the music of Claude Dubois, is the fourth clip in the collection.

Other video-clips are *Cochez Oui, Cochez Non*, directed by Robert Awad with music by Paul Piché; *Double vie*, directed by André Leduc with music by Richard Séguin; and *Rumeurs sur la ville*, directed by Louis Saia and André Gagnon with music by Michel Rivard.

The project is produced with the participation of Telefilm Canada, Kébec Disques, Videofact and Audiogram.



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# Quebec hearings support ouster of Majors as regular distributors

MONTREAL — The most sweeping changes proposed in Quebec's Cinema Law are those concerning the distribution of films within the province. Article 104 of the law states that all films must be distributed by a Quebec-based company. Special distribution licenses will be awarded by the Régie du cinéma only in cases where the company applying is either the "producer" of the film or holds the "world sales rights," and was actively engaged in business in Quebec on Dec. 17, 1982, as those terms are defined in the regulations which were the subject of public hearings Sept. 10-13.

At the hearings, the American interests were out in force on Sept. 12, represented by the Canadian Motion Picture Distributors Association, the Home Video Board of Canada and the Motion Picture Association of America. Bill Soady, president of Universal Distribution and past general-manager of Universal's Toronto office was present, as was Barry London, a vice-president of Paramount from the New York offices and Richard Cook, senior vice-president of Buean Vista, the distribution arm of Walt Disney. Millard Roth represented the CMPDA with Jacques Laurent as legal counsel. The various interests chose to present one umbrella brief and together to address the questions-at-hand.

In the proposed regulations, a "producer" is the person who represents at least 50% of the financial interests of a film. These financial interests can be in money, goods or services. The person who holds "world rights" is the person who has distribution rights in the country in which the film originates and also holds rights in Canada, the USA, Belgium, Luxembourg, the Netherlands, Denmark, France, the Federal Republic of Germany, Ireland, Italy, Great Britain, Greece, Spain and Portugal.

The Quebec producers and the National Film Board had presented positions on Sept. 10-11, stating that the above definitions were inappropriate and inadequate and had suggested that "producer" should be defined as the person who holds the copyright to the screenplay on the first day of principal photography, and the "world rights" should mean just that, not some abbreviated geographical area covering North American and the European Common Market.

Roth opened the proceedings for the Americans, stating that his associations were going to be "completely cooperative" with article 83 (on the versioning of English language films which run more than 60 days in the province) despite the costs they will incur. He set a mood of conciliation which was maintained throughout the hearings. This was a marked change from his comments when the Bill 109 was first up for consideration several years ago; he had stated that the Americans would turn Quebec into a Mozambique if such a bill were to become law.

Throughout their presentations, the Americans raised various technical points and, in general, stated that a simple system was better than a regulated one, that the Majors are already showing a degree of good will which rendered the Cinema Law unnecessary, and that the effect of such a law would, in Roth's words, "effect a change in current practices which would be unprecedented, inappropriate and unnecessary." He continued saying his member companies are "committed to the Quebec marketplace. The economic health of Quebec's theatres and Quebec's distributors depend on the involvement of the CMPDA." He did not, however, elaborate on this, other to say that the Majors spend \$10 million a year on their

Quebec operations. He concluded by saying that the drafted regulations represent a "complete revolution in terms of current business practices."

This sense of revolution was echoed by Soady as he implored the Régie: "I want you to share my alarm as we seek ways in which this Bill can be put into effect." Soady stated clearly that dealing through Quebec sub-distributors would not work because Universal's strategy involves distributing its full slate of pictures in every territory and that a Quebec distributor might "pick and choose," refusing some of the lesser pictures. Universal, he said, would not work through sub-distributors. While he suggested that the Régie remove itself from involvement in the relationships between distributors and exhibitors, he did say that a special class of "distressed theatres" might be created and treated specially. "The problems of the small theatres are not caused by film rentals but by video and changing viewing habits on the part of the public," he concluded.

Barry London's performance was luckewarm, going over some of the same ground, insisting that the distributor-exhibitor relationship should be decided by the marketplace, and that sub-distributing in Quebec would be "out of the question. We cannot control it." Both he and Soady were concerned that all the films on a given release-schedule would not be picked up and that the Québécois might not have sufficient financial resources to distribute American films as they should be distributed.

Richard Cook of Disney gave the most ill-defended presentation. As the only American company which was not doing business in Quebec in 1982, Disney could not possibly distribute in the province because of article 105 in the cur-

rent law. Nevertheless, Cook gave a strong defense of the necessity of Disney's doing its distribution itself, not trusting anyone else with this delicate task, only to turn around and undo his own argument in an effort to prove that Disney was a good citizen of Quebec. In every other domain — book publishing, the manufacture of Disney toys, souvenirs at the Canadian pavillion at Epcot — Disney contracts out the work to companies in Quebec. The president of the Régie, André Guérin, asked the obvious question: if Disney sub-contracts in every other domain, why can it not trust Quebec distributors with its product?

In an ultimate effort to placate the commissioners, Universal stated flatly that it would desist from acquiring Quebec rights to non-English language films. Paramount added that it was willing to consider such a move. It became the commissioners turn to ask questions.

Claire Bonenfant first asked how many Canadian films had been distributed in the U.S., but no answer was forthcoming since none of those present were willing to give figures, despite the fact that the complete list of 39 titles between 1970-1982 had been part of the CMPDA's initial presentation during the first reading of the Bill. Then she asked simply, "Can we achieve our objectives if we accept the status quo which you offer us?"

Guérin followed up stating that while the Majors rejected the definitions and the workings of the regulations, they had nothing to propose in their stead. "Are you rejecting the law itself?" he asked. And, indeed, lawyer Laurent said that the associations he represented did disapprove of the law.

By the end of the day, Guérin reminded the Americans that "it is not enough to come from so far and offer us the status quo. The thing

which hurts in our projected regulations is that they upset and bother ("ça dérange"). They were meant to do that. Now our job is to see just how much they upset things and whether, in the end, the consumer will be hurt."

## Plitt chain problems

TORONTO — A criminal investigation of product-splitting and film-buying practices involving Plitt Theaters Inc. of Chicago by the U.S. Justice Department isn't expected to interfere with the purchase of the theatre operator by Toronto-based Cineplex Odeon Corporation.

Asked what effect the investigation of Plitt operations in Illinois, Indiana, and Salt Lake City, Utah would have on the acquisition, Lynda Friendly, senior vice-president of marketing and communications for Cineplex Odeon, replied "none whatsoever." Friendly didn't elaborate on the current state of the legal ruckus facing Plitt.

Plitt Theatres Inc., with 610 screens in 213 locations, will formally become part of Cineplex Odeon when the deal is closed Nov. 22. Once that happens Cineplex, previously North America's fifth largest theatre operator with 486 screens in 182 locations across Canada and the U.S., will become the continent's largest chain with a combined total of 1,096 screens in 395 locations. The addition of Plitt follows two recent developments by Cineplex Odeon. On Sept. 27, the corporation opened its newest complex, an eight-cinema, 2,000-seat affair in the new Phase 3 of the West Edmonton Mall while, more recently, Los Angeles' old Gordon Theater (800 seats) reopened after an extensive restoration of its' art deco design and renovations that included a new 70 mm screen and Dolby Stereo sound system.

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