

Paramount raids Norstar, takes Atlantic

TORONTO — 'Unfair competition' by U.S. Major Paramount Pictures has cost Canadian distributor Norstar Releasing the loss of half its business — and Canadian government action is the only answer, say Norstar executives.

In mid-April Paramount bought out Canadian rights to titles distributed by Atlantic Releasing of New York which had been supplying Norstar each month with independent U.S. and foreign titles. Although aware since last winter of initial overtures by Paramount to Atlantic, Norstar was unable to retain its two-year-long business link with Atlantic which turned over those Canadian rights when Paramount's offer reached \$4 million.

"We're just not in a position to compete," Norstar vice-president Tom Lightburn told *Cinema Canada*. "The bargaining power Paramount has is titanic compared to ours and their financing and cheque-writing ability makes it very difficult" said Lightburn, adding that the unrestricted access of Paramount to distribute

its titles in Canada constitutes unfair competition.

Paramount's raid, which took effect April 14, cost Norstar the rights to all titles from Atlantic ("a couple of titles a month," says Lightburn). Norstar by then still had some old Atlantic product and retains Canadian rights on existing Atlantic product it's distributed over the past few years.

Concerned about a precedent being created by Paramount's move, Lightburn warned "If the other majors can pick up the rights to Canada, there'll be no more Canadian film." As to why the U.S. Majors haven't already struck as a group, Lightburn said it was, so far at least, "out of respect for the marketplace."

Doubting that anything could be done about the Paramount raid (aside from looking to "some form of government role") and mindful of Norstar's need to replace the lost Atlantic product "soon," Lightburn said the Paramount's move was simply an acquisition to obtain more in-house product for its exhibition arm,

Famous Players Theatres.

"It's very clear the idea of fostering an indigenous production industry without similarly fostering an indigenous distribution industry is simply an absurd task," Lightburn said, referring to the Roth-Raymond Film Industry Task Force report recommending Canadianization of distribution.

Even then, he said, Canadian distributors couldn't solely rely on local product and need to have all sources of supply secure. Lightburn, who says "there's always prayer" as an ultimate recourse, summed up his opinion of the Paramount deal by saying "It's a disgrace that a company the size of Paramount Pictures takes it upon themselves to help exterminate a vital link in the cultural fabric of a country such as Canada."

Norstar president Daniel Weinzwieg said Paramount's purchase of the Canadian rights to Atlantic titles "just shows the incredible arrogance of (Paramount's parent company) Gulf & Western."

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DOC study on distribution urges protective measures

OTTAWA — Just when it seemed that Quebec's Bill 109 was dead and buried under shifting political fortunes and American pressure, its key articles plus a Canadian content quota have resurfaced at the federal level in the recommendations of a new report on film distribution in Canada.

Titled **Canadian Independent Film Distribution and Exhibition: The State of Things**, the 253-page report was written by Dr. Brian Lewis, Department of Communications Studies, Concordia University, for the federal Department of Communications' Film and Sound Recording Policy Directorate.

Hot on the heels of the 1985 Stratavision Report (**The Structure and Performance of the Canadian Film and Video Distribution Sector**) and the Film Industry Task Force's **Canadian Cinema A Solid Base**, the Lewis report provides solid statistical data on the film distribution activity of 101 companies in Canada between 1982 and 1985. The report classifies distribution companies in five categories: the seven American-owned Majors; the 14 Canadian-owned "nationals"; 25 Canadian "regionals"; and 55 Canadian "specialists" (e.g., ethnic films, adult films, martial arts

films). Thus, for example, the six U.S. majors (Orion since arrival in Canada in 1983 has distributed no Canadian films) distributed (in selected provinces only) a combined total of 107 Canadian films between 1982-1985, as compared to Columbia alone's national distribution of 470 U.S. features in the same period.

"It has never been in the interests of the American Majors who dominate film distribution in Canada," states the report, "to nurture a public for Canadian cinema, or to reinvest their profits in a Canadian film industry, which competes with an American film industry. Lacking sufficient distribution control, lacking financial vitality, it has never been in the power of Canadian film distributors either to encourage or promote the existence of a public for Canadian films, or to assure the capitalization of the production sector through continuous reinvestment. The Canadian distributor, simply, has never effectively controlled what is shown on Canadian screens or where the box office receipts are spent. The significance of this phenomenon — both cultural and economic — cannot be exaggerated."

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Issue is non-negotiable, say Majors

MONTREAL — Grilled by journalists as to his thoughts on Quebec's Bill 109, former Montreal (and now Hollywood) producer Pierre David offered his version of how Los Angeles studio heads see Quebec and Canadian efforts at bringing home Canada's domestic film market.

Coincidentally David's return to Montreal (planned two months ago) took place amid unconfirmed news that Francis Fox, former federal Communications Minister, would soon be representing the Quebec government in discussions with the U.S. Majors aimed at getting Bill 109 back on track after the outgoing PQ government abandoned it in limbo last December.

Also coincidentally, the same day that *Cinema Canada* met with David, he'd just received a phonecall from an American studio head whose viewpoint, David felt, was worth noting.

According to David, the American studio heads will negotiate but don't really see that there's anything negotiable. "Cinema is a totally free enterprise and our position is, we don't want to give any-

thing," was how David quoted one studio honcho.

Nevertheless, the Majors have learned over the years that good lawyers and drawn-out discussions can buy time. "We've been doing that for years, and now we'll just wait it out until there's another election," said David, quoting the same unnamed studio head.

"What the governments want is really not negotiable. They have to decide what they want and then make policy. We'll see if the result is a situation we can live with or not." That, says David, is the view from L.A.

For his part David hopes there is still a way to combine the interests of all parties, but adds that the Canadians, with their repeated "negotiations" over the years, are no longer taken very seriously by the Majors. "The Americans don't want to dominate," he says, "they just want to do business."

The crucial question, according to David, is, "What is the political will? What are the governments really prepared to do?" After years of promises and false starts, David feels that

the governments owe it to the industry to be frank.

"Perhaps it's time for them to say what they cannot do. If they can't solve the question of distribution, then they should say so. In that way, at least the Canadian distributors could get on with their lives instead of always waiting for something which is not happening. It would hurt a lot after all these years, but it would clarify things."

According to David, only after people know what the governments are not prepared to do can new strategies be planned. He mentioned alternatives — a box office tax, an aid program, new initiatives — and said that progress would not be made as long as the illusion of a negotiated settlement clouds the scene.

David admitted that the frustration on the Canadian scene is overwhelming, and that it is not fair that a law which was voted unanimously be shunted aside.

He would take news of this frustration, as well as echoes of Hollywood, with him for a meeting with long-time friend, Quebec premier Robert Bourassa on May 2.

ACTRA provides fact sheet

TORONTO — The Toronto Branch Council of the ACTRA Writers Guild presented a brief April 14 to the Ontario Government dealing with the impact of free-trade on film and television in Canada.

The nine-page report, titled "Write If You Find Work", was prepared by Charles Lazer, and presented by Lazer and Roger Abbott before the Queen's Park legislature's Select Committee on Economic Affairs.

The report states that Canadian films occupy between three and five per cent of theatrical screentime in Canada, that 97 per cent of profits from theatrical screenings in Canada leave the country, that between two and four per cent of videocassette sales are Canadian productions, and that of all available English TV programs, 25 per cent are Canadian while only two per cent of primetime is covered by Canadian programming (56

per cent is American).

A fact sheet included with the report includes data on the economics of public broadcasting in Canada. For example: before budget cuts, the CBC produced 90 per cent of Canadian TV drama, captured 20 to 25 per cent of Canadian viewers and produced twice as much primetime programming as all the private networks and stations combined. This was achieved on a budget totalling \$318 million (\$218 million from government and \$100 million from ad revenues), compared to the American PBS network, operating on a budget of \$218 million, which captures two per cent of American viewers and produces no domestic drama. The CBC and Radio-Canada accounted for 57 of the 88 projects generated in the first year of Telefilm Canada's Broadcast Fund operation.

Canadians unable to compete with Majors

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The raid of Norstar's Atlantic business, said Weinzwieg, resulted from the persisting structural problems identified in the film task force report (foreign domination of distribution, chronic under-capitalization of production and feature film financing problems, and theatre ownership concentration and vertical integration of distribution and competition).

Weinzwieg sees the report, and the federal government's implementation of its three recommended solutions (the feature film fund has been announced), as the answer. "The remedies are within the scope of governmental action," he stressed.

Weinzwieg cautioned that other American and Canadian independent suppliers will be pursued by Paramount. Noting "There's no point in having a feature film fund unless there are Canadian distributors," Weinzwieg said Norstar has insisted on some action from Ottawa. "We hope," he added, "that it (Paramount's buy-out of Norstar's Atlantic business) sends a signal loud and clear to Ottawa and Mr. Mulroney in particular, who seems to think the Americans can do no

wrong."

At press time, a federal response was unknown. Jeremy Kinsman, assistant deputy minister of cultural affairs at the Department of Communications, told a Toronto cultural sovereignty forum April 21 "We are going to do something about it. I don't expect the Norstar situation will happen again."

Kinsman did acknowledge that DOC has had contact with

the Toronto distributor about Paramount's action (which, he said, appeared to be a straight transaction between two American companies).

At Pan-Canadian Film Distributors which, like Norstar, provides titles for exhibition by Toronto's Cineplex Odeon Corporation (and is, in fact, Cineplex's distribution arm), it was anticipated that no effect would be felt from Norstar's loss of Atlantic titles.

Orval Fruitman, Pan-Canadian's senior vice-president, said his company wouldn't be trying to make up whatever void of Norstar-distributed titles resulted. Pan-Canadian, whose library includes Cannon Group film titles and other U.S. independents, itself had earlier lost to Paramount Canadian rights to Embassy Films titles.

While Pan-Canadian is after as many pictures as possible, Fruitman admitted "we can only handle so many." Paramount's buy-out did make an impression, however. Although his main concern is

buying pictures for Pan-Canadian, Fruitman conceded "Naturally there's a concern when the Majors are buying up the product of independent distributors."

"We're just going to try to do everything we can to get the product for Canada."

Attempts to elicit comment from Cineplex Odeon on the impact Norstar's loss would have on its exhibition were to no avail. Cineplex Senior Vice-President Marketing & Communications Lynda Friendly responded that Cineplex had "no comment at all" on the issue.

Anne no co-prod

TORONTO - A news article in the April issue of *Cinema Canada* identifying the two-part *Anne of Green Gables* program as a CBC co-production in connection with its win March 20 of a Golden Gate Award at the San Francisco Film Festival is inaccurate, according to an official of Sullivan Films.

Trudy Grant, president of distribution for Sullivan Films, pointed out the award went to Sullivan Films and that *Anne* was an independent production, not a co-production. "The CBC had no equity in this production whatsoever" and only paid a licence fee, said Grant.

News of the award for the program that attracted the largest Canadian audience (for a non-sports program) with up to 5.8 million viewers was announced in a March 7 release from the network titled "CBC Programs Victorious at Major Film Festival."

The release notes "Two CBC programs have received highest awards at the annual San Francisco Film Festival" and, of *Anne of Green Gables*, states "It was a co-production of Sullivan Films, the CBC, PBS Wonderworks, with the participation of Telefilm Canada, CITY-TV, and ZDF (West Germany)."

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