RADE NEWS

Quebec stalls on film commission

MONTREAL – While there is mounting industry support for a Quebec Film Commission, the Quebec government is doing little about it besides studying the matter.

Several sources within the Quebec film industry predict that the government will make its intentions known in the late fall. For its part, however, the Quebec government refuses to comment, though Roland Sassivielle, director of cultural industries with the Ministry of Cultural Affairs, told *Cinema Canada* that the ministry is studying the feasibility of establishing a film commission.

Among those who have made recommendations to the ministry supporting a film commission are Guy Trinque, film commissioner for the City of Montreal with the Commission d'initiative et de développement économiques de Montréal (CIDEM-CINEMA) and Montreal-based producers Mychèle Boudrias and Danièle Rohrbach who are longtime proponents of a film commission in Quebec. Both producers say that in order to sustain the growing momentum of film production in Quebec, particularly U.S. shoots, the Quebec government must make its decision soon.

"We would have a film commission in place within the next six months," urges Rohrbach, adding that further delay could have a deterrent effect on foreign producers who are eager to work in the province but unable to get the assistance that only a film commission could provide.

Rohrbach is also concerned that Quebec is losing a valuable promotional opportunity at the Cineposium gathering of film commissions and the American Film Market held every year south of the border where five Canadian provinces (see sidebar) fly their provincial flags for the prospective mega-dollar investment that foreign productions bring to provincial economies.

In 1983, Boudrias and Rohrbach submitted a proposal to the former PQ government that a film commission office be opened in Montreal with four to five full-time staff members, a film library and a budget of close to \$447,000. This proposal, which also included a high-profile Guide du Québec Cinématographique with printed and audio-visual promotions, was greeted with enthusiasm by the film industry and within the provincial government, but no action was taken as, explains Rohrbach, the anticipated electoral defeat of the government was already in sight.

Today, says Rohrbach, the report still stands – with a slight budget updating. She says the government is aware that both producers remain interested in opening a film commission office.

"The difference between now and then," says Rohrbach,

(Cont. on p. 52)

Cineplex record profits

TORONTO – As Cineplex Odeon Corporation continued to snap up American theatre chains, the Toronto-based movie exhibition company announced record profits for the first six months of 1986.

Cineplex reported a net income of about \$12 million on revenues of \$128.7 million for the 26-week period ended June 26, 1986. Financial records for the same period the year before show Cineplex earned about \$4.2 million on revenues of \$73.4 million.

In late July, Cineplex purchased RKO Century Warner Theatres Inc. of New York and New Jersey for \$179 million. The purchase of the 97-screen circuit allows Cineplex to move into the New York theatre market for the first time.

Cineplex is to pay for the purchase partly with 1,585,336 shares of MCA Inc. obtained earlier this year in an arrangement that gave MCA a 50 per cent equity interest in Cineplex. The shares are valued at \$80 million (U.S.).

Cineplex is also to give \$97.5 million in cash, some of which is to be used to repay an RKO bank debt. The rest of the deal is to be financed through a \$1.5 million promissory note.

Following regulatory approval the transaction is expected to close in September and with the acquisition Cineplex will wrest 40 per cent control of all theatres in Manhattan.

Cineplex president Garth Drabinsky says in a press release "The RKO acquisition allows us to complete our commitment to establish a North American circuit with excellent representation in the major urban centres."

RKO, when purchased, was planning to enlarge its chain to include a total of 135 screens in the next 18 to 24 months.

The original RKO chain was created out of the 1928 merger of Keith-Albee-Orpheum theatres and RCA Photophone. Cineplex purchased outstanding RKO and other affiliated theatre exhibition companies from Michael Landes, Albert Schwartz and Almi Pictures Inc.

The RKO Century Warner Theatres purchase is only one of many made by Cineplex Odeon this year. After MCA Inc., the parent of Universal Studios, purchased 50 per cent equity interest in Cineplex it brought a capital infusion of about \$219 million (Cdn.) to the Toronto-based firm.

Two days prior to the RKO purchase announcement, Cineplex released details on the acquisition of Neighborhood Theatres Inc. of Richmond, Virginia.

Cineplex's wholly-owned U.S. subsidiary, Plitt Theatres Inc., purchased the Neighborhood chain at a cost of about \$21 million (U.S.) with the transaction expected to close late in September following regulatory approval. Neighborhood Theatres has 76 screens in 25 locations that include Washington D.C. Richmond and other Virginia cities.

(Cont. on p. 53)

Ontario production increases 60 per cent

TORONTO – Film and video production in Ontario has generated \$102.7 million for the local economy in the first seven months of 1986 and this is just the tip of the iceberg, says Brian Villeneuve, executive coordinator of OFDC Marketing (Ontario Film Development Corporation).

He explains that this accumulative dollar figure spent in Ontario represents theatrical features, made-for-TV features, mini-series and series and does not include advertising commercials and Canadian TV network productions that could amount to an additional \$100 million by year's end.

Of the \$102.7 million (compared to \$95 million for a 12month period in 1985), Villeneuve says the percentage of dollars injected into the provincial economy by U.S. productions is 50 per cent. This also reflects the number of U.S.-to-Canadian productions in Ontario in 1986.

"The Canadians are making a very strong comeback this year," says Villeneuve. He says there are 60 per cent more Canadian productions in the first seven months of 1986 over the same period in 1985 and that the accumulative total (Cont. on p. 52)

Conciliator's report last hope before CBC strike

TORONTO – Both sides in contract talks between the CBC and its broadcast technicians union are awaiting the release of a conciliation commissioner's report expected sometime in September.

Senator Carl Goldenberg was appointed commissioner by Bill McKnight, former federal Minister of Labour, in February 1986 to prepare a report on negotiations between the CBC and members of the National Association of Broadcast Employees and Technicians (NABET).

Seven days after the commissioner's report is released – both sides expect the most likely date to be late in September – the 2,170 members of NABET are in a legal strike position, while CBC management will be able to lock out workers. But a CBC spokesman cautioned that a move by either side at the end of the one-week period is not guaranteed.

"There measures or actions are not automatic by any measure," CBC public relations director Richard Chambers said. He said that during the sevenday period both sides could continue to study the report or start talks again.

Chambers said the commissioner decided an impasse had been reached in negotiations and began to prepare his report this summer.

At issue are questions of job security, jurisdiction or what types of work fall within the bargaining unit and wages.

As part of the job security talks, the union and the CBC are discussing a special measure that states if the number of NABET workers falls below 2,103 employees, the CBC would have to stop contracting out work to independent producers.

The current collective agreement with NABET workers, which was due to expire in June 1985, has been extended through the period of the commissioner's work until the one week period is up, NABET representative Mike Sullivan said.

Sullivan said while wages are at issue, questions of job security such as the contracting out of technicians by the CBC are more central to the talks. He said technically there are up to 30 outstanding items between the two sides.

NABET members held a 112-day strike in 1981.

Quebec techs: contract in sight

MONTREAL – After five years without a renewed contract, representatives of the Syndicat des techniciennes et des techniciens du cinéma du Québec (STCQ) say they are close to a settlement with the Association des Producteurs de Film et de Vidéo du Québec (APFVQ).

Both sides do not rule out the possibility of a settlement by the end of September. François Leclerc, acting president of the STCQ, says one good reason for anticipating an early settlement is a more openminded approach to negotiations by the new executive of the APFVQ headed by president Rock Demers and vice-president Claude Bonin.

Following preliminary talks in July, Demers told *Cinema Canada* that he was pleased with how quickly both sides are working towards a settlement.

Many of the outstanding issues which deal primarily with financial matters have been agreed on in principle but require detailed negotiation, says Leclerc.

Among issues still to be discussed are minimum wage, overtime, guaranteed days, per diems, and wage compensation for working nights.

"There are little improvements here and there," says Leclerc, who adds that the increasing volume of work for STCQ members supports the need for an immediate settlement.

"There are producers out there who are waiting to know what to include in their (Cont. on p. 70)

Cineplex Profits

(cont. from p. 51)

On May 23, 1986 Cineplex Odeon purchased the remaining 50 per cent interest in Plitt Theatres. Cineplex's consolidated statement of earnings, which shows the six month profit of \$12 million, includes one month of earnings from

full ownership of Plitt.

With the RKO and Neighborhood theatre purchases, Cineplex operates about 1,320 screens in 450 locations across North America. In Canada, Cineplex operates about 481 screens at 167 locations.

In June this year, Drabinsky announced plans to expand Plitt Theatres in the Tuscon, Arizona market with construction plans for four theatre projects that would create 5,200 seats and 21 screens.

Cineplex, in April, announced that through Plitt it was purchasing the 48 screen, 12 location Septum Theatre chain in Atlanta, Georgia. A month later the Essaness Theatre circuit in Chicago was bought. The Essaness chain brought an additional 13 theatre locations and 41 screens into the Cineplex fold.

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In July, Cineplex announced that it had bought all the outstanding shares of the Film House Group Inc. The Toronto-based company is Canada's largest motion picture laboratory, processing 16mm and 35mm release prints for both major and independent film distributors. Film House, which was purchased for \$15 million (Cdn), also provides filmmakers with front-end and post production facilities

Cineplex Odeon opened a new cinema complex in Toronto in August. The sixtheatre 1,250-seat complex in the Thornhill area brings Cineplex's total Toronto theatre complement to 122 screens at 27 locations.

Service sector bids on Dom. Bridge

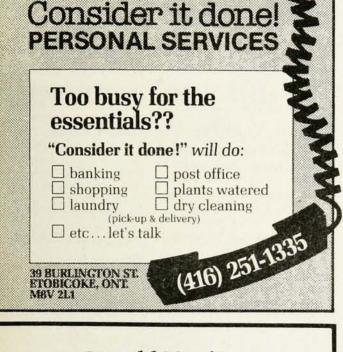
VANCOUVER – Dominion Stages of B.C., the company which is a co-venture between several service-sector organizations and film unions, has recently submitted a proposal to lease and operate the Dominion Bridge building as a film studio.

The owner of the building and surrounding property, British Columbia Development Corporation, put out a call for bids last June when the provincial government announced support of continued use of the building as a studio.

B.C.D.C. has already had the previous owners (B.C. Hydro and B.C. Transit) vacate a large space adjacent to the one that has been used as a special-effects stage for several years (Columbia Pictures has both spaces booked through November). Both "rooms" (500' long by 85' wide by 51' high, and 350' long, by 70' wide by 40' high respectively) will be rented out at bargain-basement rates by the coalition if they win the lease. According to George Chapman, who represents IATSE in the coalition, "The only profit we will get is in the servicing of those productions. If we keep the studio rental costs down, we'll keep ourselves in business."

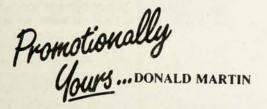
Renovations, which will involve replacing asbestos insulation and inadequate wiring, could begin as early as October. Future plans for the studio include adding production offices, art and construction departments, makeup, special effects and post-production space. As well, temporary soundproof walls could be used to subdivide the studios so that smaller productions could access the space economically.



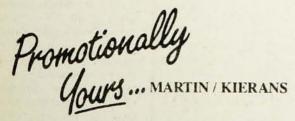


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