

The Editor, The Toronto Star, One Yonge Street, Toronto, Ontario M5E 1E6.

Dear Sir:

Your editorial ("Film makers need right kind of help", Tuesday, April 30th 1974) is a welcome acknowledgement of the existence of the beleaguered Canadian feature film industry. And I heartily agree that the tax loop-hole which supported the burst of production that arrived on theatre screens last year, should not be maintained in its present form.

However, money can be found to finance this industry provided two significant changes are made. First, the Canadian Film Development Corporation (CFDC) must spend the small amounts of money required to ensure that interesting projects are well developed, before vastly larger amounts of money are spent on photography itself. Second, the head offices of foreign owned film distribution companies must come to realize that their operations in Canada could be in peril if they fail to provide the kind of assistance which will ensure that feature films made in Canada are given the push both here and in foreign markets, on which the financial success of this very expensive art ultimately depends. When "development" is put back into the CFDC and when non-Canadian distributors come to pay more than a token price for their licenses to do business in Canada, which is for them a "gravy" market, then will the financial community come forward to provide the backing that will support the ambitious projects our best filmmakers wish to undertake.

It must be noted that increasing government money is not the solution to these particular problems. Nor are exhibitors – who deal only in the wares furnished them by their promoters, the distributors – conspiring to prevent the flowering of feature filmmaking here. For that matter, distributors are keen to be offered well produced films and well conceived ideas.

Mindful of these factors, I am alarmed to learn that the federal government is considering additional funding for the CFDC to support its movement into the financing of television films, without insisting that solutions for the two outstanding problems, be offered by that crown corporation.

This most unfortunate oversight points up the *fundamental* problem in the Canadian motion picture industry: the leadership which government is apparently prepared to accept for the implementation of the announced objectives of the CFDC.

What we are witnessing is a rude new twist on the old story of the Emperor's new clothes. The federal government has cut the fabric, but the cloth has been badly treated in the wearing. And no one will tell the tailor that the suit is in disarray.

Several salient points about the CFDC must be identified. More than five years ago, the CFDC was advised that low budget films would afford promising filmmakers the opportunity to explore their talent. That agency waited more than three years to adopt this approach and in the meantime gave the best of our filmmakers enough rope to hang themselves over and over again. Now, the most talented are dispirited and divided among themselves at the very point when they are ready for projects of real scale, while a new crop of filmmakers are being offered an entree into a market already glutted with Canadian filmmakers. Watch if the bad don't drive the good out altogether and provide us with a massive array of serfs to the various government film agencies. If we are going to compete in the international market, of which our own theatres service a goodly part, then we must begin to put much of the real development money on those with the best chance of success.

More than two years ago, the CFDC was told of the broad implications of the so-called tax loop-hole as a device to finance features. The most important part of that counsel was that the loop-hole was a temporary aberration, bound to be modified or closed entirely, and that it created a situation which would mitigate, because of the legal implications of that aberration, against aggressive selling of our films. The CFDC was also told that the explosion of activity would be short-lived but would sustain the industry and its own endangered political life, and that the time was ripe to support, under that rich cover, the real development of projects that would, when the artificial flurry abated, prove exciting to those investing with a profit motive, or for reasons related to corporate goodwill, public relations, and with a desire to foster significant artists in the creation of their best work. Such projects could also have been expected to win the support of the mainstream of the industry, namely the exhibitors and the distributors here and abroad, upon whose enthusiasm the Canadian feature film industry must depend over the long haul. The CFDC chose to ignore that counsel. It did not even act to counsel the other appropriate legislation, such as the tax laws, the abuse of which was bound to be dealt with harshly, where sensible modification might have been effected by the CFDC's efforts.

What the government needs to conduct the business of the CFDC is not superannuated civil servants and artists. It badly needs persons with foresight and business acumen, those persons in the private sector – and there are several of them – who have shown their determination to make better Canadian films and to make them widely known. It must have leadership with a sense of showbusiness.

The industry does indeed need additional financial support from government both for feature films and for private sector television production. But please, let that change in leadership take place, before the same mistakes are repeated with supplemental funds for television production and before the taxpayer grows disenchanted with the modest experiment that was begun for his benefit.

Sincerely,

G.C. Adams Producer, Canadian Association of Motion Picture Producers, Founding Member.

Mr. George Koller,

Having read Cinema Canada since its beginning, and being involved with film for the past two years, mainly as a producer on TV documentaries; most recently the **Perlmutars Story**; as well as knowing a fair number of people in the Canadian film/TV industry, I have come to the formation of a number of opinions and ideas that are rarely if ever discussed in your pages or elsewhere, regarding the development of a Canadian film industry.

I have no disagreement that we have need of such an industry, or that there is the talent here to accomplish this. Yet, the approach taken as regards the CFDC and the changes in the tax situation for investors, I must disagree with.

When we are talking about features, we must talk about features that appeal to an international market as film is an international media, both critically and monetarily. Film being a very expensive media and only at times art, we are forced to deal with the realities of the market place.

Up till very recently most of the private funding for Canadian features was based on a tax advantage, sometimes known as deficit financing. No business or industry in the world has ever been built on this type of financing, (outside of charities, which I don't think we want films to be), as inherent in it is a self-defeating idea: that films should make money by losing money. This benefits no one except the person needing a tax loss to avoid paying taxes derived from other income sources.

Feature films as an industry to have any continual development must be based on a profit system as is done in all other countries (Britain's Eady plan was essentially a profit incentive system.)

Quotas though at times good, are extremely difficult to administer without encouraging quickie garbage made to fill the quota.

There is no reason in the world why Canadian feature films shouldn't be made with a profit in mind, as films are made in all other non-communist countries; lest anyone doubt this, the Swedish government which funded many films made by Bergman and others, on the long term made a profit. Today more and more Swedish feature films are being funded by capital from the private sector.

If we are afraid to trust our talents and energies in an international marketplace, then we are, as has been stated, a nation that loves losers.

Another problem we have that has generally gone unnoticed is our system for training filmmakers. Most of our filmmakers have been involved with CBC, NFB, grants, in order to learn the art. Which means that our whole industry is government funded.

In the United States a filmmaker may learn his craft by working on documentaries, promo-films, TV movies of the week, TV

series. This is helped by the fact that almost all government films are tendered and produced by private film companies. This includes everything from Electric Company, to army training films. This difference provides a chance for a filmmaker to learn by working for a private company and later to form his own.

Here in Canada, till very recently, the bulk of government training films were produced by the NFB, or else the tenders were handled by them. It is also a well known fact that many at the film board supplemented their income by working for private industry in their off hours using film board equipment, which of course gave them a tremendous advantage over private film companies.

Television in the U.S. contracts out all productions except for news and public affairs. This further helps stimulate new companies of filmmakers to try their luck. Here in Canada almost all TV productions are internal, the CBC and CTV turn out most of their productions internally. Often at a greater cost than an independent would charge. They will cite many reasons for the need to do this, the main reason I suspect, is building a larger corporation.

What we need is a radical rethinking of our whole approach to film/TV. We must force the government to tender more of its films in the private sector, we must force CBC and CTV to begin contracting more shows and films to outside producers, directors, and we must make the CFDC redundant by making Canadian feature films a profitable venture for private investors.

We must also make shorts and documentaries viable by using a multiple sales approach whereby CBC, CTV may only buy broadcast rights for and not own, and O.E.C.A. must pay a fair dollar for the film and not be allowed to give it away to schools unless paying for that right, as it jeopardizes distributor sales, as well as making cable companies pay for short films at a reasonable rate.

If we do these things we will cause short films to generate enough revenue to enable the filmmaker to make another film and continue his development.

Though some people might say that I have overstressed the money aspect and profits, I would say no, as film is an expensive media. Without these pragmatic realities in mind, we will never realize the goal of a healthy, strong, respected Canadian film industry. Where those working in it earn a decent living in return for their efforts. Film in Canada can be viable, and supported by a good market but only if we force those buying to pay for the true worth of a film and not allow them to take advantage of the filmmakers' situation.

Sincerely,

Maxim Engel Toronto

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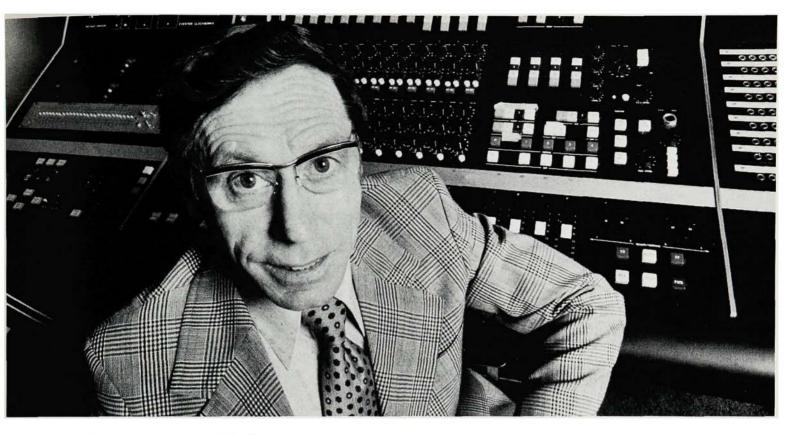
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