

Revenue Canada

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Goodman, said the new guidelines provide for fair taxation of non-residents.

Two major problems were solved when the taxation of per diem expenses was dropped and waivers were made available, he said.

Jim Ivey, chief of the non-resident tax section of Revenue Canada, said he thinks an earlier lack of communication led to confusion in the film industry about the tax policies.

Ivey said he thinks the bulk of concerns have been answered, but said Revenue Canada will still have to handle smaller problems on a case-by-case basis.

London Market closes down

MONTREAL - The closing of the London Multi-Media Market, has brought mixed reaction from Canadian television exporters who formed the largest national contingent at the market this year.

The decision to close the six-year-old market came as a surprise on Nov. 6 when it was announced that TVS, the British independent TV company, had purchased a controlling interest in the London-based Button Design Contracts Ltd. which controls 60 percent of shares in London Markets Ltd.

TVS has also taken control of the Paris-based MIDEM organi-

zation which operates MIP-TV and MIPCOM, both held in Cannes, France. Thus, MIPCOM will no longer compete with the London market as the latter ceases to be an annual event.

In a letter explaining this turn of events to London Market participants, Karol Kulik, market director and holder of the remaining shares in London Markets Ltd. notes: "...The present situation with three markets vying for exclusive status as 'the' autumn event, has created a competitive climate in which we feel no one ultimately benefits. We have been examining ways in which

we would like to evolve and develop our expertise within the international media community."

Rather than being relegated to history, the London Market will evolve, says Kulik, into the London Office International - a 12-month-a-year base for international producers and distributors. This new venture within the Button International Group of Companies will provide clientele with a European office, skilled staff and computer data base access on a year-round basis.

But whether the London

Market was important for Canadian exporters and should be maintained, coming as it does after MIPCOM (Oct. 17 to 21) and the mixed market in Milan called MIFED (Oct. 26 to Nov. 1), is a question that has raised mixed response among Canadian exporters.

According to Francine Allaire, marketing co-ordinator for Telefilm Canada, a record 21 Canadian companies attended this year's market.

Allaire describes the market's closing as a sad event, coming just when Canadians were beginning to "reap the harvest" of the Canadian Broadcast Fund which has created a growing interest in investment in Canadian programs and co-ventures.

A conservative estimate of total Canadian sales completed or closed at the four-day event is \$2 million, says Allaire.

Another reason Canadian product was selling in London, she says, was the characteristic absence of U.S. competition because of what she says is a simple preference by the Americans for MIPCOM.

Jan Rofekamp of Les Films Transit Inc. says the American preference for MIPCOM is one good reason why the powers that be closed London.

Rofekamp prefers the genteel atmosphere of the hotel room set-up in London to the hectic rented stand set up at MIPCOM. He describes the general reaction to the news of the London Market closing as one of sadness, and adds that a petition circulated among market participants will amount to a feeble gesture of protest.

"Now I will have to go to MIPCOM," says Rofekamp, "There is no doubt that we need a fall market."

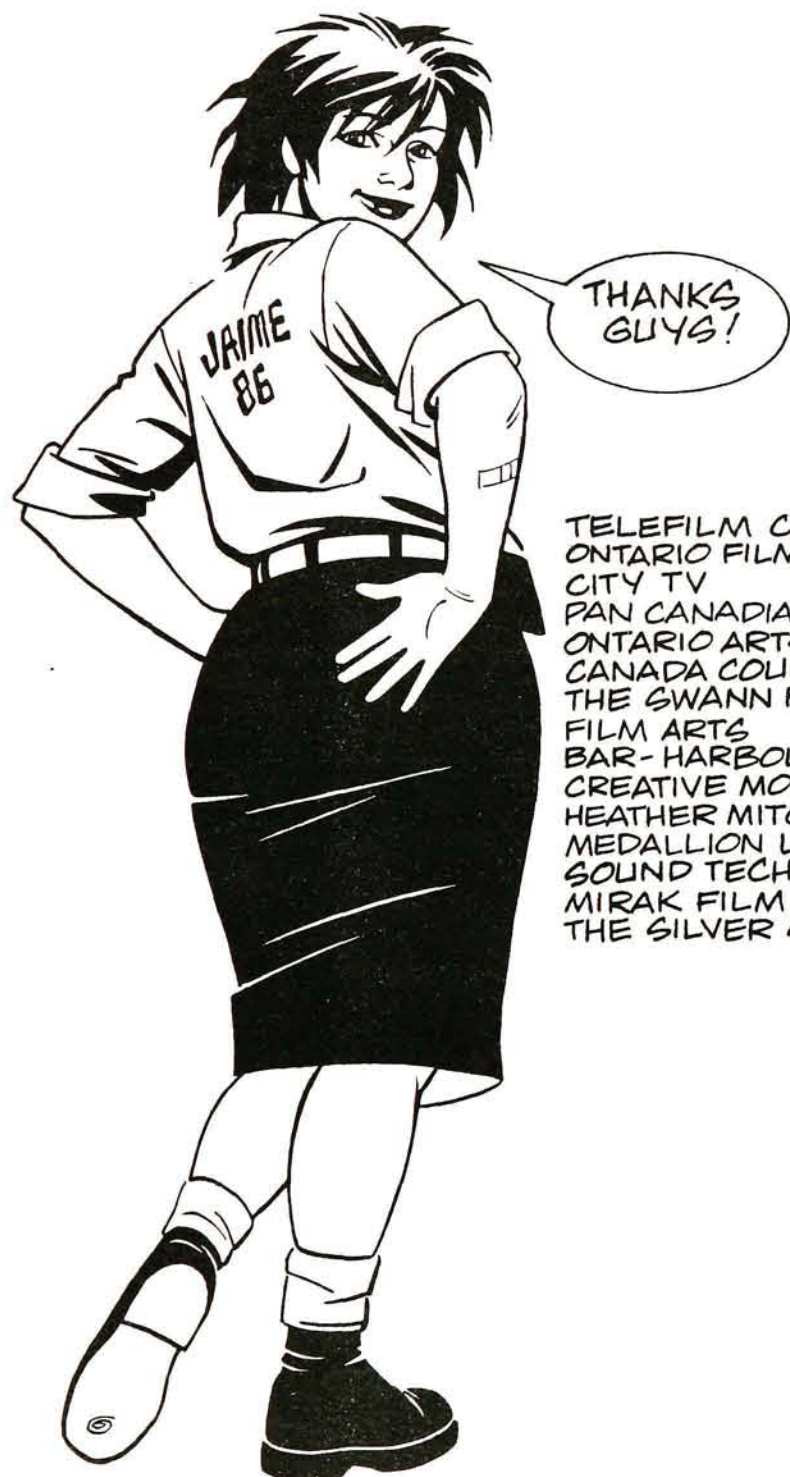
Among his products that drew considerable international attention in London were **The Morning Man**, **Anne Trister** and **La Femme de l'hôtel** in home video format. **Henri** was bought for television by Finland, Sweden, Israel and Holland. **Pouvoir intime** was sold to France and Spain in home video format and Rofekamp also reports a strong interest in **Samuel Lount** by Australia, Holland, Norway and Scandinavia.

Ismé Bennie of Ismé Bennie International Inc. says it was only a matter of time before one market closed and that it was difficult to justify two European television markets, back to back.

"One fall market is necessary," says Bennie. "Where it is held is not a crucial issue."

She says there is an obvious problem with splitting the attendance between two markets and that the American

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Broadcasters wary of intervention: Caplan/Sauvageau

VANCOUVER — Private broadcasters and cable companies should resist plans for more government intervention in the broadcasting industry, a Canadian cable television spokesman says.

Clint Forster, national chairman of the Canadian Cable Television Association (CCTA), said broadcasters and cable companies should consult closely to develop a response to the recently released Caplan-Sauvageau report on broadcasting.

Forster said there is agreement with the task force's overall goal to promote more and better quality Canadian programming.

But he said further government involvement must be opposed.

"The task force is really suggesting that Ottawa should decide what viewers want, create public channels to supply it, and then compel people to buy them," Forster states in a news release. He made the comments during a panel discussion at the annual Canadian Association of Broadcasters convention.

Bill Allen, director of communications for the CCTA, said many of the recommendations of the Caplan-Sauvageau report need more public debate. Further research also needs to

be done and the public should be asked if the recommendations are for the types of services that meet their needs, he explained.

Allen said task force recommendations to have cable functions such as community programming licensed separately from cable retransmission services would make the companies nothing more than common carriers.

The task force says that in order to establish a clearer status for cable operators, their basic role as transmitters of broadcast programming needs to be separated from their other functions.

The creation and marketing of programming and of providing other non-programming services should be entrusted to separate organizations, the re-

port states.

Community or other programming could be licensed through a subsidiary of the cable company or by independent organizations, the Caplan-Sauvageau report states. It also states that licensing procedures should be as simple as possible.

Allen said the bureaucracy caused by the awarding of separate cable licenses runs counter to the new streamlined regulatory approach the CRTC and the federal government have undertaken.

The cable industry seemed to be the only cautious and even negative voice raising concerns about the Caplan-Sauvageau report from its outset, Allen added.

Forster said broadcasters and cable companies should

work together to present an independent vision of the future of their industry.

"Caplan-Sauvageau have offered their view of the future for cable and broadcasting. It's imperative that we develop and publicize our own vision — one that's based on reality and a sensitivity to the needs of our consumers," he states in a written speech.

The 731-page Caplan-Sauvageau report makes recommendations intended to govern the broadcast industry through to the end of the century.

Forster also said at the convention that broadcasters and cable companies should work together in other areas because they share the same basic business objective of offering viewers the widest

range of quality programming and reception.

He said it is logical for the two groups to work together to develop technological improvements such as stereo sound and high-definition television.

Another common interest of broadcasters and cable companies is to support the Canadian Radio-television and Telecommunications Commission in its move toward a more flexible supervisory regulation of the industry, Forster said.

Many issues concern both industries and by working together the two groups can build a stronger broadcasting industry with more room for growth, said Forster, who is also president of Saskatoon Telecable Ltd. and CJWW radio in Saskatoon.

London Market

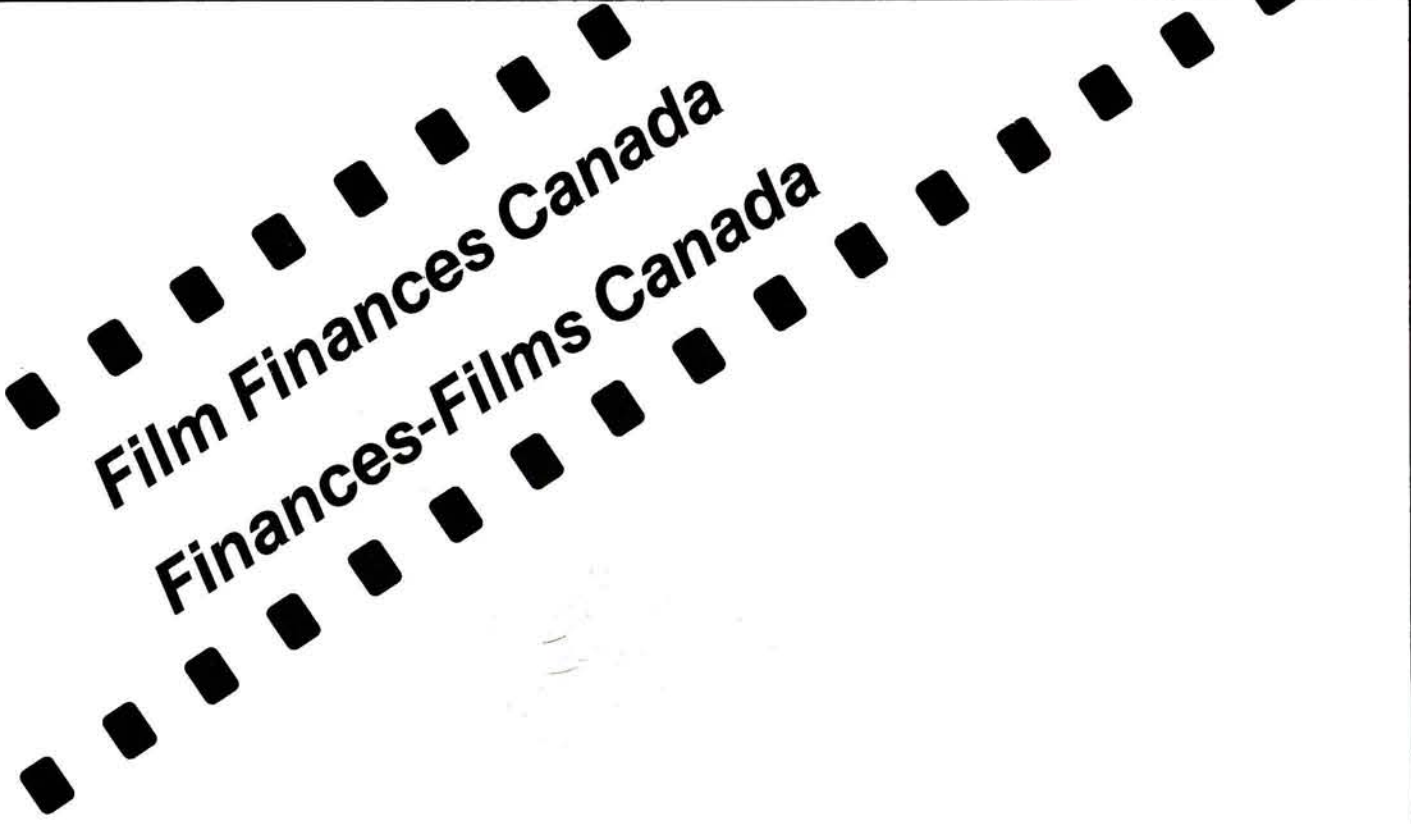
presence at MIPCOM can benefit the smaller sellers who share the exposure to the buyers that the American presence attracts.

Bennie, who has attended the London Market since its inception and who was one of the few Canadians to have a stand at MIPCOM this year, reports improved sales at the London Market due to increased activity in video business and what she calls better product, namely the award-winning *The Kids of Degrassi Street* series and the follow-up *Degrassi Junior High*.

Alison Clarkson of Crawleys International reports having sold out animation programs including *Barbar and Father Christmas*, *Velveteen Rabbit* and *The Tin Soldier* which sold to 22 countries following a premier showing at the London Market.

Clayton says she is not alone among Canadians who prefer the London Market to going to France.

"We must have two international markets but going to Cannes twice a year is too much. London was a lot less hectic," says Clayton.



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