

# Annual report shows NFB in need of funds

MONTREAL — All is not what it appears to be at the National Film Board, says François Macerola, government film commissioner and chairman of the board.

Showing a smaller operations deficit at year's end (March 31, 1987) than in the preceding year, the 1986-1987 annual report of the National Film Board of Canada was recently tabled in the House of Commons.

However, Macerola told *Cinema Canada*, that although the report indicates a degree of stabilization in the wake of government funding cutbacks and the transfer of revenues from sponsored programs to the Department of Supply and Services, the NFB is in dire need of financial support.

Thus, Macerola has requested a Parliamentary appropriation (1987-1988) of close to \$72 million representing an increase of close to \$10 million over funding received from the federal government in 1986-1987.

Macerola's main concern is not simply generating revenue but rather generating revenue within the limits of the NFB mandate as a public producer and distributor of Canadian films with a cultural emphasis.

He says that successful money-making films like *90 Days*, *Last Straw*, *Train of Dreams* are pushing the limits of the mandate into the commercial realm.

"I don't want the NFB to become too commercial," he says.

"I know very well that if I was going to sponsor a *Decline II* or a second *Un Zoo la nuit* or a television series we could make lots of money but this is not our mandate."

Should the government fail to increase the Parliamentary appropriation in 1987-1988, Macerola says, NFB will have to resort to the commercial market at the price of transforming its mandate. This, Macerola says, he would not personally endorse.

"As well as affirming our role as producer and distributor it is time for the government to give us the financial support we need in order to meet our mandate with competence," says Macerola. He says the increased appropriation would spark new incentive in the underfunded areas of feature, regional, women's and animation film-making.

The annual general report (1986-1987) indicates that the cost of operations for the crown corporation in 1987, including the balance at the beginning of the year, was \$69,818,913. The

annual Parliamentary appropriation (operations) was \$63,272,631, the deficit — \$6,546,282.

In 1986, the operations de-

ficit was \$7,759,808. The cost of operations was \$67,178,711 and the Parliamentary appropriation was \$59,418,903.

Cost of operations includes English and French programming at \$33,871,709 (\$37,642,351 in 1986) and \$18,224,427 (\$16,319,530 in 1986), respectively.

Operations also shows that the cost of general services (dis-

tribution and other services, research and development) is up slightly at \$11,601,483 (\$10,829,539 in 1986).

Management and administration expenses are down slightly at \$8,749,732 from \$8,829,658 in 1986.

Revenues are down at \$10,388,246 from \$13,571,937 in 1986. The largest decrease in revenues is found in the produc-

tion and marketing of English programming at \$1,702,73 (\$5,451,337 in 1986). The French programming side shows revenues of \$269,33 (\$612,032 in 1986).

Macerola attributes this decrease to the loss of revenue from sponsored programs — films sponsored by Canadian

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*Produced By* GORDON HINCH

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**NFB report**

government departments.  
 "Two or three years ago total revenues generated by the NFB were \$16 to \$18 million," he says.

Revenues from film prints rentals and royalties in the domestic market is \$2,279,719 (\$1,791,601 in 1986). Interna-

tional sales amounted to an all-time record of \$3,077,465 (\$2,289,039 in 1986).

"This has occurred because we have redefined the roles of our cultural ambassadors overseas. We have reduced their mandate strictly to marketing our films. This has created a vacuum where cultural information is concerned but with extra money we will be able to reestablish that."

Despite shrinking revenues, Macerola points out that the NFB completed 238 test-print

approvals between April 1, 1986 and March 31, 1987, an increase of 52 over last year. Close to 65 films went into production during the same period.

Many NFB achievements, highlighted in the report, were noted by the news media throughout the year. And it was this year, says Macerola, that the NFB began to renew its international reputation through winning a record number of festival awards (148 awards).

Among 71 award-winning productions in 1986-1987 is

Deny Arcand's *Le Déclin de l'empire américain*, an NFB/M&M co-production, made for \$1.8 million, which has outperformed all previous Quebec features in the box office.

*Anne Trister*, directed by Léa Pool won a 1987 Genie Award for Best Achievement in Photography. Other 1987 Genie award-winning films showing the NFB logo were *Get a Job* directed by Brad Caslor and *Le Déclin de l'empire américain* which won eight Genies.

**Majors taken to task**

TORONTO - The association representing the major American film companies in Canada was verbally blasted at a Parliamentary committee meeting for recommending an end to Canadian content quotas in broadcasting.

The Canadian Motion Picture Distributors Association (CMPDA) states in a written brief to a House of Commons committee that it regards content quotas as "unreasonable interference with the free play of market forces."

But New Democratic MP Lynn McDonald, a member of the Commons Standing Committee on Communications and Culture, told association representatives the recommendation is "totally irresponsible."

McDonald asked CMPDA president Millard Roth how he could make such a recommendation when American programs carry 10 times the market force of Canadian programs. McDonald asked what the impact would be if Canadian content quotas were dropped.

Roth replied that you can look at television production as either market-driven or content-driven and suggested that using a market-driven system would be more successful.

In the brief the CMPDA states its members recognize any country is entitled to ensure its broadcasting system represents its national image.

"They do not, however, regard content quotas designed to discriminate against foreign motion pictures and television shows as an appropriate means of achieving this objective," the brief states.

As a matter of principle they are opposed to quotas "which they regard as an unreasonable interference with the free play of market forces which should govern the supply of entertainment programming for broadcasting purposes."

In response to recommendations contained in the Caplan/Sauvageau task force on broadcasting the written brief also discusses a variety of other issues such as copyright, the importation of distant signals and a possible tax on videocassettes.

Voting member companies of the CMPDA include Columbia Pictures Industries, Inc., De Laurentiis Entertainment Group, Inc., MGM/UA Communications Co., Orion Pictures Corporation, Paramount Pictures Corporation, The Walt Disney Productions Company, Twentieth Century Fox Film Corporation, Universal City Studios, Inc., and Warner Bros. Inc.

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