

Rocky, dangerous road mapped out in free trade

MONTREAL - Free trade is already having a debilitating effect on the Canadian film industry, says the chairperson of the sectoral advisory group on international trade (SAGIT): Arts and Culture.

"What we are witnessing is an ongoing dramatic development regarding Canadian cultural industries and free trade. The fact is that film is going to be the victim," says Marie-José Raymond, chairperson of the SAGIT on arts and culture and president of Rose Films Inc.

Peter Simpson, a SAGIT member, does not share Raymond's view. The president of Simcom and Norstar Releasing Inc., a theatrical distribution company representing filmmakers and distributors in Canada, the U.S. and abroad, says the government is good on its promise to protect cultural industries where free trade is concerned.

"There is absolutely no evidence in the agreement that the government has changed its position," says Simpson.

During the spring and summer of 1986, 15 SAGIT committees, composed of key persons in the private sector, were formed to advise the federal government on matters pertaining to international trade and the Canada/U.S. Free Trade Agreement.

According to its members, the SAGIT, Arts and Culture was largely responsible for keeping cultural industries off the free trade negotiation table.

However, the wording of the current free trade document with specific reference to the second paragraph of section 2005 (the principal provision of the treaty dealing with cultural industry) combined with on going developments within the industry itself has given Raymond reason to believe that the federal government has no intention of developing a strong Canadian film industry.

"It is one thing to exempt cultural industries from the Free Trade Agreement," says Raymond, "and quite another thing to preserve the status quo of the film industry. The status quo is disastrous. We have been totally invaded by foreign products and we don't have access to our own market," says Raymond.

Not unfamiliar with the syntactic subtleties of government documents Raymond, co-author of the 1985 Task Force Report on the Film Industry (*Canadian Cinema: A Solid Base*), is bothered by the second paragraph in section 2005 which she says locks the film industry into the status quo where there is no film distribution law despite repeated promises of federal government legislation, a severely weakened and thus unattractive tax shelter for certified Canadian film and a financially emaciated Telefilm

Canada.
Section 2005, paragraphs 1 and 2 read as follows:
"1. Cultural industries are exempt from the

provisions of this Agreement, except as specifically provided in Article 401 (tariff elimination) paragraph 4 of Article 1607 (divestiture of an indirect acquisition) and Articles 2006 and 2007 of this

Chapter.
2. Notwithstanding any other provision of this Agreement, a Party may take measures of equivalent
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commercial effect in response to actions that would have been inconsistent with this Agreement but for paragraph 1."

The second paragraph, says Raymond, sends a clear signal to the the federal government that any measure to repatriate the Canadian film industry could cause retaliation of "equivalent commercial effect" against another Canadian industry.

"You can just imagine what kind of blackmail position we are in if we, for example, convince the government to pass the distribution law knowing that, as a result, the mining, lumber or fishing industry is going to be hurt," says Raymond.

Simpson, on the other hand, warns against jumping to hasty conclusions. He advocates a wait-and-see approach.

"We kept culture off the table and that is 95 per cent of the battle. This means that we can write the laws we like and they can retaliate."

Given the delicate path that the Free Trade Agreement must travel in Parliament and congress, Simpson says it is not surprising that concerned parties on both sides of the border are highly sensitive to anything in the agreement that may imply bad faith.

"There will no doubt be hiccups between the two countries. We know that U.S. trade representatives are not pleased that cultural industries was left out of the agreement. We know that the U.S. unions are up-in-arms about runaway productions in Canada and the manufacturing of 25 per cent of North American prints in Canada. Understand that this is not going to be a smooth ride all the way," says Simpson.

Joint venture to magnetize post-production

TORONTO - Standard Broadcasting Corporation, owner of the CHUM group of radio stations and the CITY-TV Much Music network, has entered into a joint venture with the Magnetic North Corporation to knit up post-production facilities in the city.

The two companies have set up The Magnetic Enterprises Corporation, which will merge the TV production and post-production of Standard subsidiary VTR Productions Limited, along with its Eastern Sound division, with Magnetic North and its Magnetic Fax Corporation.

Dan McGuire, president of Magnetic North, will serve as president and CEO of the new company.

In addition, Standard and Magnetic North have an agreement in principle to buy out 100 per cent of Toronto's Medallion Film Laboratories. The resulting conglomeration will aim at the corporate and entertainment markets with a

wide variety of services, including film processing, video transfer, editing, TV and audio production and post-production.

Medallion opens its new video division this

month, which will provide on-premises film-to-videotape transfer.

McGuire and Standard president Allan Slaight have emphasized that Magnetic Enterprises will

exist as a "core company" to focus the services of its constituent firms. Magnetic Enterprises will continue to look for partners in complementary areas of the entertainment industry.



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NEWS

NEW IMAX PROJECT

The National Film Board has begun filming a 35-minute IMAX production which will be premiered at the yet-to-be-constructed IMAX theatre in Montreal's Old Port. The dramatic film, tentatively titled **The Heart**, will focus on medical advances which have been pioneered in Canada and, in particular, Montreal. Much of the filming will take place in the Montreal Heart Institute and the Montreal Neurological Institute. The project, which will be co-produced by Lavalin Communications, will be budgeted at \$3 million and date for completion is set at June 1. The new theatre will open with the second annual Expotec, a technological exhibition on June 15. The NFB crew, much the same as that which created the IMAX 3-D film **Transitions** for Expo '86 in Vancouver, includes: directors Colin Low and Tony Ianzelo; director of photography Ernest McNabb; editor Michael McKennirey and producer Mark Zannis.

NFB IN PRIME TIME

Now in final mix, director Donald Brittain's latest production **The King Chronicle** is scheduled for telecast on the CBC. March 27, 28, 29 this year. This three-part six-hour co-production of the National Film Board and the CBC stars Sean McCann (*Night Heat*) as MacKenzie King. The dramatic series recalls the life of Canada's longest reigning prime mi-



Sean McCann stars as MacKenzie King in *The King Chronicle*

nister from his student days to his death in 1950. Filmed on location in Montreal and Ottawa and on the NFB's Montreal shooting stage, **The King Chronicle** also features: Patricia Collins, Richard Farrell, John Friesen, Marion Gilseman, David Hughes, Gary Reineke, R.H. Thomson and Sandy Webster. The series is produced by Adam Symansky.

The Gemini-Award-winning four-part series **Daughters of the Country**, produced by the NFB's Prairie Centre will be presented on CBC-Television on

four consecutive Thursdays beginning March 3 at 8:00 p.m. The first film to be televised, **IKWE** was directed and produced by Norma Bailey who produced all four films. **Daughters of the Country** is a series of historical dramas focussing on Canada's Métis people from 1770 to the late-1900s.

Internationally... this same series will be televised by both the Singapore Broadcasting Corporation and the Korean Broadcasting System this spring.

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