

Claude Héroux to battle Radio-Canada in court

MONTREAL – Radio-Canada will not concede to the wishes of Claude Héroux to settle their differences out of court.

At a press conference on April 11, the television producer said the production of six made-for-television movies, each featuring a main character in the *Lance et Compté* television series, was temporarily suspended.

Shooting had been scheduled for June when Telefilm Canada announced it would not participate with \$2.1 million funding for the \$5.5 million project until Héroux and Radio-Canada had solved their differences and a broadcaster had been secured.

According to Telefilm policy, the funding agency can withhold funding where there is no letter of agreement from a broadcaster or where litigation may jeopardize the project.

Héroux expressed hope at his conference that Radio-Canada would agree to settle the dispute

out of court by means of an arbitrator but at press time Radio-Canada had scuttled that possibility.

The problem started when Héroux announced in March that TéléMétropole, Quebec's largest private broadcaster, would carry the six 90-minute movies-for-television (production cost estimated at \$995,000 each) to be broadcast in the fall.

Radio-Canada quickly reminded Héroux that it had paid \$1.6 million for the exclusive broadcast rights to *Lance et Compté* through 1993.

However, Héroux, argued that the public broadcaster had been too slow to commit itself to the new project. He told Radio-Canada that the proposed television-movie format was distinct from that of a series and, therefore, going to TM did not constitute a breach of contract with Radio-Canada which had bought the rights to the series.

public investment offering through Midland Doherty Ltd. Corporate participation came from O'Keefe, Ultramar Canada Ltd. and Canada Trust. Agreements for co-production were made with TF1 (France) and SFP (France). French participation was \$2,790,000.

Average audience size shot up to 2,487,000 viewers and five more Prix Gémeaux were added.

The CBC (English side) withdrew its support from the third series after the second series failed to draw high ratings in English-speaking Canada. TF1, dissatisfied with European ratings, did the same, forcing Héroux to restructure his finances, cut his budget by \$4 million and rely on increased funding from O'Keefe, Le Permanent, Ultramar and the Métro-Richelieu grocery chain.

Several weeks into the production of *Lance et Compté III*, with a budget of \$8,209,900, Radio-Canada announced it could not afford to carry the series and that it had not approached Telefilm for funding. Negotiations proved fruitful for Héroux and Radio-Canada returned.

A record audience size for the third series which ended in March was over 3,000,000 but, according to Héroux, Radio-Canada was slow to commit itself to the fourth series of movies-for-television.

Therefore, after eight months of what Héroux calls "bureaucratic sluggishness" the television producer took his hockey series to Télé-Métropole, a move that Radio-Canada called a breach of contract.

Radio-Canada has completely dismissed Héroux's argument insisting that Héroux remains contractually obligated until Dec. 31, 1993.

Héroux has asked Radio-Canada not to bring this case to court where Quebec's most popular television program could be tied up for years.

Radio-Canada has responded by pointing out that Héroux (not Radio-Canada) wants to break the contract and that the court, not arbitration, would provide the most conclusive decision.

An inside source at Radio-Canada who is working closely with the Radio-Canada/Héroux dossier told *Cinema Canada* that although Radio-Canada might have been responsible for certain extended delays where legal matters were concerned, there has always been a sound working relationship between both parties.

The source explained that Héroux was slow to submit documents for a legal name change of the *Lance et Compté* production company and that confirmation by Radio-Canada took some time.

However, it took only three days in early December 1988 for Radio-Canada to read and respond to the first two television-movie scripts – a process that was interrupted by the holidays.

According to the source, Héroux's stated frustration with Radio-Canada is compounded by the fact that other Héroux projects have been rejected and by the fact that Radio-Canada is being prudent in its investment dealings since the costly failure of the *Mount Royal* (Alliance) series in 1988.

John Timmins •

Overview: Héroux in a hurry

Claude Héroux, producer of the *Lance et Compté* television series, does not like the way Radio-Canada does business.

The direct production cost of all three *Lance et Compté* 13-half hour series was \$26,615,675 with additional indirect costs. Of this, Radio-Canada paid a total of \$5 million or 18 per cent, according to Héroux.

He says that while Radio-Canada was paying low licence fees, the public broadcaster was charging \$8,500, \$11,000 and \$14,000 for 30 seconds of commercial air time during the three series, respectively.

In July 1985, Radio-Canada bought the broadcast rights to all three *Lance et Compté* series. A pilot was made to attract further investment for an overall cost of \$547,167 to which Radio Canada contributed \$50,000.

Additional participation for the first series came from TF1, the largest broadcaster in France with a 20 per cent investment, Swiss Television, O'Keefe Brewery and the CBC.

This series was produced in both English and French for \$8,670,775 with a 15 per cent licence fee paid by Radio-Canada.

Average audience size was 1,993,000 viewers. That year, *Lance et Compté* won six Prix Gémeaux with nominations in eight categories.

The second series was produced at a cost of \$9,735,000 with a large fully subscribed

More cuts to the CBC proposed

OTTAWA – CBC president Pierre Juneau said the CBC will have to make major reductions in service and lay off staff to meet the Tory government's proposed cut of \$140 million in the corporation's budget over the next four years. The cuts backs were announced in the federal spending estimates issued a day after the federal budget was tabled in the Commons.

The budget cut, in the president's words, "is absolutely devastating. The impact is not only painful, but dire." CBC spokesman Richard Chambers told *Cinema Canada* that the cut backs (the second to be imposed by the current Conservative government; in 1984 it imposed a \$84 million cut that led to extensive lay offs), "are unfortunate, bordering on the tragic given what we are trying to do within Canadian broadcasting."

Juneau suggested on a Toronto CBC Radio morning program that the corporation's goal of achieving 95% Canadian content in prime time over the next five years, "has gone out the window." Chambers explained, "What the president is saying, is that with the budget cut im-

posed on the CBC now, on top of the history of cuts we have experienced in the last four years, it is going to make it very difficult. He doesn't know yet exactly how Canadization will be effected. The target may go out the window, but the goal is very dear to us."

ACTRA General Secretary Garry Neil said in a press release, "These cuts will have disastrous consequences for all Canadians. The CBC will have no option but to amputate whole services, to close stations or otherwise decimate programming." When reached for comment, ACFTF spokesperson Peter Mortimer thought that the cut backs would "obviously slow down Canadization, possibly putting it on hold." Sam Jeppcott of CFTA called the cut backs, "a political move. Not 'I'll get you', but political in the sense that nobody is fighting for what amounts to ministerial petty cash for this broadcaster. Nobody has a clear policy about what they want to do with public broadcasting in this country, and that's a terrible shame."

Although the Canadian Broadcasting Corp. will face the cuts starting next spring, the spending estimates show that this year the CBC will receive an extra \$57.8 million in revenues previously committed by former Communications Minister Flora MacDonald for Canadization and the building of the broadcast centre in Toronto. Also the Corp. will receive \$26.7 million for higher salary costs and an extra \$6.5 million for operating costs. However, next year CBC's federal subsidy will be cut by \$20 million and accumulate to \$140 over the following three years. Presently the public broadcaster receives a parliamentary allotment of \$965 million.

The budget hit the CBC in other ways as well. There is an increased tax on telecommunications (satellite time and telephone lines), higher general sales taxes on all goods, higher employer share to unemployment insurance and a new tax on corporations. "Our finance people are costing it out right now," said Chambers. "It will probably mean three or four million for the present year and six next year."

During the Toronto radio interview, Pierre Juneau speculated that the CBC would consider selling advertising time the National and the Journal, or even radio, to make up for the government's short fall in subsidies. He has call for an emergency meeting with Communications minister Marcel Masse to discuss the cuts, which he says came as a complete surprise. "If we're talking about taking the CBC apart," said Chambers, "which Juneau would say these cuts mean, we have to discuss with the minister about how this can be done."

The released spending proposals also indicate that the government has followed through on an earlier promise to increase funds available to the Telefilm to fulfil its commitment to the Broadcast Fund and the film and video distribution policy. The increase in the current year will be \$44.1 million. The NFB will also receive a \$6 million increase.