

Cannes market depressed but *Jésus* raises spirits

MONTREAL - The excitement over Denys Arcand's *Jésus de Montréal* has by no means dissipated with the closing of the Cannes Film Festival, May 15 to 23, where the film won the Jury Prize in the Official Competition and the Ecumenical Prize.

Max Films reports over \$2 million (Cdn.) in worldwide sales with all territories sold after its world premiere on May 15. Pierre Latour of Max Films International says a U.S. deal is expected by the end of the summer.

At presstime the film was averaging close to \$100,000 per week on three Montreal screens.

Arcand's film was a strong contender for the Palme d'Or - best film of festival - which was presented to 26-year-old Steven Soderbergh for his *Sex, Lies and Videotape* (U.S.A.).

Also helping to draw attention to Canadian film was Gilles Carle's *50 Ans*, winner of the Palme d'Or for best short film - a tribute to the National Film Board on its 50th anniversary.

Atom Egoyan, a young Canadian director, drew his fair share of international media attention with *Speaking Parts* in the Director's Fortnight and was "all over the French press" according to Claude Chamberlan, co-director of the International Festival of New Cinema and Video in Montreal.

"It was a good feeling to be there and see things going so well for the Canadian and Quebec filmmakers, especially for Frappier and the gang who have all been fighting for independent film for the last 20 years," says Chamberlan.

Of the Cannes jury and its final selection, Chamberlan says, "fantastic, it had a good balance of conservative and nonconservative jury members and for the first time in 42 years it chose an independent filmmaker for the top prize."

Noteworthy, says Chamberlan, is the fact that Wim Wenders had the full jury on the podium during the presentation to, symbolically, "stand behind" its selection.

"It was a great day for independent film, not to mention Canadian and Quebec film," says Chamberlan.

Jan Rofekamp of Films Transit Inc. agrees that independents got "a much-needed break."

As much as *Jésus* deserved to be among the top three films in competition, Rofekamp says a keen observer could foresee how this jury would choose "a film made for \$350,000 by a 26-year-old director over a producer's film made for \$4 million."

But Latour, who is far from wounded by the jury's decision, says there are many theories as to why *Jésus* took second place.

"We weren't thinking of *Sex, Lies and Videotape*. We were in competition with

ourselves," says Latour whose partners Roger Frappier and Pierre Gendron produced Arcand's *The Decline of the American Empire* which took the Director's Fortnight by storm in 1986.

Rofekamp says that the Official Competition has "taken a new course" with more independent films once the exclusive property of the Director's Fortnight.

Elsewhere, the Cannes Market was less hectic than in past years and somewhat depressed.

"It was a very curious Cannes Market," says Rofekamp, who in 1987-1988 sold *I've Heard the Mermaids Singing* in all territories after a strong reception in the Director's Fortnight.

"The cost of launching a film in Europe has become so high that everyone is going after a few films. It is getting to the point that if you don't have a film in one of the programs (Official Competition, Director's Fortnight) you're going to have a very hard time," says Rofekamp.

Latour agrees that a trend exists towards buying fewer pictures of exceptional quality.

"Of course," he says, "it is an exceptional thing when you have a good film on your hands."

Publicity for *How to Make Love to a Negro* drew a lot of attention at Cannes. Montreal-based Aska Films reports \$1 million (Cdn.) in sales to Israel, Spain, Italy, Sweden, Finland, Switzerland, Belgium, Germany and Holland. *The Kid Brother*, a hit at MIFED in 1987, continued to sell in Italy and Spain.

Rock Demers of Productions La Fete, premiered two films at Cannes. *Bye-Bye Red Ridinghood* and *Summer of the Colt*, are the ninth and 10th films in the *Tales For All* series of family-oriented films. Productions La Fete reports total sales of over \$2 million.

"It felt a lot better to be there this year," says Kevin Tierney of Productions La Fete, commenting on the effects of *Jésus de Montréal* on Canadians at Cannes.

This year's market, lasting only five days, was shorter than in previous years.

"Everyone just closed up and went home," explains Orvil Fruitman, president of Brightstar Films Distribution Inc.

"Between the high cost of the hotels and the food and everything else a lot of the people didn't think the market was worth going to," says Fruitman.

"As far as buying product was concerned, there were so many Canadians running after the same picture it became a little ridiculous," says Fruitman.

"Everybody thinks that because they are getting money from Telefilm (the Distribution Film Fund) it is open season. I know the prices are way up over what they should be and some of the distributors are fueling it."

The absence of Simcom/Norstar and Sullivan Films was noticed at Cannes but neither company would comment to *Cinema Canada*.

Louise Clark of the Ontario Film Development Corporation observed the market winding-down from day to day.

"The place emptied out throughout the middle week of the festival. Business was bad... it was very, very slow year."

However, Robert Lantos, chairman and CEO of Alliance Entertainment Corp. had a contrary view of the market. He says the market was "bursting with European financial partners."

"I did not find business to be down," says Lantos. "I think the American B pictures were having a tough time but that doesn't really affect what we do."

Ron Emilio, executive vice-president of Famous Players Ltd., says there were new releases this year but of much higher quality.

"The market was softer," says Emilio.

Cineplex takeover battle continues

TORONTO - In the latest twist in the battle for control of Cineplex Odeon, the company that Garth Drabinsky built but does not control, it was announced that an office of Chairman has been created. Drabinsky, formerly chairman (and still CEO), is now sharing those duties with James Raymond and Charles Paul.

Raymond is president of Claridge Investments Ltd., a company controlled by Charles Bronfman of Montreal. The Bronfman group owns 29 per cent of Cineplex. Paul is vice-president of MCA Inc., the Hollywood entertainment giant that owns 48 per cent of the company. Both men were already board members and form part of a six-person committee set up to examine takeover offers for Cineplex by Drabinsky or any third party. These events follow Drabinsky's attempt to purchase the Bronfman shares and make the company private, a move blocked by MCA after a bitter three-week struggle in April.

In other developments, Drabinsky and Cineplex vice-chairman Myron Gottlieb have negotiated "golden parachutes" amounting to over \$8 million if their employment contracts are terminated. Under the agreement, their contracts can be terminated after this September 30. This would provide some compensation for Drabinsky and Gottlieb if their bid to take over Cineplex fails. A general shareholders meeting has been put off again until June 30, when it is expected that Drabinsky will let his plans be known.

Robin Jackson, Senior Film and Video Policy Officer with the Department of Communications, told *Cinema Canada* that her department is

watching developments "because nobody knows what's going on. Any attempt by MCA to take over Cineplex would be counter to the regulations of Investment Canada policy." The DOC doesn't have a policy on foreign control over Canadian exhibitors or producers and their distribution policy has yet to be passed through Parliament. Jackson said the Cineplex developments are of a "particular interest to us, depending on what happens."

Cineplex announced first quarter figures that showed higher revenue and profits. Net profit rose 34 per cent to \$10.7 (U.S.) million on revenue of \$188.2 (U.S.) million, which is 39.5 per cent better than last year. As of March 31, Cineplex's longterm bank debt totalled \$625.6 million, down from \$663.9 million at the end of 1988.

Broadcasting Bill delayed

OTTAWA - The long-awaited revised Broadcasting legislation, which failed to pass first reading when the Conservatives called the election last year, will be delayed even longer. Michael Helm, acting director general of Broadcasting Policy with the Department of Communications, said when contacted by *Cinema Canada* that "The bill is going ahead, we are working on it, but there is a delay. The Minister (Marcel Masse) wanted it in the house now."

Whether the delay will be a few months or a matter of weeks, Helm would not say. "The Minister is discussing changes, but nothing has been decided yet," he said. "He's not talking about rewriting the bill. Most people felt it wasn't far off the last time. However, there have been a number of representations made since last fall, and there continue to be representations made. We will consider them and there very well may be some changes."

Production in Ontario declines

TORONTO - Film and television production has declined in Toronto over the first four months of the year, confirming expectations of industry analysts. However, no one is quite sure if this is part of a long-term trend or only a short-term decline. Most people contacted by *Cinema Canada* seem to think it is still too early to tell.

Naish McHugh, Film Liaison Officer for the City of Toronto, said that "It's nice to be busy for a change instead of frantic." He viewed the overheated pace of the past two years as being

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NFB COMMEMORATIVE STAMP

In saluting the 50th anniversary of the National Film Board, Canada Post unveiled on May 2 (NFB Day) an illustration of a new commemorative stamp dedicated to the Canadian film industry. Unveilings were held in NFB offices across Canada. The stamp, shown here, was designed by Toronto artists Bill Tibbles and Jonathan Milne and will be issued on Oct. 4, 1989. It represents one of four issues which will pay tribute to the Canadian arts.

SALE TO RUSSIA

Train of Dreams, John Smith's alternative drama feature, has been purchased for theatrical and home video distribution in the U.S.S.R. by Sovexportfilm. This story of a rebellious youth, starring Jason St. Amour, was also sold to the First Channel of Hungarian television. Both sales were a result of Filmex '89, an initiative to promote Canadian film sales to socialist countries.

FILMS ON FAMILY VIOLENCE

The National Film Board, with the financial backing of Health and Welfare Canada, has just released two new bilingual catalogues listing films and videos available on family violence. One of these includes all titles available through the NFB while the other includes all titles available in North America.

The two were compiled by the Film Board on behalf of the Family Violence Prevention Division of Health and Welfare Canada. The subject matter includes: child abuse (including child sexual abuse), wife abuse and abuse of the elderly.

Both catalogues are free of charge and available through local offices of the NFB and Health and Welfare Canada.

THREE AWARDS TO NFB AT CANNES

Three awards were presented in Cannes in films produced or co-produced by the National Film Board.

The much honoured Palme d'or was presented to **50 ans**, a 3-minute montage of 50 years of NFB filmmaking, directed by Gilles Carle and produced by Eric Michel.

Denys Arcand's **Jésus de Montréal** which is a co-production of Max Films / Gérard Mital Productions, in association with the NFB was awarded the Jury Prize as well as the award of the Ecumenical Jury.

The mayor of Cannes also paid tribute to the Board through the presentation of a commemorative plaque, honouring the Board's "vital contribution to world cinematography for 50 years."



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above normal, beyond the city's capacity to cope with the number of productions requiring his services. "In the first three months of this year, we had 21 productions that we dealt with, compared with 22 in the same period last year."

"As far as U.S. productions go, we have had two US features this year as opposed to four last year at the same time; four Canadian features as opposed to seven last year; nine series done so far this year and four movies of the week, compared to seven series last year and one

movie of the week. Total production shooting days is way up this year compared to last year because there has been more on-location filming from those productions."

Rob Iveson, past chairman of the Ontario Branch of the Director's Guild of Canada, estimates that production is down 20 per cent from last year. "It's a sudden down," he said. "We haven't had a down like this in recent years. We could all read the writing on the wall with the dollar rising and free trade in place and competition from all over the place. It's down in the area of series. The *Night Hents* of the world have run their course. With the cancellation of the CCA, Telefilm allotting their money

regionally, the cutbacks at the CBC, where's the magic money going to come from?" However, he is "guardedly hopeful" and feels that comparisons with last year are too easy.

Gail Thomson, the OFDC's Location, Promotion and Services Officer, said her department has serviced nine productions in the first three months of this year which left million in the province. That figure represents a 27 per cent decrease of last year's total for the same quarter, which was \$35.7 million. She points to a number of factors for this decline, including the strength of the Canadian dollar which has moved from \$1.38 vis-a-vis the American in 1986 to \$1.19, where it is now. Also,

because of the federal government's withholding tax on foreign actors, producers are now required to indemnify actors, grossing up their fees by 15 per cent. "There is fairly aggressive competition from other jurisdictions," she said. "There were over 150 jurisdictions exhibiting at Locations Expo at the American Film Market this year. It's a business everyone wants to be in. It's labour-intensive and it injects an incredible amount of money into the economy. We will know better at the end of the summer how serious a decline there is going to be."

Donato Baldassarra of the Association of Canadian Craftspeople agrees with the 20 per cent figure. "There is a definite falloff but they're making it sound like there is nothing here to shoot. We have more sound stages than we ever had and there's six more being built. There's an industry here whether we like it or not, but certainly the producers are going to have to look across the country. It's not just concentrated in Toronto anymore. Whether you agree or not with Telefilm's policy, they're spreading the money across the country and we just have to recognize that's the reality. We were so successful in convincing people to shoot here that we went just haywire. We had a real banner year last year, and the year before. Now we're going through a rationalization period. We've gone through this before and I don't think it will be that long-lasting unless the federal government is out to decimate the film industry."

Michael Speyer, newly appointed head of Ontario Film Investment Program, the Ontario government's invest plan that will rebate producers up to 20 per cent for Ontario-based productions, said that with the cut in the CCA under tax reform there has been a drop in production because there has been no substantial way to attract outside investors. As a former chartered accountant at Thorne Ernst and Whinney specializing in entertainment tax, he notes that, "our work has dropped off in that area, but whether this is temporary we don't know yet. No one has closed-up shop yet. American made-fors fluctuate with the exchange rate, but we've built up a sufficient reputation that Americans are coming up here despite the exchange rate."

Back at the City of Toronto, McHugh says that, "We're still doing U.S. productions and we're still getting U.S. productions. The first quarter is always quiet compared to the rest of the year. I'm not discouraged. Production in Hollywood experienced a boom that started in '83 and peaked in '87. 1988 showed the first slackening of the boom and total production out of Hollywood was down about 15 per cent. For the first quarter in 1989 production was down something like 30 per cent. I think the whole industry is taking a breath right now. If there is any slack-off, it is just an industry reaction. We've had enough inquiries that we are not going to have a bad year at all."