

Bid for additional CBC funding

TORONTO - Without more money from government, the Canadian Broadcasting Corp. (CBC) will not be able to meet its present commitments to increase Canadian content and independent production on the network, nor will it be able to keep pace with the finances available to CBC through the Broadcast Fund.

That was the message CBC president Pierre Juneau delivered May 11 in Toronto, first to a luncheon gathering of the Canadian chapter of the International Institute of Communications, then later to an audience of independent producers meeting with CBC executives.

Juneau told the IIC that CBC will need approximately \$40 million in 1984-85, \$67 million in 1985-86, \$95 million in 1986-87, and \$125 million in 1987-88 to meet its commitments, and said CBC couldn't do it out of its existing budgets, though it plans to maintain \$20 million for independent production in each year's budget.

"We can certainly slow down and reduce the speed with which we increase our Canadian programming," said Juneau, noting that CBC already exceeds CRTC Canadian content requirements and that the federal government's broadcasting strategy paper acknowledged that increases in prime time Canadian content programming might take longer to achieve without additional funds.

"The problem, however, is that independent producers are expecting an annual increase and that the Telefilm Canada Fund by itself creates an expectation," he said.

CBC English and French TV networks together produce 220 hours of programming each year, said Juneau. The English network currently is involved, as producer or co-producer, with 15 features, three mini-series, nine regular series, and 11 special. "If you compare CBC with an American production studio, CBC has more production going," he told the IIC.

Titled "Broadcasting Future and Present," Juneau's speech addressed the international marketplace and national cultural programming in relation to the new broadcast technologies. He cited audience surveys which showed that over the past 15 years, TV viewing per person in Canada has remained steady at around 23.5 hours per week despite the introduction of cable and extra-channel converters.

Another study of cable homes showed that when only 3-4 channels were available, most viewers watched at least all

channels once a week; when many channels were available, only one-in-three channels were ever watched once a week. "Perhaps this means we have reached a consumer threshold in program choice," Juneau said.

The CBC president said he did not believe narrowcasting would replace broadcasting, and predicted large networks like CBC, CTV, CBS, or NBC would retain the largest part of the audience in the future. He felt the introduction of specialty services would not lead to the demise of broadly-based entertainment and information services.

Cable, cable audio services, interactive cable, satellite distribution, VCRs, and high definition TV would continue to develop in the Canadian and world markets, predicted Juneau, but he admitted he was unsure about direct broadcast satellites in Canada, where more than three-quarters of homes are already served by cable.

Juneau said most Western countries, including Canada, face the same problem - the smallness of their markets. This forces them to make important concessions toward countries with larger markets, such as the United States. He cited as an example the Franco-Canadian co-production *The Blood of Others*, made by French director Claude Chabrol but shot in English and in the United States.

Producing quality TV programming is "a process of trial and error" requiring many attempts, said Juneau, and the Americans can dominate this system because their market is big enough to absorb the costs. In countries with smaller markets, public broadcasters are called on to absorb the costs of developing quality TV programs.

Cineplex to buy out Canadian Odeon

TORONTO - Cineplex Corp.'s widely rumored takeover of Canadian Odeon Theatres Ltd., which would make Cineplex Canada's largest exhibitor, had not yet been confirmed at presstime. Phone calls to Odeon offices were not being answered.

Trading in Cineplex shares halted May 28 on the Toronto Stock Exchange at the company's request.

A Cineplex takeover of Odeon's 296 screens would give it a total of 496 screens compared to Famous Players' 457 screens.

Film Policy puts faith in private sector, Majors

OTTAWA - The Minister of Communications Francis Fox announced his National Film and Video Policy to a packed press gallery, intrigued by the May 29 Canadian Press report that some sort of quota would be applied to force Canadian films to be screened in Canadian theatres. Quick to point out the error, Fox outlined the various parts of his policy.

The "strategic objective" of the whole is "to make available to all Canadians, in the new environment of the 1980s and 1990s, a solid core of attractive, high-quality Canadian film and video productions of all kinds." To accomplish this, there is a public sector thrust which involves a reorientation of the National Film Board, making it a crown corporation through a National Film Act; and a private sector thrust in two parts. The first adds \$7.5 million to the Telefilm Canada budget to allow it to increase support to script development and bridge financing, and to open bonafide promotion and marketing divisions. The second involves the creation of a "more co-operative relationship [which] can be mutually beneficial with the American Majors," through negotiations authorized by the Cabinet. Fox must report back to Cabinet within six months on the progress of these negotiations.

Refusing the recommendations of the Applebaum-Hébert Report which suggested doing away with the National Film Board, Fox confirmed François Macerola, acting head of the Board since James Domville's withdrawal, as Film Commissioner for a five-year stint, and named Patrick Watson to the Board of Directors. The Board's new directives are to become a "world-class centre of excellence in film and video production" and a "national training centre for advanced research, development and training in the art and technology of film and video." Macerola has been asked to prepare a five-year plan to fulfill these directives, and to rid the Board of the extraneous departments (i.e., not directly involved in production) it has accumulated over the years. Functions like the holding of archives and still photographs, running a commercial laboratory, and manning distribution offices, will be turned over to other government departments or contracted out to the private sector. As well, the Board will contract out most filmmaking while retaining "full financial and creative control," and will

withdraw completely from the production of government-sponsored films. Most of these new orientations are already underway at the Board, and the policy conforms to the directions anticipated by the industry.

At the Canadian Film Development Corporation, whose name is officially changed in the policy to Telefilm Canada, monies will be available on a matching basis to test-market Canadian films, to enhance the marketing of these films in foreign markets and to support the development of these markets through the existing Program for Export Market Development. Telefilm, which has now brought the Film Festivals Bureau under its wing, will increase its support to Canadian film and video festivals and to national service organizations. Telefilm will inherit some of the distribution personnel from the foreign offices of the National Film Board, and will take responsibility for the Film Canada Centre in Los Angeles, executive director André Lamy told Cinema Canada.

In what Fox calls in the policy, "access to screens - the last hurdle," he undertakes to cope with the very real problems of distribution and exhibition of Canadian films in Canada and abroad. This is the most controversial section of the policy and, to those who have been watching the on-going negotiations between the department of Communications and the major American studios, not the most rewarding. Noting the unacceptable imbalance between the strength of the Majors, who earn 80% of the revenues generated by the Canadian box-office, and the weakness of the Canadian producer, whose films generate 2% of these same revenues, Fox insists that a healthier climate can voluntarily be established through negotiations with the Majors, and as he underlined to Cinema Canada, prides himself on being the first Minister ever mandated by the Cabinet to undertake such negotiations. The objectives of these negotiations are several: to allow "greater access by Canadian productions to Canadian audiences through their [the majors'] domestic distribution systems"; to allow "greater access by Canadian productions to the American market and other foreign markets through the worldwide distribution systems of these firms' parent companies"; to insure "a greatest proportion of the revenues from the Canadian thea-

trical market for Canadian-owned and controlled film production and distribution companies;" and to insure "quicker access by Canadian francophones audiences to dubbed or sub-titled versions of newly released TV programs produced through the parent companies..."

Taken at face value, the policy accepts that distribution by the majors is the quickest and best route to reach audiences, both Canadian and foreign. A high official with the department of Communications confirmed that the Majors could, in principle, also access the marketing and promotion monies available through Telefilm Canada to launch Canadian films. Almost totally absent from the policy is any mention of the Canadian independent distributor.

Asked by the press what possible carrot he held to bring the Majors into negotiations, Fox replied that the "unfettered access" they now hold to the Canadian market is not something they will want to relinquish, and that he still holds all the options used in other countries (quotas, taxes, levies) to reduce their domination if negotiations do not bring about a voluntary understanding.

Although the Minister was reluctant to detail the elements which made him confident that negotiations with the Majors would be fruitful, it is known that the U.S. government is anxious to talk with the Canadians about the cable and satellite transmission of U.S. television programs for which no license royalties are currently being paid. It is supposed that these discussions might be coupled with those concerning theatre time for Canadian films in Canada, as the Majors are party to both situations.

Those close to the negotiations with the Majors insist that Fox has a toughest stance with them than would seem evident in the policy, and that he supports Quebec Minister Clément Richard who is in the midst of negotiating a quid pro quo with the Majors to get them to relinquish their hold on foreign films and classic division films, leaving some room for the Quebec distributor.

The success of discussions with the Majors is crucial to the ultimate impact on the Canadian industry of the new film policy; those discussions presume that, in six months time, the Minister and the Liberal government will still be in power in Ottawa.