

Agreement reached on Joshua

TORONTO - A tentative agreement has been reached among the interested parties in the intricate financing of *Joshua: Then and Now*. Motion Picture Guarantors (MPG), Lloyds of London, Telefilm, CBC, RSL and several banks involved in the financing of the film have worked out a settlement in principle to enable completion of the film.

Douglas Leiterman, executive officer of MPG, told Cinema Canada that under the terms of the agreement "MPG will contribute \$1 million and our reinsurers (Lloyds) will contribute \$486,363 plus a further \$100,000 if required. Other amounts will be contributed by Telefilm, CBC, RSL and other beneficiaries for the enhancement of the film. MPG will return full control to the producers. MPG or a representative of the investors will remain a signatory on cheques."

Joshua produced by RSL and directed by Ted Kotcheff from a script by Mordecai Richler, has been plagued with financial difficulties almost from inception. Severe budget overruns, amounting to about \$2 million, forced competition guarantors to take control of the film on Dec. 10.

As the most expensive Cana-

dian financed film (originally \$9.2 million, now over \$11 million) *Joshua* required complex financial agreements among producers, Telefilm, CBC, the banks and distributor Twentieth Century Fox. Twentieth Century has agreed to advance \$2 million on delivery of the finished film. The overruns essentially created a new kind of movie which required the agreement of all parties. Negotiations on the distribution of the additional financing for the enhanced movie has been going on for months. CBC's Rudi Carter told Cinema Canada that they had been close to agreement two or three times before. He added that although an agreement in principle has been reached, nothing has been signed. Until the agreement was signed he could not comment, he said. Peter Pearson of Telefilm was equally tight-lipped. He told Cinema Canada he anticipates an early resolution. He noted that "the business of every project is Byzantine. Any alteration of any financial arrangement is extremely complex. However, I anticipate a hugely successful movie."

Leiterman commented that although MPG has legal control of the film, RSL has been pay-

ing for post-production since Jan. 28 when an agreement in principle had been reached. He added that when MPG took control of the film it put in \$600,000 "to pay urgent unpaid bills." That will be raised to \$1 million as soon as the final papers are signed. "That is MPG's own cash contribution as separate from the reinsurer's," said Leiterman. He added that "credit for working out the final terms of the claim should be given to the adjuster for the underwriters who has worked tirelessly to achieve it. Everybody is putting in extra money but no one has come near the \$1 million we're putting up."

This is the largest claim MPG has paid out on a completion bond. Its fee for undertaking the completion guarantee of the film was \$450,000. Since *Joshua* MPG has bonded 12 pictures including *Murder in Space*, *Night Heat* (for RSL), *Street Comedy*, *Floating*, *Evangeline Deusse*, *Samuel Lount*, and *My American Cousin*.

MPG currently has pictures running in Argentina, Australia, New Zealand and the United Kingdom as well as the largest bonded picture in history, *Peter the Great*, shooting in Russia for \$35 million.

Leiterman noted that "MPG pays its claims out of its loss reserves. It has paid four claims this year including a claim in France on which a settlement in principle has been agreed."

Shamir and Masse sign treaty on Israel-Canada coproduction

TORONTO - Canada's Communications minister Marcel Masse and Israel's vice-premier and minister of foreign affairs, Yitzhak Shamir, signed a film and video co-production agreement here on Mar. 18. The ceremony was witnessed by leading figures in the Canadian film and TV industry including Garth Drabinsky, president of Cineplex, Moses Znaimer, president of City-TV, Murray Chercov, president of the CTV network, and Simcom's Peter Simpson.

Masse told the gathering that "this agreement will foster the co-production of films and videos that will enhance the prestige of the Canadian and Israeli private-sector film and video industries, contribute to their economic growth and encourage exchanges between our two countries in these areas."

In 1978 Canada and Israel had signed a feature-film coproduction agreement. One film was produced under that agreement in 1982. The new agreement reflects the impact of changing technologies in production and distribution by including all forms of film and

video products and all distribution methods.

Under the terms of the new agreement, official coproductions will be eligible for all financing programs available to the private film and video access to tax incentives in both countries. In addition, both governments will use all available means to promote the importing, distribution and exhibition of each other's film and video productions.

Sam Jephcott, executive director of the Canadian Film and Television Association, commented that "while the Association supports international coproduction treaties, we find it amusing to witness a renewal where the number of officials visits have exceeded the number of productions under the treaty in question."

After the signing and Shamir's departure, Masse remained behind to exchange views with industry leaders.

MONTREAL - *Jacques et Novembre* production Les Productions du Lundi matin Inc. are developing a new feature, *Duluth et St-Urbain*.

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