



Canadian Film Industry Panel

by **george csaba koller**

Toronto's Saint Lawrence Centre was the scene in late November of a very interesting, revealing, and in the long run, helpful panel discussion on the present state of the Canadian film industry. Organized by Mrs. Teitelbaum from the Centre, the meeting was just one of a series designed to explore areas of public concern. It was open forum, and even though the panelists tied up most of the time, the audience had a chance to get its very pointed and sometimes loaded questions into the stream of the discussion.

Sitting at the semi-circular table on the stage were from left to right George Destounis, President of Famous Players of Canada Ltd., Paramount's Canadian motion picture theatre chain, and perhaps the most powerful exhibitor in this country; William Fruet, screenwriter/director of *Wedding in White*, voted best feature film of 1972 at the Canadian Film Awards; Sandra Gathercole of the Toronto Filmmakers Co-op and an active lobbyist for a Canadian content quota; John Hofsess, filmmaker and critic, notably of *Macleans* magazine; Gerald Pratley, chairman for the evening and our best known critic as well as being the head of the Ontario Film Institute; Allan King, director of *Warrendale* and *A Married Couple*; and Michael Spencer, Executive Director of the Canadian Film Development Corporation.

The house was packed with over five hundred people from every level of the film business, as well as with representatives of Canada's film-going public. The event was preceded by the showing of three NFB films *Evolution*, *Sunburst*, and *Street Musique*. Then Gerald Pratley introduced the panel to the audience, and the discussion began.

Due to lack of space, we had to edit the transcript of a tape we made of the entire three-hour session:

Patricia Murphy (hostess of a Toronto women's talk show, aiming her question at George Destounis):

"You said in reply to a previous question that if a Canadian film was no good, you weren't interested in playing it. I would suggest that your chain plays a great many mediocre films, if not downright crappy films, and that if we are making films of that calibre in Canada we should put them in those spots instead of the ones from other countries (burst of applause)

George Destounis: "I do agree with you, there is an awful lot of bad pictures... However, let me remind you that since we operate 52 weeks of the year, when we deal with certain distributors, we deal with

their good and their bad... The advantages of dealing with a distribution company that gives you a *Sound of Music* or a *Sounder* are obvious. During the course of the year there may be five top box-office attractions (from a company like) Fox or Paramount or Warner Brothers. It's easy enough to say that we'll play it, and try to dispose of the bad ones at times when it's not necessarily desirable for play-off, and reduce the playing time, etc. What you say to me is that no matter how bad it is, play it. I say to you truly, I do not believe that to be the answer.

Sandra Gathercole: "Could I ask you a question on that point? Could I ask you whether promotion, handling, publicity policies and so on have any bearing at all on box-office takes of films? Canadian or not?"

Destounis: "No question about that, it has a tremendous impact. I can make reference to it, but you must have something in mind, so I'll wait! (laughter)

Gathercole: "The feeling coming out here tonight is that Canadian films are intrinsically bad. I'm sorry - I just won't accept that thesis. On a percentage basis, we are turning out as many good, bad, and indifferent films as other film producing countries. But there is a prevailing attitude that seems to come from the chains which own most of the theatres, that a Canadian film is highly unlikely to succeed. Psychologically, you're positioning Canadian films at a strong disadvantage in doing that. The minute you take a film and you figure it's a 'stiff' before you get it out, you don't promote it properly, you don't handle it properly. Most Canadian films do not have anything like the type of promotion effort behind them that American films have when they come here." (applause)

Destounis: "You're absolutely right. But I do, in all fairness, want to say that we do not judge the attraction. We look at it, we may create an opinion about it. But the distributor has set up his own ad campaign. We will argue with that campaign on one ground only, if we feel that his budget far exceeds the potential return. The only time we object is if the distributor wants to spend six or eight thousand dollars on advertising, and we know that some of the best returns in that theatre will not generate it. The attraction that played (*in Toronto*) prior to *Wedding In White* (meaning *A Fan's Notes*) about which we were severely criticised for lack of an advertising budget, those who criticise us should go directly to the distributor. We do not dictate budgets to

distributors! We are exhibitors. We accept attractions, we normally accept the (*promotion*) budget, and we play it. I defy anyone in this audience to say that we make up the ads or have final determination of what is going to be spent. We will defend the amount based on gross, but we will not set the amount."

Two side notes: a larger Canadian distributor has privately refuted this public statement by Mr. Destounis; second, Pierre David of Les Films Mutuels, a Montreal distribution company, has just managed to convince Famous Players to 'launch' Canadian films with 8, 10, or 12 thousand-dollar promotion campaigns on a trial basis in Montreal and Vancouver. He says this is just common sense. He's been doing this with Quebec films for some time now, and Canadian films don't stand a chance if such 'launchings' aren't engineered to establish in the public mind that they are, in fact, equal to foreign productions with lavish openings, etc.

Gerald Pratley: "Mr. Destounis, earlier in this discussion you mentioned that you should 'have a talk with the boys' because **Mon Oncle Antoine** had not reached Windsor and London, Ontario. "Your boys" have for so long tuned to taking films from other countries, which in a sense come off the production line, that they think of them first. They don't think of the Canadian films. There are fewer of them, they are more individualistic, and (*your boys*) think they might not fit in as easily. So they take that which is set, which they've been doing for many, many years. Do you think you could do anything about that attitude?"

Destounis: "I think we could do a lot about it, but we better look at the problem as it really is. Whoever the distributor may be, they have annually what they all 'product reels'. Every year a convention takes place in a different city in the United States, called the NATO convention. The National Association of Theatre Owners. (*laughter*) Did I say something wrong?"

Pratley: "Everybody else knows a different NATO. . . ."

Destounis: "Oh. Well, this one is just as bad at times. But when we send down representatives of our booking and buying department they are privileged to see good, bad, or indifferent product reels that will illustrate short versions of upcoming attractions. The last one was held in Miami. What happens, is they're exposed to American magazines, of which we get our abundance. Whether we get it through Photoplay, Screen Guide; and they tell you in December exactly what is available for our screens next June. We have completed our Christmas bookings, are earmarked for Easter, and have strong indications of what will be available next June. June happens to be the most important release date of the American companies. I cannot tell you the completion date of the next Canadian production. Nor have I been advised of any title that is forthcoming other than the ones we, Famous Players, have contributed to."

We find it very hard to believe that Mr. Destounis has not read the Canadian issue of Variety, published a week before the panel, which included a long list of upcoming 'attractions' available from Canada. May we also suggest that from now on he read Cinema Canada to keep up with Canadian Film News?

Destounis: "Whether it's going to be a plug or not, I'm going to say it. Famous Players, since 1969, has contributed pretty close to \$1,500,000 in an equity position. In other words, we have a small piece of the action (*in a number of Canadian films*). At the same time we have advanced - and I've checked these facts before I came here because they told me that I shouldn't show up - in what we call advance film rental, \$160,000. That is, we gave them \$10,000 and advanced five to assist in promotion or completion, or God knows why they ran into slight problems. We have participated in a picture which I will not mention, but I'll tell you how bad it is. I don't believe we'll get the print cost out of it. (*laughter*)"

In a world where how 'good' a film is hangs on its box-office gross, artists as filmmakers don't quite make it.

Destounis: "For the 52 years that Famous has been in business, we've been exposed to the American culture. True. And the fact that Famous Players is 51 per cent American, obviously makes me an American too. True. The fact remains, that even if you wanted, in all fairness, to deliberately play a Canadian production because it is Canadian, or to try and single out a theatre that will play nothing but Canadian, I say that you'd be doing a terrible injustice. Why not treat that picture without saying American, Canadian, British or otherwise and let it speak for itself." (*applause*)

Allan King: "I'd like to make a comment here. I think it's been very good that Famous Players has been investing in feature production as it has in the last two or three years. Yet we remain in a difficult situation as producers, as makers of Canadian film. I think it's fair that a film stand on its own feet and be judged on its own merits. We do have an extremely difficult economic situation, nonetheless. The amount of

money we have dispensed to attract an audience into theatres for Canadian films is extremely small, and some means have got to be found to develop adequate launching campaigns, and advertising for Canadian films. We also need some kind of assistance to launch in the States or to get into other markets. It's extremely difficult to go down to the States with a Canadian-sized budget and try to compete in that market against budgets that are 10, 20 times as large."

Man from the audience: "I would like to ask why there is no representative from the French-Canadian cinema on the panel tonight?"

Mrs. Teitelbaum (*the meeting's organizer*): "We did try to get Claude Jutra, but were unable to do so. Our budget simply does not allow for bringing people in from out of town. We just can't afford it, as simple as that. I'm sorry."

Michael Spencer: "So far as the Canadian Film Development Corporation is concerned, we have had much more success in supporting French-Canadian movies than we have had in supporting English-Canadian movies up to now. My opinion is that this is largely due to a) the language factor, and b) the fact that Montreal television has created a fairly large number of stars, whose names are very well known to French-Canadians. And directors like Claude Jutra and Gilles Carle, because their films were popular, have been able to achieve a certain amount of continuity, which is essential to an effective film industry."

"I was chatting with Bill Fruet earlier this evening and I asked him what he planned to do next. Well, Bill Fruet is still thinking about what he is planning to do next. On the other hand, Gilles Carle is now working on his fifth script, and after his fifth script I imagine he'll have a sixth script. He just assumes that he'll go on making features because there's money and enthusiasm and excitement for the kind of films he's making. But I believe it's the audience and the stars which have made the French-Canadian cinema into a much more aggressive and exciting operation than its English-Canadian counterpart. I might add that whereas very few English-Canadian films have got as far as New York, there are two of Gilles Carle's films now running in Paris, and they are being very well received by the audiences there, and we expect that they'll make further penetration into international markets."

Gathercole: "Why is it that films of Quebec are more readily available to be seen in New York and often in Europe than they are in Toronto?"

Spencer: "We are very concerned about that situation and are looking to various ways that might be found of increasing the distribution of French-Canadian films in English-Canada. Many of the important French-Canadian films are handled by a company in Montreal called France Film, which only recently decided to transfer its English-Canadian rights on some of those films to another distribution company called Cinépix. I hope that Cinépix will be able to bring some of those films to English Canada. I don't believe that the cause is lost. A film once made is still available for distribution and no doubt some, or perhaps all of them, will eventually get into English-Canadian markets."

Pratley: "One thing came up at the Canadian Film Awards. This year we had an unprecedented number of films from Montreal in French of course, but without English subtitles. Many people asked, including the critics and the press for example, why is it that these films that are made with taxpayers' money (CFDC) are not available with English subtitles, or conversely, if it's an English language film, why isn't it available with French subtitles. Could you tell us something about that, Michael? Wouldn't it seem to be sensible for you to put a clause in all contracts saying that the film should be available with subtitles?"

Spencer: "I'd like to give you a short answer, Mr. Pratley. The answer is yes and we're going to do it." (*thunderous applause*)

Pratley: "That's fantastic! You've taken my breath away. (*laughter*) Then you might like to know, for example, that two of the winning films in the Film Awards, **The True Nature of Bernadette** and **The Time of the Hunt**, the only two French-language films that were entered with subtitles, both went immediately off to other festivals. But it's very reassuring and encouraging to hear that something is going to be done about the language problem."

John Hofess: "I'd like to ask Mr. Destounis that if **Wedding In White**, as I understand, had a budget of around \$270,000, how much would it have to gross in Canada for it to earn its cost back?"

Destounis: "Without necessarily knowing the distribution deal, and if that's the total budget, I'd take a fast rule of thumb, and say three times budget cost. If it's 270 I would say it would take \$710,000 in order to get its money back."

Hofess: "What is the maximum? **Face-Off** for example, with \$500,000, is that the maximum to your knowledge?"

Face-Off grossed \$700,000 in Canada alone, according to John Bassett. **Jean-Claude Fournier's Two Women in Gold** grossed \$2.5 million in Quebec alone, and since then it has been released in

Destounis: "As a take in Canada? Famous did not play it across Canada. I would say the figure that has been quoted to you is right. But **Face-Off** had a more commercial play-off by nature of the attraction than **Mon Oncle Antoine**. We ourselves, in booking **Mon Oncle Antoine** took selective theatres, not what you'd call art theatres but they are of a smaller nature. They play a fundamentally better calibre attraction, and that's not to discredit **Face-Off**. It's your own cup of tea, but we try to relegate each where we believe it will get the best dollar."

Gathercole: "Do I understand you correctly in that you played **Face-Off** more commercially and wider than **Mon Oncle Antoine**? Is that correct?"

Destounis: "Yes."

Gathercole: "Could I ask you why you did that? Because it seems to me that if our aspirations for the film industry in this country are made at the level of **Face-Off** when we're producing works of the calibre of **Mon Oncle Antoine**, then we're wasting \$20 million of our taxpayers' money."

Destounis: "Well, let's take two good attractions. Let's take any fine given western and let's take a Cannes Festival award-winner called **Slaughterhouse Five**. It is obvious that we are not going to relegate these two entirely separate title attractions to the same outlets. Unless the latter is tremendously successful, that general commercial western should gross more. That commercial picture would get what we call a 'multiple run.' **Slaughterhouse Five** may not get that kind of treatment. It is a good picture, it could be an excellent picture. Obviously it is - business is good - but you would not relegate it to what I call a 'grind policy'. I hope you don't misunderstand me. I'm not knocking anything. I can't afford to, we need them all! (laughter)

Spencer: "I just wanted to take slight issue with my friend, Mr. Destounis. I think the figures (on recouping the cost of a film) are a bit more like 5 to 1, rather than 3 to 1. My impression is that **Wedding In White**, costing about \$300,000, would have to make probably around a million, or a million one or a million two in Canada, before we'd get our money back. You know we're nowhere getting our money back from **Face-Off**, even though it did \$600,000, or something like that, in Canada."

Destounis: "Michael, if you are right, my sympathies go to you." (laughter, applause)

Gathercole: "I'd like to point out that since 1968 we have increased feature film production in this country by something like 500 or 600 per cent. We have gone from maybe one or two Canadian films shown in Ontario theatres that year to nine films in 70/71, and in 71/72 there were twenty films shown. Now of the twenty, two were listed as **McCabe and Mrs. Miller**, and **Groundstar Conspiracy**, so obviously we're not quite sure what's Canadian. (laughter) But the point is that the percentage of films being exhibited in this province, in this country, aside from Quebec, in no way reflects the increased production. This is a basic contradiction, and as long as we're putting government money into creating a distinct Canadian cinema, then we've got to seriously ask the people who control our theatres, why is it that there's such a huge discrepancy in the numbers produced and the numbers exhibited. I don't think we can accept the answer that the films just aren't good enough."

Destounis: "Mr. Chairman, may I reply to the young lady?"

Destounis kept calling Ms. Gathercole 'Susan' all night, even though her first name is Sandra.

Pratley: "Yes, please do."

Destounis: "I wonder if you could list me titles of unreleased Canadian productions in the city of Toronto. Can you give me some titles?"

Gathercole: "Of unreleased?"

Destounis: "Yeah, pictures that have not been exposed in Toronto. Canadian-made, excluding French, of course. That's a separate entity."

Gathercole: "Well, I can tell you that in the Canadian Film-Makers Distribution Centre, which is a non-commercial, non-theatrical distribution outlet for Canadian, presumably short films, we now have 25..."

Destounis: "No, no, features."

Gathercole: "Yes, we now have 25 feature films which are there by default, because they can find no commercial distributor."

Destounis: "Are these 25 attractions in 35mm?"

Gathercole: "No, most of them are not in 35."

Destounis: "I'm sorry, I didn't hear that."

Gathercole: "They are not in 35mm but I don't think we can continue this discussion on this strict commercial imperative which you are taking, which is to say if it's not in 35 it's not playable. Surely we're talking about..."

Destounis: "No, I didn't say it wasn't playable. I simply wanted to know if there was anything in 35mm..." (laughter)

A necessary digression at this point. There certainly are quite a large

number of Canadian films in 35mm waiting to be played in Toronto, or anywhere in English Canada, for that matter. We can't accept Mr. Destounis' exclusion of French-sound-track films made in Quebec as being a separate entity. Quebec still happens to be a part of Canada.

Even though "The True Nature of Bernadette" has opened since then in Toronto at a small theatre, "Le Temps d'une Chasse," "Les Colombes," "La Vie Revée," "Quelques Arpents de Neige," "La Conquête," "Floralie Où Es-Tu?" "Les Smattes," "Montréal Blues," "J'ai Mon Voyage," "La Maudite Galette," "Kamouraska," "Taureau," and "Le Mort d'une Bucheron," have yet to do so. Not to mention "La Tendresse Ordinaire," "Les Allées de la Terre," "1461 Jours," "O.K. . . . Libération," and "IXE-13," all French-track features from the NFB, where "Mon Oncle Antoine" came from. Or "Tu Brûles . . . Tu Brûles," "Bar-Salon," "Allo Toul'monde," and "Une Nuit en Amérique," all upcoming 'attractions' from l'Association Coopérative de Productions Audio-Visuelles. And judging from "La Vie Revée," there are many talented people working at the Coopérative.

This recent Canadian production boom has been equally kind to English-track features. "Eliza's Horoscope," "Come on Children," "Keep It in the Family," "Last of the Big Guns," "Lies My Father Told Me," "U-Turn," "The Pyx," "The Rainbow Boys," "Alien Thunder," "Conflict Canada," "Spring Coolie," "Get Back" (or is it now "Surf's Up"?), "August and July," and "Godsend," are some of the titles Mr. Destounis may look forward to. Most of these features are or will be available in 35mm or wider-screen format. There are 37 Canadian titles here, for Famous Players to book, either at Easter, June, or Christmas!

Pratley: "What Mr. Destounis is saying actually is that commercial cinemas are equipped usually with 35mm projectors. Therefore, if you make a 16mm film that may be an exceptionally good one, it has to be enlarged to 35mm before it can be shown in these theatres. The question is, who puts up the money to make the enlargement possible. Would you expect, Sandra, Mr. Destounis' company to make the money available to make the films into the size that he can show in his theatres?"

Gathercole: "Yeah, definitely. I don't think it would hurt. (laughter) When Mr. Destounis says that he's invested a million and a half dollars in production of Canadian films, I would be more interested in hearing what his gross profits were going out of the country in the same period." (applause)

Pratley: "I'll let Mr. Destounis answer that." (laughter)

Destounis: "You know, you make it sound as if this thing just developed overnight, as if there were no other American company in this country but Famous Players. I have no idea. I've been there for six years. We generate a reasonably fair amount, and obviously the last four years have been all right. I'm still there. (laughter) I don't know exactly what. I can take a fast calculation based on the number of shares in G plus W (the American conglomerate that owns Paramount, and through Paramount, Famous Players Canada Ltd.) and multiply that by the annual dividend and give you a fast calculation. But why don't you ask me one more question? Why do you want to know what's going out, why don't you find out what's being spent within this country? Why don't you ask us whether we have 5 or 6 or 7,000 Canadian employees? Why don't you ask whether the same multinational conglomerate has re-invested in this country in excess of \$29 million in cinemas? They have taken out their dividends as the Canadian 49 per cent matched equally, and Susan, I've got good news for you. In the Imperial Six, rather than take the cost of 16mm to 35mm (and Mr. Pratley is aware of it, I thank him for not exposing me earlier) we are going to put in a 16mm camera (sic) in one of our 300 seaters, and we've made two promises which we'll live up to. I'm not going to mention the gentleman's name, but we've guaranteed to play five of his Canadian films in the course of one year. Now whether he runs one week each, or ten weeks each, we have committed to five. We will install a mag and optical 16 in one of the Imperial Six, and don't get me hot and bothered about where the money goes. I don't really know." (applause)

Mr. Destounis skillfully evaded the question of how much profit Famous Players makes per year. Two weeks prior to the meeting, Variety reported that Famous Players Canada grossed a record \$65,000,000 during the previous fiscal year, 22 per cent of the total Paramount gross. And if Paramount's pre-tax profit margin holds true for its Canadian exhibition arm, then Famous Players must have grossed something like \$9,000,000 before taxes. How much of that goes over the border? God only knows, and perhaps Mr. Destounis, but he wasn't saying that night. But even a conservative estimate would put the exhibition chain's total earnings for the past four years above \$200,000,000. And out of that they magnanimously invested \$1.5 million in Canadian productions. True, none of the other Canadian exhibitors are doing it, except Bennett Fode . . . But then, according to Variety, the average member of the National Association of Theatre Owners earns \$5,000 a week, which adds up to \$260,000 per year, so at



least some of those millions are accounted for.

William Fruet: "I'm just curious, because this is supposedly an audience that's concerned about film in Canada. We had a series in the summer called *Naked Came the Maple Leaf*. I wonder just how many people even saw two of those films this summer. (*very few hands were raised*) Ah, I think that sort of speaks for itself right there."

Spencer: "I wanted to point out that one of the problems about the kind of discussion that has been going on between Mr. Destounis and Miss Gathercole is the fact that we don't really know what is the available running time for all Canadian feature films in all Canadian theatres and what percentage of that time should be allocated to Canadian films. I guess we're probably aware of the fact that Canada normally imports something of the order of 800 feature films every year from other countries. About half come from the U.S. The question is, if we finance 20, you know 20 over 800 is probably not very much more than the exposure we're now getting. The question is, should we get more, and I guess we really need to know what is the right statistical information, so that we can really decide what we're aiming for. Otherwise we're just talking generalities, and everybody is on the side of motherhood in this situation, Mr. Destounis. (*laughter*)

David Beard, of Cinebooks in Toronto, offered the highlight of the evening with a witty comment about Backstage I and II being the kiss of death to a film. He also attacked Mr. Destounis for charging outrageous admissions to dirty little theatres showing badly scratched prints of films. When Mr. Destounis tried to defend the proposed Imperial theatre, David Beard said, "You know, I think these people actually believe all that crap..." To which Mr. Destounis replied, "If you tell them often enough, you can get them to believe it." This lively conversation ended with applause and laughter.

There was a great deal of discussion about small towns with only one theatre where the exhibitor has an obvious monopoly, and where any film would be well attended simply for lack of alternatives. A suggestion was that Canadian films should be played in these locations.

Allan King discussed at length the very serious problem of trying to make distinctly Canadian films, and hailed Quebec as having come to grips with its own identity in terms of films. Michael Spencer assured everyone that the Quebec audience does in fact support the film industry there. "We are hopefully moving into a situation where the fact that it is a Canadian film will be a plus factor at the box-office. That situation already exists in Quebec." Allan King seemed to think that English Canadians will have to shed their dependent personality and their colonial mentality before their films will reflect the kind of concerned self-groping evident in Quebec films.

Kirwan Cox expressed pleasure at hearing Mr. Destounis come out in favour of a Canadian content quota, and asked Michael Spencer if the CFDC ever thought about setting up a distributor of its own. In other words a government distributor, who would presumably have the finances and maybe the clout, to be able to handle Canadian films in a way that maybe an American distributor would consider uneconomic.

Spencer: "The solutions involving assistance to distribution certainly seem to me to be fairly obvious. As to what should be done and how it should be done, whether that should be by a separate corporation or by the CFDC, I think it's a bit too fine to say that. On the other hand of course I do believe that the distributors in Canada may tend to believe that if only the government would sort of move in and take over all these difficult movies, then they wouldn't have to worry about them. I somehow feel that they do have a responsibility to work with us in order to try and get them to sell."

Gathercole: "Mr. Spencer, is there not a very sane and obvious way of making them aware of that responsibility through a quota system? One of the things that make Canada unique is that we are practically the only film producing country in the world which has no form of protection for its own films. And yet we are obviously, since we have no language and cultural barriers (*with the U.S.*), the most vulnerable country. I cannot, and I've examined it at great length, see anything which is more beneficial under the present system than it would be under a quota, economically, artistically, and culturally to Canada. I can't see any benefit in maintaining the present system as opposed to a new approach."

Gerald Pratley pointed out that a quota should be placed on distributors, and exhibitors shouldn't always be singled out. Whereas now one or two distributors are carrying the full load of all major Canadian productions, these 'difficult' films should be spread out evenly among all the major distributors, so that each would take a lesser risk. Michael Spencer replied that he hadn't thought of that idea too seriously.

Spencer: "Most people who talk about quotas actually talk about exhibition quotas because they're easier to understand. The point is that Famous Players in its 300 theatres would have to run a percentage of Canadian product. That's an easy thing to comprehend. The problem with it is that it happens to be a provincial matter, and it would be necessary for the federal government to proceed province by province perhaps starting with Prince Edward Island to see if they could persuade them to do it, or British Columbia, or Ontario, or whatever. I must say that I don't give a very high priority to that."

"I give a much higher priority to trying to get some sort of Eedee plan operating in Canada on the basis of which some part of the money that is paid by anybody going to see a movie, whether foreign or Canadian, in Canada is paid directly from the box-office to the producer. Without anybody getting in-between: there's too much sort of taking a bit off here for prints and advertising and percentages for distributors and the house keeps half and so on. I'd like to get, say five cents a ticket going straight back to the producer. Five cents a ticket on the basis of 1969 or '68 statistics would come up with a fund of \$4 million. And \$4 million a year put into the hands of Canadian producers would change the situation quite radically."

"I still believe, that it's important to get films made and I still believe that the good ones will get shown, and that some way has to be found getting the ones that aren't quite so good sort of pushed up the scale and assisted in some way. I do have a fear that a quota might result in a lot of the wrong kinds of films being produced. Playing a number of re-runs, morning screenings, and other gimmicks like that which can too easily be thought up. And of course once the exhibitors start thinking up those schemes, then you have to employ more inspectors and it gets to be a bit of a mess in my opinion."

Gathercole: "But surely film is too potent a cultural media to just abandon to problems of producing, having to hire more inspectors, and so on. It seems to me that if we're spending 20 or 30 million dollars of taxpayers' money trying to build this industry, then we are delinquent unless we follow up every possible means of facilitating access between the audience and the films."

Spencer: "I agree with you, but in view of the fact that we have a limited number of films I would rather follow up on the films that I've got money in. I'd rather push them, worry about them, and make sure they got shown, than sit back and say I don't have to worry about any of that because now we've got a quota. I think it would be better to

film effects
 AN EXPERIENCED OPTICAL
 HOUSE OFFERS CREATIVE
 OPTICAL EFFECTS AND
 TITLING FOR MOTION
 PICTURES WITH PERSONALIZED
 QUALITY SERVICE
360-1270
 342 RICHMOND ST. W.
 TORONTO



George Destounis: "My personal opinion, in case somebody is scared to ask the question, and not representing the opinion of the industry or my corporation, is that I favour quotas!"

treat films on an individual basis and really try and get them into theatres by whatever pressure we can bring to bear."

Ivan Reitman: "This is a further comment on this question. I think it is a little simplistic to blame the problems of the Canadian film industry on exhibition and distribution. It's people that are going to see the movies, and even if we have theatres available and distributors can spend a lot of money, if the audience doesn't like the film, nothing is going to happen. We have to put the responsibility and the blame on our producers and directors. They're just going to have to make better pictures." (applause)

Coming from the director who made *Foxy Lady* and *Cannibal Girls*, and being addressed to a panel including Allan King and Bill Fruet, Mr. Reitman's comments seem puzzling at best.

A young man from the audience at this point expressed his 'fear' that a quota system would limit his freedom as to what movies he in fact could or could not see.

Gathercole: "Well, can you suggest to me how we can get rid of the unacknowledged American quota without imposing a quota of our own? I just don't think it's unnatural to ask for 15 per cent of the films played in this country be the art of this country. I also think that if you impose a quota, you should put a 50 per cent ceiling so there's no question of censorship of other films or banning other films. I'm just saying that we have a very difficult political situation where we've grown up next to a very powerful country and it's not the fault of the chains specifically, it's not entirely the fault of the audience. But if we spoke Swahili and dealt in drachmas, we wouldn't have this problem. But we have to be mature enough to realize that we do in fact have a problem. We speak English and we're swamped culturally, and to impose a quota for a minimal number of Canadian films when we as taxpayers have already made the commitment to build the industry, I don't think is that unreasonable. We're just asking for a little bit of room in our theatres."

A man from the audience at this point said that we should force the U.S. market to take just as many of our good, mediocre, or poor films as they dump on the Canadian market. George Destounis said that this would force him to go on welfare, and that he wouldn't want to be the one to force the American distributors to make that deal or else. His

point was that if they would pull their revenue producing products out of the Canadian market, the exhibition business in this country would collapse. A debatable issue, at best. He also said that since the U.S. motion picture business operates under a free enterprise system, you would have to deal with each distributor individually.

He came out in favour of U.S.-Canadian co-productions, even though he expressed awareness of Michael Spencer's opposition to it. He said co-productions were good, since they guaranteed automatic distribution in the States. (The unfortunate case of *A Fan's Notes* would disprove this.)

Man from the audience: "If the government is taking my tax money to set up a film industry in Canada, I'd like to see the Canadian government put some clout into it and protect our investment. I think it could be done. There aren't that many distributors and Mr. Destounis is probably rightfully blaming the distributors who are big controllers, and if the government can say to them if you can't take our 20 pictures a year and distribute them in the American market, I don't think we can take all of your 800. Now if you can play one off against the other, like the early horse traders. . . ."

Spencer: "The point is that there's no U.S. government control of their industry, with which we could make any kind of arrangement. We can do that with France, we can do it with Italy, we can do it with many other countries, but we can't do it with the United States. It's true that we have been known to try and co-produce films with American majors. However, that's not the method that we are presently adopting. We are going more on the idea that Canadians can produce their own feature films in Canada to their own specifications. And if the Canadian audience will support them, in our view, they will be sold abroad. Generally speaking, our relations with American co-producers are such that it's very difficult to convince them that we know anything. They come up here and they say "you guys know how to operate cameras?" "Can you provide electricity?" or something like that. They want us to hew the wood and draw the water, but they're not prepared to give us a chance to write scripts or direct pictures. And as long as that's the situation, I'm not really too keen on co-producing with Americans." (applause) ●

Finally, it is the view of this committee that the Ontario Government ought to establish a set amount of dollars per year to be allocated by the Ontario Film Office to script development and the pre-production work necessary to initiate a feature production.

The Canadian Film Development Corporation is largely responsible for the emergence of the Canadian industry on the feature level, and is available to help fund productions, but only after a script and a package have been presented. Unfortunately, it is just not possible for many of the talented people in the field to financially get to the point where the CFDC requirements begin. Consequently, the Ontario Film Office should fill this void by screening and evaluating writers and directors and their ideas and eventually allocate pre-production monies to the extent of \$250,000 per year, with an upper limit of \$12,500 per applicant.

Time limits and budget limits on the grants would be instituted as well and the scripts would become the property of the Ontario Film Office if the work developed was not turned into a film within a set period. For those scripts that are turned into features, the monies allocated would be returned as part of the budget of the film and an equity position in the film would also be taken, similar to the CFDC.

RECOMMENDATIONS

It is recommended that the Ministry of Industry and Tourism consider the following on behalf of the Ontario film industry:

- (1) Establish an Ontario Film Office with overall responsibility for the industry and its administration, encouragement, classifications, and directions.
- (2) Implement a quota system whereby every theatre in Ontario would be required to exhibit eight weeks of Canadian feature films over a two year period. In the case of multiple auditorium theatres, 7.7 per cent of total seating capacity should be devoted to Canadian feature films over a two year period.
- (3) As an incentive to theatre exposure of Canadian feature films, offer a bonus incentive based on the 10 per cent provincial tax on each admission. For Canadian feature films, the theatre should receive a direct rebate of 5 per cent on each admission or one-half the 10 per cent tax. For feature films made in Ontario, the producer should receive a direct rebate of 5 per cent of each admission or one-half the 10 per cent tax. The rebate to the producer is to encourage feature film production in Ontario.

Where a Canadian production is made outside Ontario, the 5 per cent producer rebate will revert to the Ontario Film Office as additional operating capital.

- (4) The Ontario Film Office should assume the functions and responsibilities presently executed by the Ontario Theatres Branch.
- (5) Develop through the Ontario Film Office, a major international film festival incorporating the Canadian Film Awards.
- (6) Support a single Ontario Film School being a trade school of the highest standards and of limited enrolment using scholarships and grants to attract top-calibre graduates into the Ontario film industry. The lecturers would be people with professional practical experience who ultimately might draw upon students as assistants.
- (7) Establish a script development and pre-production fund of \$250,000 per year to be administered by the Ontario Film Office.
- (8) The Ontario Development Corporation should be encouraged to support the "hardware" (e.g. laboratories, lighting, cameras and sound, et cetera) essential to the Ontario Film industry.
- (9) The Ontario Department of Education and such subsidiaries as OISE and OECA should be encouraged to commission and distribute Canadian produced films and other audio-visual productions as against the importation of those films which are, to a large degree, now being produced for Canadian consumption by American firms.
- (10) Films should be categorized as general, parental guidance advised, restricted to persons 18 years and over, or X. The last category could be subject to prosecution under the Criminal Code by the Ministry of Justice if that Department saw fit. The Ontario Film Office would not only categorize films, but also video-tape.
- (11) The licensing of film projectionists is no longer a necessity and should be abolished.
- (12) The Ontario Government should recommend to the Federal Government that the withholding tax in respect to American pictures be increased to 15 per cent and the additional 5 per cent be distributed into the Canadian Film Industry. At the moment, the American withholding tax in respect to Canadian pictures is 15 per cent and we see no justifiable reason these international rates should differ. ●

ASSOCIATION OF FILM CRAFTSMEN

ONE CALL

TOTAL CREW



LOCAL 700

CANADA

A.F.C.

105 CARLTON ST.
364-7615

JEAN MURRAY
BUS. REP.