

# ORGANISATIONS

## CCFM

### Council of Canadian Filmmakers

Box 1003, Station A,  
Toronto, Ontario, M5W 1G5  
(416) 869-0716

*Press release: August 12, 1975*

On August 5, 1975, Secretary of State Hugh Faulkner announced a voluntary quota and investment agreement with Odeon and Famous Players. This agreement includes a voluntary quota of four weeks per year, superseding the previous voluntary quota with Mr. Faulkner was so dissatisfied, and an investment of \$1.7m per year in Canadian film production. The \$1.7m is to come from the \$200m grossed annually by the foreign owned chains in Canada which is the most lucrative market in the world for U.S. films.

This announcement has aroused great opposition from the Council of Canadian Filmmakers which represents 8,000 people in the film industry in English Canada. Similar opposition has been voiced in telegrams by the filmmakers of Quebec (ARFQ); the filmmakers of British Columbia (BC FIA); the filmmakers of the National Film Board (SGCT); the Directors Guild of Canada; the City of Toronto Group on Film; and by the Manitoba Government.

Quota and levy are basically provincial responsibility and several provincial governments, notably Manitoba, Ontario and Quebec, were well advanced with proposed legislation. These governments were not consulted by the Secretary of State in regard to his announcement, nor were the unions and organisations within the film industry which have been making proposals to the Secretary of State on this subject for several years.

### \$1.7M Investment

The \$1.7m which Famous Players and Odeon have agreed to channel back into production of Canadian feature films means very little to the foreign owned theatre chains in relation to the \$200m which they gross in Canada each year. It represents less than 1% of that gross, and less

than 15% of what they would be required to recycle into Canadian production if a legislated levy were to be introduced in even one of the major provinces.

It also means very little to Canadian film production since, as the

**Toronto Star** pointed out on August 9, this amount plus the total amount of investment funds of the Canadian Film Development Corporation, adds up to the budget of one average U.S. produced feature film.

The \$1.7m also means very little coming at a time when the backbone of Canadian Film funding - The CFDC'S annual \$2m investment budget - has been refused by Treasury Board for the 1975-76 fiscal year. Unless the chains intend to fully fund Canadian productions, their investment will be difficult to put to work without matching CFDC funding.

### Quota

The quota of four weeks a year per theatre, not per screen (e.g. the Imperial 6 in Toronto would comply with this quota by showing a total of four weeks of Canadian features for all six cinemas rather than four weeks for each cinema) has been criticized by the Canadian film industry as unenforceable. This conclusion has received some confirmation in recent statements by the heads of the two major chains.

Harry Blumson, President of Odeon, stated on CBC **The World at Six** on August 5 that he had agreed to the arrangement *under duress*, that he interpreted the *voluntary agreement* to be literally voluntary, and that he would show only very commercial Canadian films in his theatres.

George Destounis, President of Famous Players, stated in the **Vancouver Sun** on August 6 that there is *no way* he is going to exhibit low budget \$100,000 Canadian features.

### Definition of Canadian Film

The definition of a Canadian feature film in the amendments to the income tax regulations announced by the Secretary of State is so weak that it defeats the one element of the announcement which made sense: the

increase in the capital cost allowance from 60% to 100%. This definition bears no relationship to suggestions made by the film industry and differs considerably from the CFDC criteria for investment in Canadian films.

Under this definition, neither the production company, the director, the scriptwriter nor the lead actors are mandatory Canadians. Those positions which are required to be filled by Canadians can be filled by anyone who has applied for, and been accepted as, a landed immigrant. No residency requirement exists.

Michael Spencer of the CFDC was correct when he said on November 28, 1972:

*"They (U.S. film producers) 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."*

The danger of this definition is that it will allow the branch plant position of Canadian films to continue, both in co-productions, and in films that are "Canadian" under the definition.

### Unwritten Agreements

*"Verbal agreements are not worth the paper they are written on."*

**Sam Goldwyn**

This latest voluntary agreement with Famous Players and Odeon, like its predecessor which is an admitted failure, is an unwritten document. According to Michael Spencer, Executive Director of the CFDC, the actual terms of the agreement remain to be negotiated and formalized in writing.

Mr. Spencer revealed this fact on the same CBC program - *As It Happens* on August 9 - on which he admitted that the previous voluntary quota with Famous Players and Odeon left him *Equally dissatisfied* as the rest of the film industry. Both the CFDC and the Secretary of state's office have refused to reveal official results of that arrangement. Despite concerted efforts by the Canadian film industry, their advice and experience has not been heeded once again. Neither the film industry nor the provincial governments were consulted or informed prior to Mr. Faulk-

ner's announcement, despite their vital interest in the issues at stake. In fact it seems that the only people who were consulted were the foreign theatre chains.

Mr. Faulkner states in his press release "I am gratified that Famous Players and Odeon have seized the initiative". The Council of Canadian Filmmakers is far from gratified that these foreign owned theatre chains have been allowed to seize the initiative once again.

## SFM

### Society of Film Makers

232 St. Jacques St. West  
Montreal, Quebec H2Y 1L9  
(514) 844-8828

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The Society of Film Makers views with regret the attitude of the Federal Government and of its film agencies that led to the announcement of a voluntary quota and increased tax allowances for film investment by the Secretary of State.

Since 1963 the Society of Film Makers has demanded that a legislative quota be initiated and that government support for film financing be recognised as good business both for the financial wealth of Canada in selling abroad and for the cultural wealth of Canadians at home.

While the Secretary of State certainly demonstrates that his heart is in the right place, his actions show that he either does not recognise the problems of the Canadian film industry or that he is bowing to the strong pressures of the powerful lobbying by the distributors and exhibitors in this country. A voluntary quota has been in effect for nearly two years and its goal was never attained. Now we are to believe that a quota goal still higher than the one never achieved when productions were plentiful will be observed. Famous Players and Odeon could cheerfully agree at this point to a voluntary quota since they were fully cognizant of the fact that there had been but few productions last year in the English sector. No doubt an announcement will be made that the goals could not be fulfilled hence showing a lack of need of legislated quotas.

What about the good news that not only will the exhibitors show Canadian films but they will invest in the same the sum of \$1.7 million dollars. Considering they take about \$60 million dollars per year from this country this is nothing more than a token gesture to quiet their critics.

Like the voluntary quota, the definition of Canadian content is far too open to interpretation. Whether it will be abused or not, it will depend on the good faith of the parties involved. Certainly Mr. Faulkner expressed the intention to monitor his new measures in order to be able to evaluate their effect on the industry and on the investors. But good intentions alone do not make motion pictures.

Therefore, the Society Of Film Makers calls upon the Secretary of State to take a stand on a Canadian Film Policy. Fulfill his election promise of 115% write-off; make it mandatory that for every foreigner working on a Canadian film there must be a Canadian hired in equal capacity; reject the 'gift' of \$1.7 million dollars by the exhibitors and impose a tax of 15% on their earnings - such monies to be disbursed to the producers through the CFDC (rather than burdening the Canadian taxpayer, let the industry pay for itself.) Prohibit the National Film Board from being in competition with the private film industry and open the doors of the CBC to Canadian producers.

Mr. Faulkner has demonstrated the courage of convictions vis-à-vis the U.S. domination in the publishing industry. Let him now do the same for the Canadian Film Maker.

**Peter Adamakos**

## CAMPP

### Canadian Association of Motion Picture Producers

38 Isabella St., Toronto, Ontario,  
M4Y 1N1  
(416) 964-6661

On August 5, Hugh Faulkner, the Secretary of State, gave succour to the Canadian feature film industry. Or did he?

Financiers will be permitted to write-off their full investment in one year. It used to take about three years. No great gain there. He had promised a 115% write-off just before

the last federal election. At least now investors have certainty as to their money in a Canadian feature.

He announced a new commitment by Odeon Theatres to invest in production, together with Famous Players upping its ante for production. This change he boldly claimed was a "federal government initiative". Stuff and nonsense! The fact is that both the exhibitors and the distributors were under increasingly heavy pressure from at least one provincial government, Ontario, over the quota for screen time and over the proposed box-office levy as a way of improving returns to the Canadian producer. The provinces have the real power in this area and a lot of good experience in regulating business. On the other hand the federal government operates, as it must under our constitution, largely on the principal of voluntarism.

The timing of Faulkner's announcement, only a few weeks before the Ontario election, cannot help but raise the suspicion that the federal move was an act of political partisanship, at least in part. Combine this with the fact that the Canadian Film Development Corporation had its re-funding proposal shelved by the federal government and one cannot avoid questioning the sincerity of the "federal government initiative". The purpose, remember, of the initiative was "to increase private sector support of the Canadian feature film industry". We wonder how a programme so haphazardly conceived can restore the confidence of the financial community.

We are pleased and impressed with the renewed enthusiasm of both Odeon and Famous Players for the Canadian production industry. We must point out, however, that the distributors have been let off the hook entirely. It is they who, collectively - and all seem to be agreed on this - take upwards of \$40 million from the \$200 million annual box-office and remit it abroad.

Coming so late in the year it is doubtful that "the new initiatives" will have much effect. 'Tis a pity they weren't announced before rather than after the production season.

From the press one senses that film has been something of a political football. Now that the federal government has given it another clumsy kick, let's see if the provincial governments can get it into the air again.

**Chalmers Adams**