

A second bust in view if White Paper not amended

● Toronto: "It's a wipe-out" ● Montreal: "No more industry in Quebec"

TORONTO — Confusion, concern and cautious hope that detailed study would reveal a brighter picture were the responses to the federal tax reforms affecting Canadian film and television productions.

Finance Minister Michael Wilson announced that the tax write-off for investment in Canadian television shows and movies would be reduced from 100 per cent over two years to 30 per cent.

In a move that caught most of the film industry by surprise, Wilson announced the change in his June white paper on tax reform.

"Right now you can see the bodies littering the streets - almost," said Samuel Jephcott, acting executive director of the Canadian Film and Television Association. Jephcott said almost everyone in the Canadian film industry will be affected by the changes one way or the other.

"It's a wipe-out," said Jephcott about the changes that will affect private financing of the Canadian film industry either by corporations or

individuals.

Following on the footsteps of delays in promised Canadian film distribution legislation, Jephcott said it tends to suggest that either Ottawa doesn't have the willpower or the means to protect the Canadian film industry.

"Presumably they can't be abandoning culture in terms of film and television *carte blanche*," Jephcott said. He said there must be a trick up the sleeves of Ottawa politicians or that the changes will have to be completely revamped.

The tax shelter bust of 1980 meant production dropped from about \$175 million to \$15 million and these changes could signal a similar drop in production, he said.

"The only difference between today and the dreadful 1980 collapse is that today there are so many American productions on location here there are segments of the industry that will remain at work."

cont. on p. 33

DGC/DGA in agreement

TORONTO — With a promise of business as usual in Canada, the executive of the Directors Guild of Canada has approved an agreement with their American counterparts in case of a strike south of the border.

Under the terms of the draft agreement, Canadian directors and their assistants won't work in the United States should the rumoured Directors Guild of America (DGA) strike begin.

The draft agreement, which was approved by the executive on June 15, has been sent out for ratification by the Canadian guild's 1400 members.

Robert Fry, DGC national executive secretary, said he hoped a response from the membership would be received by the end of June.

The agreement also states that Directors Guild of Canada (DGC) members won't replace American directors on a struck DGA movie. Also, DGC members won't work on "runaway productions" that head north during the strike. Fry defined runaway productions as productions by American companies that have shown no previous interest in Canada that arrive here to avoid the strike.

The DGC, however, emphasized it will be "business as usual" in Canada with the level of film activity maintained here during a possible American strike.

Canadian producers and their qualified affiliates and U.S. producers with a history of filming in Canada will continue to receive DGC support. Only Canadian directors will be allowed to work on these films, a DGC press release states.

Fry said the door is open, as always, for good U.S. "clients." He explained that each production will be judged on a case by case basis.

While discussions have been ongoing between the two groups for many years, recent talks leading up to the strike agreement lasted about 18 months, he said.

The DGC has been talking with their American counterparts with an eye to developing a positive long term relationship between the two groups that reaches beyond the issue of this particular strike, Fry added.

"It's our intention to recognize the fact we are part of an industry that reaches beyond our borders."

MONTREAL — A proposed reduction in the federal Capital Cost Allowance for film has raised a firestorm of protest from the Quebec film industry.

Finance Minister Michael Wilson's White Paper on Tax Reform, released, June 18, could bankrupt the Quebec-based film industry, according to film producers.

Rock Demers, president of the Association des producteurs de films et de vidéo du Québec (APFVQ) says that bankruptcy among APFVQ members (representing over 80 producers) is inevitable if Wilson does not amend his proposal.

This dire prognosis on an industry which is dependent on private financing is shared by Daniel Proulx, vice-president, finance, administration of SDA Productions Ltd. who told *Cinema Canada* that failure to make change the proposal would mean "no more industry in Quebec."

"We have to assume that the minister of Finance didn't realize how much we depend on private financing. We want to make sure (by meeting with the department of Finance) that they, at least, know what they are doing to us," says Proulx.

Bernard Boucher, senior executive, Institut québécois

du cinéma, the agency set up by the provincial government to suggest policy for the industry, says implications for the film industry are not good with this reform coming so soon after the Quebec government reduced its film CCA from 150 to 100 per cent, last spring.

Boucher and the producers say that the Quebec government should not be allowed to follow the federal government's lead and further reduce the provincial tax shelter.

To this end, a Quebec producer's task force will urge both levels of government not to undermine the Quebec-film industry at a time when it is beginning to win back (following the overall investment fiasco of 1980) the confidence and support of the private sector.

Demers told *Cinema Canada* at press time that a task force will bring together producers, industry tax specialists and legal advisors to meet the minister of Finance in early July.

"We are hoping for full support from the minister of Communications," says Demers, who was advised of the contents of the reform paper by a representative of the department of Communications during the annual meeting of the APFVQ, (June 19- 21).

Demers says APFVQ members were advised during the general meeting that Finance had realized "its mistakes or wrong judgement in evaluating the impact of the tax reform."

"We were told not to react too severely before we heard what changes might be acceptable (by Finance) in the white paper," says Demers.

On Monday, June 22, a telex signed by the executive of the APFVQ was sent to the minister of Finance containing three major recommendations for changes in the white paper — to delay the CCA reductions for two years, re-evaluate all other film related tax measures and meet with the task force during the first week in July.

"We know that if the minister can't save face he is not going to make any changes," says Demers. "We are saying that, if the reduction is coming, give us at least two years to find other way to finance our films and avoid bankruptcy."

Demers followed the APFVQ telex to Ottawa for a meeting with Communications Minister Flora MacDonald where, he says, he was given assurances that on-going consultation between Communications and Finance would get results for the film industry.

cont. on p. 33

Eerie optimism on distribution legislation

TORONTO — Most Ottawa politicians support the proposed Canadian film distribution bill and now it's a question of convincing their Washington counterparts to do the same, distributor Daniel Weinzwieg says.

Despite the fact the bill has yet to be introduced in the House of Commons, Weinzwieg said he is optimistic it will pass.

"There doesn't seem to be a tremendous amount of opposition to it among the politicians in Ottawa," Weinzwieg told *Cinema Canada*.

He said the minister of Communications Flora MacDonald and her department have stood behind the bill 100 per cent.

The bill would introduce for the first time a film licensing system in Canada. The major American studios would only be able to distribute movies they produce or to which they hold world rights.

As a result, Canadian com-

panies would be given greater access to independent foreign movies with some of the extra money they earn to be poured back into Canadian productions.

One problem with the bill, which is stalled in the legislative process after first being announced in February, is a backlog of other legislation waiting to be reviewed in Ottawa.

Another problem is concern relating to its impact on free-trade negotiations, explained Weinzwieg, co-chairman of the National Association of Canadian Film Distributors.

The message the Canadian film industry must get across to politicians is that there is no free trade in the film industry, Weinzwieg said.

"This bill will give us free trade... because right now the American companies dominate 90 per cent of our film industry in this country. This bill will correct a historical imbalance and will finally correct the mar-

ket so that we have free trade."

"I don't think that the politicians in Washington have gotten the straight goods from Jack Valenti," Weinzwieg said. Valenti is the chief lobbyist and president of the Motion Picture Association of America, a group representing the major Hollywood studios.

Valenti is strongly opposed to the bill and has lobbied hard against it in both Ottawa and Washington.

Weinzwieg said the facts and figures that Valenti is giving, stating that the bill will affect 25 per cent of the revenues of the American companies in Canada, are just not true.

He said the bill would only affect a small portion of the American companies' revenue.

"I think there is a sales job to be done in Washington," he explained. The film industry and the Canadian government are making efforts to explain

cont. on p. 42

Legislation essential

cont. from p. 31

what the bill really means, he said.

"It's a problem of making the Americans understand that this is not going to hurt the American film industry."

"In fact," Weinzweig said, "it will probably help the American film industry because, if we produce more and better pictures as a result of this bill in Canada, the American distributors are going to be the recipients of those movies."

There is nothing in the bill that prevents American companies from buying Canadian rights, he explained. It just means they will have to establish a working relationship with a Canadian company for the distribution of the movie here.

The delay in the introduction of the bill has put pressure on Canadian distributors, who

OTTAWA — The Canadian government has signed a feature film co-production accord with the Kingdom of Morocco — the only African country to receive Canadian programming by TV5, the French-language satellite channel.

continue to be denied access to independently produced movies in Canada, Weinzweig said.

But the delay will really hurt producers who may not be able to find that last piece of financing until it's passed, he said. Without the bill, production will remain dependent on government handouts and the ups and downs of the international market.

"Without that marriage between production and distribution our industry is never going to become self-supporting. It's never going to be a viable industry that is able to deliver Canadian movies to Canadians."

Weinzweig said he hopes the bill is passed into law before the summer recess of Parliament, but agreed it's possible it won't be passed until the fall.

Weinzweig's optimism is at odds with the opinion of many distributors who believe that in the climate of free-trade talks, the distribution legislation is sure to be frozen out. They cite the various and plentiful press reports of American congressional opposition to the bill and the Canadian government's current inability to table the legislation.

Barrette's Lys brings recognition

MONTREAL — *Le Lys cassé/Death of Silence*, a dramatic film directed by André Melançon, written by Jacqueline Barrette and produced by Michel Brault for Nanouk Films Ltd., continues to win awards wherever it enters competition.

This 48 min. film, produced in association with Radio-Canada, Telefilm Canada and Société générale du cinéma du Québec, was selected as the Best Dramatic Special at the 1987 Banff Television Festival. Just prior to the Banff competition, featuring dramatic entries from throughout the world, *Le Lys cassé* won no fewer than five Golden Sheaf Awards at the Yorkton Short Film and Video Festival including Best Production of the Festival.

This story about a young woman who struggles to banish the memory of an incestuous relationship with her father fea-

tures Markita Bois and Jacqueline Barrette.

Barrette, who wrote the screenplay and who was rewarded for her efforts with the Superchannel Award for Best Screenplay of the Year at the Yorkton Festival, says the story is based on a friend's true-life experiences.

Barrette was outspoken at the Banff Festival, June 7-12, where, as the leader of a screenwriter's workshop, she attacked the popular press for not giving due recognition to screenwriters.

She says that the "media-created convention" of ignoring the screenwriter must be broken. This convention, she says, diminishes the importance of the screenwriter and makes it easier for a producer to manipulate the script.

"In the theatre, the author is credited. Why not in the cine-

ma?" asks Barrette. "This is a matter of self-respect. It is my author's right." She adds, however, that her relationship with Brault and Melançon is exceptionally good.

Barrette has been writing for film, television radio and theatre for 16 years. This year, she won the Evaluation Media Award for her screenplay entitled *Les Armes volées* produced by Radio-Québec. She has just completed a script for an animation film on violence against children entitled *Fils et filles tu honneras* or *Thou Shalt Honour Thy Sons and Daughters*. She is currently working on two other scripts: an animation film entitled *L'Oiseau Moqueur et l'Aigle/The Mocking Bird and the Eagle* and a feature film entitled *En plein vol*.

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