

Caution, outrage follow tax news

MONTREAL — The discontinuation of funding by Telefilm Canada until the new fiscal year (April 1988) is slowing the rate of film and television production across Canada, say industry insiders.

Making the announcement in October that the annual Telefilm budget of \$115 million had been overcommitted by \$48 million was the worst thing Telefilm could have done, says Rock Demers, president of the Association des producteurs de films et de vidéo du Québec (APFVQ).

"That announcement has damaged the credibility of the Canadian film industry abroad," says Demers, whose **Tales For All** series of family-oriented films hinges on international co-productions.

Demers explains that producers and financiers abroad have received a negative impression of an industry that can't keep its own house in order — an impression, he says, that will not be as easy to remove.

Indeed, Demers believes that the overcommitment may amount to only \$6 million. He adds that the APFVQ has been told "unofficially", that \$5 to \$10 million in interim production funding will be made available through Telefilm in March.

In the meantime, Demers says that although several projects in development may be postponed or cancelled, the Quebec production industry remains in a "manageable" state.

François Leclerc, president of the 700-member Syndicat des techniciennes et techniciens du cinéma du Québec (STCQ), agrees with Demers that no project currently in production has been seriously jeopardized by the cessation of funding. He speculates, however, that more than several projects in development have been delayed.

"We will feel the impact in the spring when production is starting again. Whether the Telefilm problem is solved or not we may have a very late start next year," says Leclerc.

Robin Spry of Telescene Films and François Floquet of Productions Via le Monde (François Floquet) are two Quebec producers who are currently juggling the intricacies of delayed projects in an effort to keep financial partners in place.

Spry says the future is uncertain for **Hey Malarek**, a feature film which was scheduled for pre-production this month when Telefilm discontinued funding. Another project, a half-hour television program

slated for production this month could be a dead issue if Telefilm does not come through, says Spry.

"The money we have been promised (for other projects) we have received," says Spry who is in the midst of producing a feature entitled **Kurwenal**. Both of these projects were in the works when the problem hit. They had not been accepted by Telefilm."

Spry says the production industry must insist that Telefilm become better organized.

"Everyone is in the same position," he says. "My greatest complaint is that here we have an industry where the main source of financing has vanished for six months."

Given the crucial role that Telefilm plays in the production industry, François Floquet says that Telefilm's administrative/funding problems are "inexcusable."

He advises that Telefilm should be more selective in its funding while continuing to support first-time producers. Overcommitted Telefilm funds and a backlog of production in the new fiscal year could lead to tighter production budgets and ultimately help stabilize inflationary production costs.

Floquet says he was expect-

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Impact of Telefilm finances felt

MONTREAL — While some producers are taking a cautious approach other producers are calling for the federal government to step down in the wake of recent changes to tax reform policy and the capital cost allowance for certified Canadian films.

At press time, members of the National Ad Hoc Screen Industries Committee (NAHSIC), established last summer by producers across Canada to lobby against proposed CCA measures in The White Paper on Tax Reform (June 18), were split on how to respond to insubstantial changes announced Dec. 16 after months of hard negotiation.

On Dec. 16, Finance Minister Michael Wilson announced that the half-year convention would be removed from the 30 per cent CCA for certified Canadian films. The half-year convention spreads the benefit of the capital cost allowance over two years at 15 per cent each year.

Peter Mortimer, Toronto-based coordinator of NAHSIC, says that although the removal of the half-year convention is far from adequate, he is willing to wait and see what the February budget brings the Canadian film industry.

The mood, however, is far from cordial in Quebec where the Quebec wing of NAHSIC is demanding the total resignation of the Mulroney government. NAHSIC is currently debating the merits of a nationwide publicity campaign to show their disapproval.

Charles Ohayon, chairman of the Quebec-wing of NAHSIC, says the removal of the half-year convention amounts to very little where financing and private investment are concerned. He says the government's failure to respond to the needs of an industry that is already imperiled by lack of financing and that must rely on attractive incentives for CCA investment, indicates a government that just doesn't care.

"We had very high expecta-

tions that the government would be doing something for us," says Ohayon, who at press time had scheduled a meeting with Mortimer.

"The removal of the half-year convention is an important advance but we are still left with something unattractive and uncompetitive," says Mortimer, referring to the CCA reduction in the White Paper from 100 per cent to 30 per cent.

NAHSIC has proposed that the 30 per cent CCA rate be raised to 65 per cent with a 25 per cent investment tax credit if the half-year convention is removed (70 per cent with the half-year convention).

Included in this proposal is a sliding scale by which 65 per cent is a minimum allowance for Canadian films with six certification points up to 100 per cent for 10 certification points.

Mortimer maintains that the only reason for cautious optimism is that NAHSIC/Finance talks are continuing. He says it is encouraging that Finance did

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NFB to co-produce with established pros

MONTREAL — Shooting is underway on two of 10 movies-of-the-week for the Radio-Québec television network.

The film package is being produced in a joint venture of four independent, Quebec-based production houses and the National Film Board of Canada.

This joint venture group, called Les Producteurs TV-Films Associés, includes Les Films Vision 4, Productions VidéoFilm, Productions Oz, Productions du Verseau and the NFB.

Budgeted at \$846,000 each, the feature films will be shot in Montreal on 18 or 19 day schedules. Shooting began in mid November on **Des amis pour la vie** produced by Claude Bonin of Les Films Vision 4 and directed by Alain Chartrand. This film will be the first of the series of weekly movies on Radio-Québec, starting in January 1989.

"Since the beginning of negotiations in June 1987, these films have been very attractive to us," explains Victor Harrouch of Acquisitions and Co-production at Radio-Québec.

"We had been gradually acquiring U.S. and European films for our slot for television movies with socially relevant themes. This package of films is a case of the right place at the right time," says Harrouch.

Harrouch told *Cinema Canada* that the track record of the producers involved, the subject matter of the screenplays and the subsequent promise of foreign television sales made Radio-Québec's decision to ac-

quire the rights to the package of films much easier after Radio-Canada turned down the offer.

Radio-Québec has invested \$105,000 per film.

By the end of November, shooting had started on the second film, **T'es belle Jeanne**, produced and directed by Robert Ménard of Productions VidéoFilms. The third film to go into production is an NFB film.

Three other titles announced, to date, are **Francis** to be produced by Aimée Danis of Productions du Verseau, **Onzième Speciale**, produced by Roger Frappier of Productions Oz and directed by Micheline Lanctôt, and **Salut Victor** to be directed by Anne-Claire Poirier for the NFB.

The same five partners, including the NFB, will each contribute a second film to be shot in the spring and summer of this year. The NFB has agreed to serve as co-producer on eight of the films and will completely finance and produce its own two films.

The films are aimed at domestic and international television audiences. Thus, the stories place a dramatic emphasis on contemporary issues much like the movies-of-the-week on American television.

An expansion of the project could include films in English as well as co-productions with France.

Participation includes Telefilm Canada, a total investment in the five films of \$525,000 by Société générale du cinéma du Québec, and Radio-Québec.

Three films get monies from B.C. Film Fund

VANCOUVER — The \$10.5 million B.C. Film Fund is officially up and running. Three films have already received funding commitments.

Stephen Foster and Northern Lights will receive the maximum \$500,000 support from B.C. for **The Outside Chance of Maximilian Glick** (see last month's *Cinema Canada*). Post-production of the Manitoba production will be done in Vancouver.

Harry Cole is producing **Lighthouse**, a project which will be shot on Vancouver Island and Bob Frederick (production manager for **McGyver**)

will produce **First Season**, also in British Columbia.

B.C. Film hadn't expected to accept applications for funding until the beginning of December but decided to hurry things along after Telefilm Canada announced its funding shortfall. CEO Wayne Sterloff says there was concern that the sudden cut-off of Telefilm funds could inflict "real damage" on the B.C. industry, so the process was accelerated.

The new agency is also considering six applications for script development funding and one for a short-form project.

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C I N E M A G

Day of action for Canadian drama

TORONTO — Touting the slogan "The Show Must Go On," major arts organizations joined forces for a day in November to call for more production of Canadian cinema, television and radio programming.

Dubbed A Day of Action, rallies in several Canadian cities were held that especially focused on the need for more Canadian dramatic programming.

The event was supported by high-profile cultural figures and groups as divergent as ACTRA, the Directors Guild of Canada, the National Association of Broadcast Employees and Technicians and the Association of Canadian Film Craftspeople.

Writer and former ACTRA president Jack Gray was one of a group of Canadian artists who went to Parliament Hill to lobby federal politicians about the need for Canadian programming.

There is no way to measure response to the event, Gray said, but he added organizers are hoping to keep the profile of the issue high on the agenda of politicians.

"In fact, our hope is that there will be further work out of the group that organized that day," Gray told *Cinema Canada*, although he said it would not be another day of protest.

Gray said the object is to ensure that MPs and others have a better understanding of the real structure, financing and general nature of the industry.

Gray explained organizers wanted "to clearly underline our deep concern that we are not making progress in respect to dramatic entertainment in television and film."

As part of a strategy to solve problems in the Canadian industry, organizers called for three immediate steps including focusing action on the production and distribution of more and better Canadian productions.

Also, public funding should be allocated to meet minimum targets for "fully" Canadian programs.

"This will require a revision in the present definitions of 'Canadian' being used, and a direction to Telefilm to limit itself to funding such productions," a written statement says.

Annual production targets of 800 hours of television drama, 50 low-budget feature films and 400 hours each of children's programs and radio drama are needed, the statement says. Two-thirds of these new productions would be in English and the rest in French.

To meet these targets the arts groups estimate about

\$500 million, or about double the amount being allocated to CBC, Telefilm and on other government programs, must be spent.

Some longer-term steps outlined include: — implementation of the proposed National Cinema Act designed to strengthen the Canadian movie distribution industry and increase investment in new Canadian productions; — consideration of the start of specific license fees or using a percentage of the gross revenues of private broadcasters to set up a Canadian drama production fund; — revision of the Broadcasting Act to strengthen the role of public broadcasting in support of Canadian programming and set realistic respon-

sibilities for the private sector in the production and distribution of Canadian shows; — reorganize Telefilm Canada into a series of autonomous units "that will provide the major portion of the funding to independent producers making fully Canadian programming." Also, Telefilm must be given adequate funding.

Citing Canadian programming issues that were first outlined in the Royal Commission on Broadcasting in 1929, organizers say that the action needed has long been understood.

"But Canada has never had the determination to translate that understanding into concrete measures that will in fact produce the programs."

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consider the half-year convention after showing little interest at the outset of the talks.

He says administrative and financial problems at Telefilm Canada might induce Finance to come to the aid of the industry with a more agreeable package of tax reforms or, at least, further extensions to grandfather clauses granted in August to exempt films (from the reduction in the CCA) in production prior to July 1, 1988 and television shows prior to Jan 1, 1988.

On the other hand Rock Demers, president of the Association des Producteurs de Films et du Vidéo du Québec (APFVQ), says to hell with the Progressive Conservative government in Ottawa.

Demers argues that active producers can't afford to wait until February.

"Last year at this time I had the financial structure for three productions (scheduled for the new year) already in place," says the livid producer.

Demers admits uncertainty about what is going to happen to the Canadian film industry without private financial support that would have been facilitated by recommended changes to the CCA.

"They just don't care about the industry. They probably want two or three big producers and that's it," says Demers.

Besides the minimal change (half-year convention) that he, like Ohayon, says amounts to a hill of beans, Demers says the greatest blow comes from being told by Ottawa officials, ten days before the announcement, that the changes announced on Dec. 16 would be substantial.

Demers says he had reason to expect that the CCA prob-

lem would be resolved on Dec. 16. However, whether Finance was really listening to NAHSIC has been a point of contention among its members.

"After all the representation we (NAHSIC) had made since June, the way we had structured it, the civilized way we presented it, the unanimity across Canada and the hope that was given to us by Stanley Hartt, Len Farber and others in Ottawa..."

"...They told us that they had gone too far too fast and that they would correct this. There is nothing in these tax reform changes for us so to hell with them," says Demers.

Stephen Ellis, past president of the Canadian Film and Television Association and a Toronto-based producer, says that the government's apparent indifference to the CCA problem comes as no surprise to a faction NAHSIC members who realized early that the CCA-related proposals were falling on deaf ears.

For this reason, he explains, the CFTA "has drifted away from NASHIC" and has submitted its own proposal for a refundable investment tax credit.

This plan is exclusively for producers allowing them to invest in their own production for a credit or refund based on the size of the project budget. It would fall more closely into line, says Ellis, with the thrust of the federal government's tax reform which is a move away from deductions to credits.

Ellis adds that Finance has indicated a willingness to study this tax credit plan and replace the lost CCA incentive.

"Finance fully expects that they will have to compensate the industry for cutting its legs off," says Ellis.

SHOOT ALBERTA

by Rossi Cameron

EDMONTON... Some people might sneer at receiving a spray-painted brown paper bag as a gift, but not Glynnis Whiting.

But then Glynnis Whiting is not like most people and the bag was not just an ordinary brown lunch bag.

The occasion for the gift on December 16 was the first-year anniversary of Brown Bag Cinema in Edmonton. The brown lunch bag, which usually contains popcorn, was a token of appreciation from the film community. A bronzed version of the brown bag is in the making.

The idea for Brown Bag Cinema evolved during the 1986 Banff Television Festival.

"Anne Wheeler's *Loyalties* was premiered and a lot of the craftspeople were there for no other expressed purpose but to see the results of their work. There was obviously a need in the film community for a more informal kind of gathering where people could meet, exchange ideas and build rapport."

Glynnis, who recently resigned as a script developer for Allarcom to strike out on her own as a freelance writer, talked up the idea with people from CBC, Alberta Culture and Allarcom and was delighted to find them receptive.

She pulled together about 10 people who expressed interest. Their first organizational meeting was held at a small cafe called 'Bob and Ernie's Truck Stop.' There was a suggestion put forth that a loftier site might be chosen for these meetings, but Glynnis held firm. No stodgy meetings or officialdom, such as a board of directors. "It was to be kept really informal and in a non-political environment where no one is fighting for anything."

The meetings are still held at Bob and Ernie's and no one holds a title.

On the third Thursday of every month for the past year craftspeople, actors and producers meet at the media club to screen everything from rock videos, experimental films, dramas, CBC-type programs or NFB films. After screenings, the producers field questions about their productions.

There are eight sponsors for Brown Bag: Telefilm, Alberta Motion Picture Development Corp., Allarcom, Alberta Culture, CBC, ACCESS, NFB and National Screen Institute. Each sponsors a month and is responsible for arranging the necessary equipment, the production to be shown and pay the \$50 for the use of the media club and bartender. They are also responsible for bringing along a

vacuum cleaner to pick up the fallen popcorn.

Katie Daniels, consultant with Alberta Culture, is taking over Glynnis' job as "well, organizer or coordinator, I guess." There really isn't any official title.

"The complaint I heard most frequently from funders and independents was that there was no opportunity to find out about each other. The only time they met was when there was a lot on the table and someone was making a pitch. That's a very stressful situation.

"Now people can put faces to names at both ends of the spectrum."

Besides the informal wheeling and dealing that takes place at Brown Bag, some interesting partnerships have evolved.

Alberta Culture was teamed up with CBC and NSI to sponsor competitions in Alberta New Fiction and Writing for Youth. Super Channel has expressed an interest in optioning some of the new manuscripts.

The Brown Bag hosted the Post Input which was the best of Input this past summer.

According to Katie Daniels, Alberta has been asked if it will host the 1990 Input which comes to North America every two years.

"We are studying the feasibility of doing this."

Allarcom sponsored Glynnis's evening with a showing of *A Mouse, A mystery and Me*, a half-hour live action and animation Christmas special which aired simultaneously the previous Sunday on NBC, Global and ITV. It was co-produced by Allarcom and Ruby Spears Pictures of Los Angeles.

In keeping with the Christmas spirit, the brown bags were filled with green and red popcorn.

It was also a propitious opportunity for the sponsor to boast a little about the new Allarcom Studio which is due to open in mid-January.

The \$7 million studio is more than 51 thousand square feet and is completely equipped to handle features, TV series or commercials.

Project manager, Doug Steeden sounded like the proverbial new father when talking about his new baby.

"It's very exciting for Alberta. It will entice productions to Edmonton and keep the good people here. We lose too many of them."

The film community in Edmonton is not likely to quarrel with that thought.

Nor would they quarrel with the innovative concept of Brown Bag Cinema.

Consultants to top Telefilm posts

MONTREAL—Staff resignations continue at Telefilm Canada, despite efforts of the Board of Directors to manage the damage created by the double-whammy of financial overcommitment and the lack of administrative direction.

Two consultants from Le Groupe CGI Inc. Roch Bolduc and Michèle Fortin have been hired to assist senior management and the board for a three-month period. After less than a month at the task, Fortin has been named interim executive

director, following the non-renewal by the board of the mandate held by Judith McCann.

This appointment is giving hope to some that the vestiges of the Pearson administration are now gone and that a new start may be possible.

On Dec. 4, Marie-Andrée Vinet left TFC, having offered her resignation two weeks earlier. Vinet was head of both Operations and Business Affairs in the Montreal office and was the virtual head of all French production activities. Luc Germain resigned at the same time as head of Personnel.

Vinet's resignation was met with consternation and, it is reported, appeals by producers to the minister of Communication's office to find a way to keep her in her post. Discussions followed, resulting in her accepting a vacation until January 11 at which time negotiations may lead to her reintegra-

tion at TFC.

It is also reported that Debbie Bernstein has resigned her post in the Toronto office and will step down in February.

Meanwhile, Linda Beath will no longer deal with Toronto's broadcasters and sees her mandate limited to the Feature Film Fund. This modification follows a three-week sejour in Toronto by Bob Linnell, once head of the Toronto TFC office and now stationed in London, England, during which time he endeavored to straighten out the relations between TFC and the broadcasting community.

McCann, deputy director will be responsible for the Toronto and Vancouver offices, while Louise Beaudoin, also deputy director, will be responsible for Montreal and Halifax. In addition, McCann will chair the Decision Committee for projects submitted to Telefilm.



Although Glynnis Whiting gives full credit to the other participants of Brown Bag and its success, she should get full kudos for bringing the film community together in this informal, informative and very inexpensive way.



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