

## Trade News

### Quebec distributors divided over new film fund

MONTREAL – Fearful that eligibility criteria for the new Feature Film Distribution Fund will severely curtail their business in the domestic and foreign markets, several Quebec-based distributors and exporters have resigned from the Association québécoise des distributeurs et exportateurs de films et de vidéo and formed an independent lobby association.

The four former members of the AQDEFV are Astral Films, Les Films du Crépuscule, France Film and Ciné 360. They have been joined by seven other distribution and exporting companies to form the Fédération professionnelle des distributeurs et exportateurs de films du Québec.

The association's mandate is to seek a more democratic application of the fund, says Jan Rofekamp, president of Films Transit and vice-president of the new association.

He says the association is in unanimous agreement, at this early stage, that the fund should not subsidize foreign films.

Among other objections with regard to this \$17 million distribution fund, administered by Telefilm on a five-year renewable basis, is inadequate consultation by Telefilm and Communications Canada with the industry prior to setting eligibility criteria.

Pierre Latour, formerly of Malofilm and now head of distribution at Max Films and a founding member of the new association, told *Cinema Canada* that it was obvious from the beginning that consultation was "a one track deal."

"There was no diversification," says Latour. "They listened only to the association (AQDEFV) and the big six."

The big six, according to Latour, are: Norstar Releasing, Toronto; Spectrafilm, Toronto; Malofilm Group, Montreal; Cinepix, Montreal; Alliance/Vivafilm, Montreal and Cinema Plus, Montreal.

Of these six companies, the four Montreal-based companies remain members of the AQDEFV.

Joseph Beaubien, lobbyist for the AQDEFV, disagrees on all counts. He says the criteria are the result of six months of consultation with associations across Canada and that the main fund was created to serve the more viable companies while the contingency fund will help more companies become eligible for the main fund.

"It is the marketplace that decides who does business, not the fund," says Beaubien, who is president of Vidéoglobe 1 Inc.

Beaubien says the AQDEFV is still willing to

negotiate with the splinter group and that the formation of a new association will not adversely affect the 30-year-old association.

Latour and members of the new association insist that the fund has polarized the theatrical film distribution industry into those larger distributors with access to a \$100,000 to \$1.5 million (maximum) line of credit in the main fund and the smaller distributors with a smaller contingency fund.

Latour explains that this have/have-not situation will result in unfair competition where "the larger commercial distributors will ultimately determine who makes films" by offering guarantees that the companies not included in the main fund cannot afford.

The producers will have no choice but to go to where the money is, says Latour. He explains that expertise in the field, particularly in foreign sales, will soon be eclipsed by the power of public funding.

Latour also decries the fact that half of the fund could conceivably be spent on "inflated" guarantees for foreign films.

"All the funds, not just 50 per cent, should be reinvested through distribution into Canadian productions. Here (in Canada) is where we want to make pictures with good export value and where producers can count on solid guarantees for the domestic and foreign markets. Diverting taxpayers' money to foreign production will not help our Canadian industry," says Latour.

Rofekamp, who has started a letter-writing campaign directed in protest at Pierre DesRoches, director of Telefilm Canada, argues that distribution companies will use the main fund to acquire "all rights" including foreign sales that otherwise would be handled by an independent exporter like Films Transit.

In a letter to DesRoches he writes: "Our own minimum guarantees cannot be as high as those of the government-backed companies because we have to estimate our minimum guarantees upon the real market value of the film... The eligible group does not have to worry about this... In the case the film does not make money there is no reimbursement."

Based on specific criteria, a total of 23 Canadian film distribution companies (out of 30 applications) have qualified for funding this year. Fifteen of these companies have received a fixed amount in the main fund while the remaining eight companies must apply on a film-by-film basis.

The funds must be used as a minimum distributor's guarantee for Canadian theatrical films or to acquire foreign theatrical features for the Canadian market.

For every foreign acquisition and for every investment in one's own production, where the distributor is also the producer, there must be an

### Flora gracious in defeat

OTTAWA – Flora MacDonald, the Conservatives' popular minister of Culture and Communications, went down to defeat in her home riding of Kingston and the Islands. First-time candidate Liberal Peter Milliken, a local lawyer, campaigned hard against free trade and brought an end to Ms. MacDonald's 16-year reign in Kingston politics. She began her political career at 19 as a secretary at the local Tory headquarters.

"Without a doubt," Ms. MacDonald told *Cinema Canada*, "the responsibility I enjoyed the most during my time in Ottawa was as minister of Communications. I have served longer than any other woman, except for Agnes McPhail. That's a record, and one that I am rather proud of."

"We set up the feature film fund, which was tremendously important to the industry, and we brought in a film distribution bill with \$200 million attached for both distribution and production, which has made a major contribution. We are now in the process of stabilizing Telefilm which was a mere child when we came into office and now it is one of the major cultural agencies in the country."

"In the future, the big things I would want to see done are broadcasting, which has already gone through the House, film legislation, and work is nearly complete on the second phase of the copyright bill. We should see all of these things through in the next year."

"She certainly earned everyone's respect," said Peter Mortimer of the Association of Canadian Film and Television Producers. "We all share in what is probably her own sense of acute disappointment." Sam Jephcott of the Canadian Film and Television Association said it was sad to see Ms. MacDonald go. "She was totally committed to fighting for us all the way. It's disturbing to lose a champion."

Contacted in Ottawa for comment, Michael Hind-Smith, spokesperson for the cable industry said, "We regret very much the defeat of Flora MacDonald. She did contribute a great deal to the structure of the future of broadcasting and cable industries against considerable odds." Michael McCabe, president of the Canadian Association of Broadcasters, who worked for Ms. MacDonald in Kingston during her early campaigns, also thinks that she made a contribution. "She tried to advance the cause of film distribution and the cause of broadcasting and she got more money for the CBC."

"She worked very hard," McCabe said, "and I don't think she achieved what she wanted to achieve, but I think she was headed in the right direction."

Doug Coupar, director of Communications for ACTRA, assesses the former minister this way:

"We get used to the fact that the ministry is a bit of a revolving door. Because the job requires a certain level of sophisticated expertise, we have to go through a learning curve with every new minister. In Flora's case the learning curve was very short and she had a really good grasp of the basics. She was definitely in there swinging. It would be my guess that she ran into a great deal of difficulty with the rest of the Cabinet. We felt her efforts in the ministry were frustrated repeatedly by the Cabinet."

Ms. MacDonald herself remains graceful, even cheerful in defeat. "I will greatly miss the mental stimulation," she said, "that is so characteristic of the department of Communications. That stimulation comes from not only the bureaucrats but from the many client groups it must serve, which, in themselves, are so creative, so ingenious, and at times so argumentative." She will be missed.

There is a great deal of speculation about who will replace her. In the interim, it is likely that the post will be assumed by a former minister in conjunction with other duties until the Conservatives have cleared the plate of their free trade agenda and a new cabinet is announced, probably in the new year.

### Macerola says goodbye NFB, hello Lavalin

MONTREAL – Citing John Irving's 'Garp' – "Imagining something is better than remembering something" – François Macerola, film commissioner of the National Film Board of Canada, says he is prepared to leave the NFB on Dec. 1, 1988 and not look back.

Macerola's five-year mandate ends on May 29, 1989 but in March he will go to work for Prodevco Lavalin Inc. as the executive director of operations of a \$50 million film and television production centre on René Lévesque Blvd. This complex is scheduled to open in mid-1990.

"There should be no doubt about the viability of the private sector in the Canadian film industry," says Macerola.

"It's true that in a few years I might be singing a different song but, today, there is a lot of money from Telefilm and private investors and a lot of partners open to co-productions."

Macerola told *Cinema Canada* that he is ready for the private sector.

"I could have asked the minister to renew my term but after 10 years at the NFB, I'm ready for another challenge and the NFB is ready for another film commissioner."

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# SOUNDS GREAT!



Sound mixer Andy Nelson has joined Film House, Canada's pre-eminent post-production sound studio, as Director of Sound. In his new position, Andy will ensure re-recording of the highest quality on feature film soundtracks.

Andy has had more than ten years' experience, including three years as Head Mixer of Shepperton Studios in London, England, during which time he has re-recorded more than thirty major feature film soundtracks. He has received three British Academy nominations and much acclaim for his work in both film and television.

Andy's extensive re-recording credits include Stanley Kubrick's "Full Metal Jacket", Michael Apted's "Gorillas in the Mist", Nicholas Roeg's "Track 29", and five Ken Russell films, among them "Crimes of Passion". His most recent work includes David Cronenberg's "Dead Ringers" and Norman Jewison's "January Man", both re-recorded at Film House this past summer.



To contact Andy, please call (416) 364-4321 or write to him c/o  
The Film House Group Inc., 424 Adelaide Street East, Toronto, Ontario M5A 1N4

## Bethune moves to Spain

MONTREAL - *Bethune: the Making of a Hero*, the beleaguered Canada-China-France co-production, wraps in Montreal November 30. After a week off, production resumes for two weeks in Spain, just outside Madrid. The producers, Pieter Kroonenburg and Nicolas Clermont of Filmline International, hope to have the film complete for the 1989 festival in Cannes.

Originally budgeted at \$16 million, the Bethune epic went over-budget during the Chinese portion of the shoot and closed down for over a year as financial and script problems were sorted out. With a resolution of the script difficulties, Telefilm Canada and the movie's distributors, Hemdale Film Corp., added a reported \$2.5 million to the budget. *Bethune* began shooting again October 30.

Famed French cinematographer Raoul Coutard (*A bout de souffle*, *Jules et Jim*, *Z*) has replaced Mike Molloy, who did most of the China shoot, and French actress Anouk Aimée has been added to the cast to play Bethune's mistress. British actress Helen Mirren (*Mosquito Coast* and *Pascal's Island*) will play Bethune's Scottish-born wife, Frances Campbell Penney, whom the mercurial surgeon thrice married and twice divorced. Originally cast for the role was Jane Birkin, the French actress and pop star, but the year-long production delay meant she was no longer available.

*Bethune* is a Filmline International production

in association with the China Film Coproduction Corp., the August First Film Studios of China, and Eiffel Productions of Paris (formerly Belstar Productions). It is being made with the participation of Telefilm, the CBC, Radio-Canada, and FR-3 Television in France. The film will be distributed in Canada by Ciné 360 of Montreal in conjunction with Famous Players Theatres. Hemdale Films will release *Bethune* in the United States and other foreign territories.

## Sunrise gets Dunn and Levitan

TORONTO - Phil Dunn has been appointed vice-president, finance and administration, and Steven S. Levitan has been appointed vice-president, business affairs, of Sunrise Films Ltd.

The appointments were made by Paul Saltzman, president of Sunrise Films Ltd. in Toronto.

Dunn comes to Sunrise from Thorne Ernst and Whinney. Levitan was with the law firm of Gowling and Henderson.

Sunrise Films Ltd. has also announced that it has retained the services of Thorne Ernst and Whinney as accountants and business advisors under the direction of Peter McQuillan.

## DISTRIBUTORS...

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investment in an "arm's-length" Canadian independent feature.

Although Gilles Bériault, Telefilm director of the distribution fund in Montreal, admits that the fund could make it difficult for (but by no means prohibit) new Canadian distributors with Canadian feature films to compete in the marketplace, he denies that the larger companies have been dealt a more favorable hand.

He says any viable distribution company should be able to meet the eligibility requirements for the main fund.

"The lines of credit in the main fund don't upset the market because nothing has really changed in the sense that the companies in the larger revenue brackets have received a larger line of credit and the smaller companies receive a proportionately smaller line," says Bériault.

He admits that distributors in a better cash position are in a better position to negotiate guarantees with producers and thus to qualify for a renewed use of the fund (next year). However, he adds that producers will be vigilant

as to which distributors are better qualified to promote their films regardless of whether they (the distributors) have access to the fund.

On the question of foreign subsidies, Bériault says only a dramatic increase from current levels of investment in minimum guarantees for Canadian and foreign films would see more than 25 per cent of the fund being used.

"There is a review of the fund every year and if we find that outrageous prices are being paid for films, we will do something," says Bériault.

Currently under discussion at Telefilm, he says, is a theatrical film export fund which would be based on the same principle as the film distribution fund and in operation by April.

The president of the recently formed Fédération professionnelle des distributeurs et exportateurs de films is Robert Meunier of Ciné 360. Vice-presidents are Jan Rofekamp, Films Transit; Jean Colbert, Aska Films. Claude Jolicoeur of Astral Films is secretary and Roger Khayat of France Films is treasurer.

Member companies are the following: Action Film / Key Largo, Aska Film, Astral Bellevue Pathé, Ciné 360 / Provifilm, Films Transit, France Film, Lapointe Film International, Les Films du Crépuscule, Max Film Distribution, Prima Film, Productions Kecina.