

Trade News

SGCT concerned: will NFB sell technical services to private sector?

MONTREAL – "There is something very cynical about all this celebration of a national treasure (National Film Board of Canada) on its 50th anniversary while behind the backs of the people the minister is asking how are we going to close this place down," says Louise Murchison, business agent and spokesperson for the 350-member Syndicat général du cinéma et de la télévision (SGCT) at the National Film Board of Canada.

Rumors continue to fly, says Murchison, that the federal government is planning to sell the Technical Services Department at the NFB to Prodevco Lavalin in Montreal.

Murchison says over 150 technicians are concerned about their job security and the future of the celebrated NFB.

It started in March 1989 when the SGCT felt compelled to act on a persistent rumor that Technical Services would be privatized by 1990.

This rumor raises real concerns, says Murchison, when combined with the fact that Francois Macerola, film commissioner from 1984 to Dec. 1988, left the NFB to join Prodevco Lavalin as executive director of operations of a planned \$50 million television and film production centre or Cité du Cinéma (to open in 1990).

"A lot of rumors fly in this industry. They usually get blown out of proportion and die. But this one you hear everywhere, it is not going away and it has a lot of people worried."

In early April, Murchison met with Interim Film Commissioner Joan Pennefather who denied in writing there had been specific discussion to sell any part of Technical Services.

Pennefather told *Cinema Canada* that there are no plans to sell Technical Services in whole or in part to Prodevco Lavalin. She did say, however, that there have been discussions on how to provide the best technical services possible at the NFB.

"This rumor has been taken out of context," says Pennefather.

"As I told the parliamentary committee (see story), one of the most important objectives of the film board is to provide the best technical services possible.

"It is important that we spend our energy determining what is best for the film board rather than on fighting rumors," says Pennefather.

Responding to press reports, Macerola said the concerns of the SGCT were "greatly exaggerated."

When contacted by *Cinema Canada*, the former film commissioner said that since joining Prodevco Lavalin there has been no negotiation

or "even discussion" about the technical infrastructure of the NFB.

"There are no plans for Prodevco Lavalin to buy the technical services," says Macerola.

"Frankly, I am tired of this rumor about the dismantling of the NFB which is at least 10 years old. It started when the Applebaum-Hebert report recommended that the NFB get rid of its technical infrastructure."

"As the film commissioner, I worked every '-----' day to keep the NFB integrated for production and distribution. I had to fight to convince the government that we need a balance between private and public support and that we should make more efficient use of the technical infrastructure. I know the importance of the NFB as a public organization. Why should I, after 15 years at the NFB, want to undo everything that I have stood for?"

Murchison says she has good reason for wanting nothing less than an iron-clad guarantee from the minister of communications.

After meeting with Pennefather, the SGCT discovered the minutes of a meeting of the executive committee of the NFB, dated Sept. 1, 1988.

During this meeting, chaired by Francois Macerola (for which Pennefather was marked absent), the committee discussed a letter written by Macerola to Charles Lapointe of Lavalin International in which it was agreed that the NFB would hand over laboratory and studio equipment for the new Prodevco Lavalin

audiovisual complex according to terms and conditions to be determined.

Charles Lapointe is currently working for a Prodevco Lavalin subsidiary called IACO (International Airplane Company) and could not be contacted overseas.

Whether these "terms and conditions" include the purchase of NFB's technical services is a question Murchison wants answered.

Says Macerola: "I wrote the same letter to Greenberg, Hoppenheim, Héroux and everyone who had a relationship with the dossier of Cité du Cinéma saying that NFB wanted to be part of the concept of Cité du Cinéma; wanted to make more rational use of its technical infrastructure and would like to analyze the possibility of collaborating with Cité du Cinéma in order to make more efficient use of the studio and the laboratory."

"Now, there are people who think that I am going to answer my own letter and that Prodevco Lavalin's dream is not only to buy the technical services but the whole film board. This is stupidity."

Pennefather says there were several meetings during the Macerola administration "similar" to the one referred to by Murchison but that nothing has transpired.

"Over the last few years there were a number of discussions about agreements that would assure the proper management of our technical infrastructure. We will soon be organizing another meeting to discuss the future of the NFB and many related issues. It is important that we make up our own mind and decide what we need," said Pennefather.

Murchison warns that the sales of Technical Services would be the beginning of the "disintegration of the NFB" due to the highly integrated nature of production at the NFB

where directors and technicians work together throughout most of the production process.

"This sort of integration, this daily contact between filmmakers has been the key to success at NFB. Technicians are not just people who push buttons; they are people who love their craft," says Murchison.

"Privatization" is not a new word in the studio corridors and Montreal head offices of the NFB. During the Macerola administration, the government funding allocation was diminished in real terms; the NFB entered into co-venture productions with the private sector, including Prodevco Lavalin, and the five-year plan called for a reduction in staff from 1,000 to 600 NFB staffers.

"For some union people and senior filmmakers, privatization means changing the room number on the door. They are afraid of any change," says Macerola.

"For me, co-production ventures and distribution agreements with the private sector, the reduction of permanent staff in order to make room for younger filmmakers was not privatization but rather a question of NFB being a real partner with the private sector and playing a dynamic role as an essential component to the future of the film industry."

Murchison points out that the staff reduction objective in Macerola's five-year operational plan would be complete with the sales of Technical Services.

Lobby saves Canada/France co-prod. treaty

OTTAWA – Jack Lang, French minister of culture and communications, has assured Canada that the transborder directive agreed upon by members of the European Economic Community will "in no way" affect Canada-France film and television coproduction agreements.

Lang has confirmed with the Government of Canada that Canadian and Quebec productions produced in French will continue to be counted in the existing 50 per cent quota of original French-language productions.

In an effort towards harmonization of a pan-European free trade market by 1992, the European Council of Ministers issued a directive that 60 per cent of television programming must be of European origin.

The 25-year-old Canada-France bilateral co-production treaty has produced over \$47 million worth of film and television projects in 1989 alone and has also guaranteed that Canada/France coproductions are counted as part of a 50

Pennefather to examine technical infrastructure at NFB

MONTREAL – The National Film Board of Canada must work closely with the private sector to "play a major role in professional development," says Joan Pennefather, interim government film commissioner.

Pennefather recently addressed the Parliamentary Committee on Communications, Culture, Citizenship and Multi-Culturalism during the annual presentation of estimates.

Among two major announcements is the establishment of a working group to review the NFB's technical infrastructure.

"In order to assure that our position in this regard is maintained and that well integrated

and efficient services are available to support the programs of the NFB, we will be examining the board's technical infrastructure," says Pennefather.

The second announcement deals with two awards of \$50,000 each to be presented annually to Canadian filmmakers of exceptional achievement in script development. The awards will be drawn from a special fund allocated to the NFB for co-production ventures.

Louise Murchison, spokesperson for the Syndicat général du cinéma de la télévision at the NFB, said it is difficult to say what implications this review has for the technical services department at the NFB.

"The rhetoric is difficult to understand," says Murchison, "we will discuss this at our meeting next week (last week in June)."

The SGCT has been troubled by a rumor that Technical Services will be sold to Prodevco Lavalin by the end of 1990.

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per cent French-language quota even if Canada has taken a minority position in the project.

This treaty was threatened by the EEC directive that France must have a majority position in the project in order to be counted within the 60 per cent quota of the EEC and not relegated to the 40 per cent wasteland of largely U.S. programs.

Representatives of both the Canadian and Quebec governments as well as industry representatives have lobbied amongst the EEC

countries, particularly among the seven countries with which Canada has a co-production treaty, for greater awareness of the interests of Canadian producers.

Their efforts were rewarded when, on May 26, Lang informed the Canadian government that the definition of European content, as proposed in the directive, does not change the criteria used by the regulating authorities (Commission nationale de la Communication et des Libertés, Conseil supérieur de l'audiovisuel) in France when establishing the number of European productions broadcast on French networks.

ERRATUM

Headlines reading 'Malo and David control New Star' in the June/July issue of *Cinema Canada*, issue no. 164, are incorrect.

The article on page 25 correctly reports that the Malofilm Group and Pierre David control over 90 per cent of the stock in Image Organization Inc. after acquiring 40 per cent from New Star International.

CBC Newsworld on air July 31st

TORONTO - *CBC Newsworld*, Canada's first 24-hour national TV news and information network, will launch on basic cable from participating cable companies on July 31 at 6:00 a.m. (EST). The new network's primary broadcasting centres will be Halifax for the morning show (from 6:00 a.m. until noon) and Calgary for the evening slot (6:00 p.m. until midnight). Programming will also be originating from Winnipeg, Ottawa, St. John's and Toronto. The service will be free to subscribers for the first month.

The network has agreements with the *Globe and Mail's Report on Business* to provide live updates throughout the day from their Toronto newsroom, and with *The Financial Times* to present a daily half-hour program and a one-hour weekend business show. Some of *Newsworld's* other private sector productions include daily television updates from *TV Guide Magazine*, and daily fashion features and a weekly half-hour program from *Toronto Life Fashion Magazine*. Part of CBC's revised application before the CRTC was the inclusion of more private sector interests. Their original application was held up and reviewed because of strong protests from private sector broadcasters, especially Allarcom Ltd. from Alberta, who submitted a losing licensing bid.

The CBC eventually plans to launch a similar French all-news service by September of 1990. The CRTC will be studying their application starting June 27th. *Newsworld* will be funded by advertising revenue (they have been allowed eight minutes per hour) and subscriber revenue. The rates have not yet been determined and will depend on the number of subscribers. An unnamed source at the CBC said that the network anticipates "four to four-and-a-half million when we go on air." The source expects the rate to be anywhere from 27 1/2 to 42 1/2 cents per month, but would not be more precise.

The Board of Management for *Newsworld* will consist of 13 members, including three from CBC senior management, five from CBC's Board of Directors, and five from outside CBC. Appointments to date are as follows: The Chairman of the Board will be Pierre Juneau, currently CBC President and Chairman of CBC Board of Directors; William Armstrong (CBC Executive V.P.); Denis Harvey (CBC V.P., English TV network); Franklin Delaney (CBC V.P., French TV network); Tommy D'Erico (CBC Board); Bill Neville (CBC Board); Carolyn Tavender (CBC Board); Mardi Cockburn (President, Theatre New Brunswick); Fil Fraser (producer); Roy Megarry (publisher, *Globe and Mail*); and, Antonine Maillet (author). Members will serve for a term of three years.