

have your down payment, but the down payment is nothing. Now we are starting to see the percentages which are going to come from France. The Germans are going to see the film at the end of September, which means we will be paid in September. It takes a long time.

Once you get rolling, however, it's a very profitable operation. Because a film is going to bring back money in a sales agency for 5 years, 6 years, 7 years. If you work your film very well, you will always have, on a yearly basis, re-releases of your film in every single important country. Those will pay you percentages.

Cinema Canada: Why is availability of product a problem? It seemed that Canada was awash with films.

Michel Roy: For one reason. It was very difficult to convince the Canadian producer to come with a Canadian sales agent. I remember when we created the company, I had a lot of problems. We had to explain that it doesn't matter if the company is Canadian or American or whatever, the job can be done if the film is good.

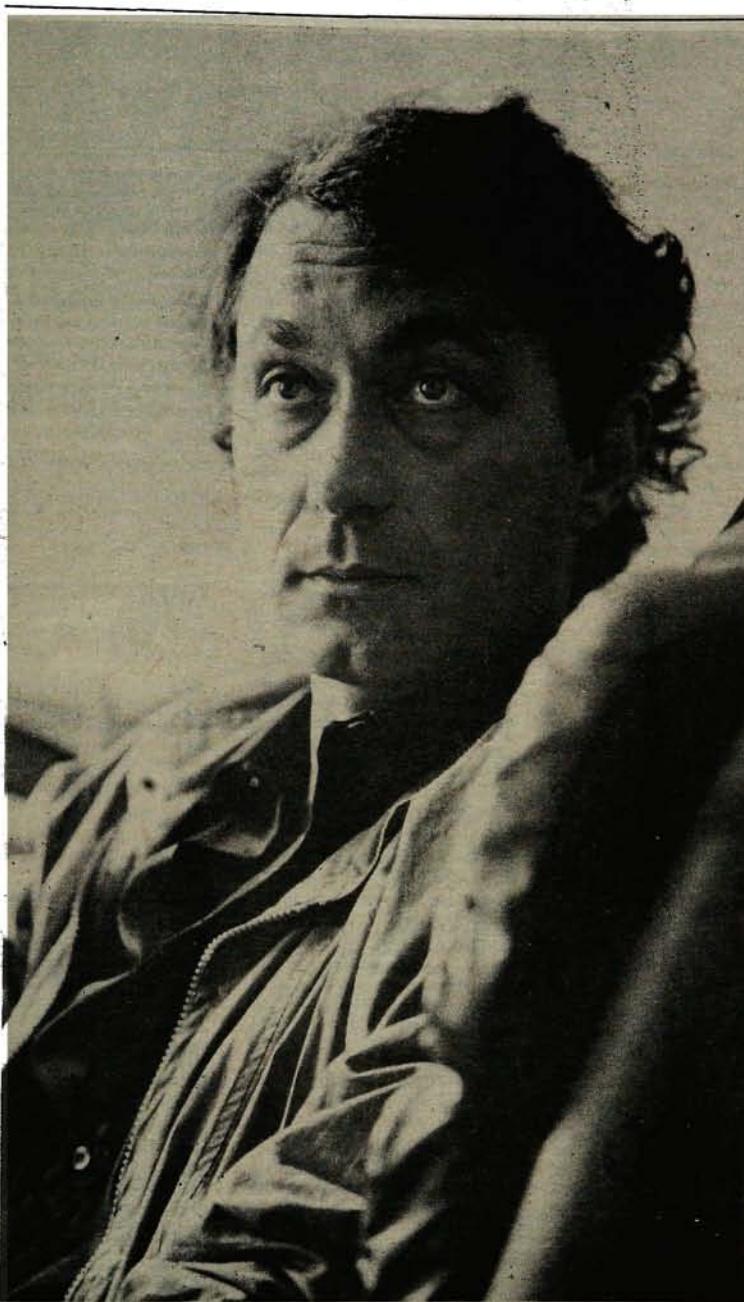
Our policy was not to sell ten films a year; our policy was to sell 3 or 4 films per year because we think that it's impossible to really do a good job if you sell more than that. You have to choose your films, you have to sell well and bring back money, because, if you don't, you fold. But if you're absolutely sure of your product, you can really do the follow-up and that's the most important part in this activity of sales agent.

It is very difficult to do follow-up if you handle 15 films a year. How can you spend time in the major territories controlling the advertising and promotion campaigns, and controlling the theatres that the distributor wants to book? It's more than just monitoring. You must approve or disapprove.

In all our foreign contracts, and even in the U.S., we have to approve of what they do and, in France, Germany, Italy, we have the control. In all those territories, we want to monitor in order to be absolutely sure... to bring back the money to the investors from the percentages we are going to collect.

I don't think you can do that when you have 15 films. Don't forget, it's a mathematical increase. You take 3 films the first year, then 3 films the second. That's 6 at the end of the second year. Then that's 9 at the end of the third year. If you take 10 a year, that's 10 in year one; you can handle it. But it's 20 in year two, 30 in year three, 40 in year four and by the fifth year, it becomes totally impossible.

How can you control what's going on in every country, or even in just the major territories? There are 10 major territories; that's 50 films in 10 territories. That's 500 different checkings that you do. You can put it into a computer. The computer is going to tell you that the film is on the shelf, but the computer is not going to tell you the film might open in one theatre or the other, and decide which is the best of the two.



Cinema Canada: Are you finding it easier now to convince Canadian producers that they should look for the advantages which a company like Filmaccord can offer?

Michel Roy: The advantage of Filmaccord is to offer a service which is different, more personalized.

We are a small boutique. I have nothing against the supermarket. If you are making the supermarket type of film, the real schlock film, then don't give it to Filmaccord. Give it to a supermarket guy, and he's going to do a very good job. Don't think that those guys don't do a good job.

But if you're talking about big budget films (and \$6 million is a big budget in Canada) then you have to be very careful. The producers have doubts but they are more receptive now. Filmaccord is a member of the American Film Market, and people realize that we have done good coups for the investors.

Cinema Canada: What do you see for the industry three years hence?

Michel Roy: I don't think the industry is in bad shape. We have producers who are very professional. They have learned the business, learned how to make films and how to control their budgets. We have technicians who are excellent and their reputation all over the world is very, very good. I think that the entire industry, as it stands now really has to consult the world before making the decision to make a film.

There is a problem, which is an educational problem, that has to be solved at 4 levels. We have to educate the government in Ottawa about pre-sales. Two, we have to educate the brokerage houses which, today, are turning their backs on the industry because they still don't know. If we create seminars for those guys and explain to them how it works, then they will come back. They will come back very carefully, which I understand. They should have been careful the first time.

Third, we must bring the bankers - who are used to dealing with the egg business and toothbrush business - into those seminars and explain to them that the film industry is a profitable industry also. A lot of independents are making money, and we can make money in this country, no doubt about it. Bring, also, the investors, the interim financiers to those seminars and teach them how you make films, how you bring back money. This should be sponsored by the government; it is the role of the CFDC, the role of the Minister of Communications, and of the Institut in the Francophone area, and of the Alberta Commission which has just been created. Explain that you don't throw money through windows, you invest, like in any other business. Invest, like in any other business.

An investment requires a certain amount of study before you make it. Why do you study before you set up a plant to manufacture toothbrushes? Why shouldn't you make a study for a film? The prospectus is not a study. A real study is enormous work, but it must be done if you want the industry to survive.