

Producers urge special CBC fund

TORONTO – In an unprecedented show of unanimity the private-production sector – including 17 producers' groups, unions and associations from English and French Canada in Toronto and Montreal – endorsed a proposal to permit CBC continued access to the Broadcast Fund. As the press conference in Toronto Jan. 15, Pat Ferns, president of the Association of Canadian Film and Television Producers (ACFTP), read a joint statement calling on Communications minister Marcel Masse to "recommend immediately that Parliament vote a special envelope of monies for CBC earmarked exclusively for independently-produced Canadian programming." He urged the minister to allocate \$35 million in 1984 dollars for this special envelope.

Later in the afternoon, a similar press conference was held at the Ritz Carlton in Montreal, presided by Daniele Suissa, president of the Association des producteurs de films de Québec.

The joint-statement noted that there were precedents for this kind of funding. "Special funds had been voted for CBC for Olympic coverage, for transmitters for the North, for the visit of the Pope, and for Gala concerts for the premier of China and the president of the United States."

When asked where the money would come from in a time of fiscal restraint, Ferns noted that CBC could "mortgage the future" by using funds this year earmarked for future years. He also suggested that extra funds could be made available through Treasury.

Michael MacMillan, vice-president of the Canadian Film and Television Association (CFTA), emphasized that the grant could pay for itself by creating new jobs. "The impact of this \$35 million will be over \$100 million in new jobs." MacMillan was careful to point out that the \$35 million was a short-term solution necessary to maintain continuity in funding for the private-production sector. "You can't turn the tap on and off. There is a danger of a rash of bankruptcies."

Ferns said that it had never been the "government's intention to freeze out private producers. We believe that the minister felt that the cuts would be based on the auditor-general's report. It was a real surprise about the freeze on independent productions."

Margaret Collier of ACTRA added that the "government did not realize that the money in Telefilm would not be used."

In its first year of operation CBC matched 80% of the funds Telefilm allocated. Last December CBC president Pierre Juneau announced a freeze on CBC sponsorship of independent production which was running at \$25 million. The freeze puts the fund in jeopardy and with it many independent producers who rely on Telefilm financing.

Until the press conference, the major producers had adopted a stance that there was nothing to worry about. Emerging from meetings with Masse and Juneau last November Ferns declared "we will not be sacrificial lambs." However the Jan. 15 press conference and the joint statement indicate the deep sense of urgency and worry producers now feel about the situation.

On Jan. 10, Masse hired Paul Audley, one of the three consultants appointed by the minister to oversee CBC cuts, to initiate a review of the Broadcast Fund problem.

In an interview with Cinema Canada, Audley noted that there are "a whole lot of directions that the Fund can go. You can make more people eligible to access the fund including educational broadcasters and provincial TV services. You can change the criteria – the formula – by going to a different matching basis. Instead of having a two-for-one matching requirement, go to a one-for-one or flip it around and put up two-thirds of the money. It may be that the same formula is not appropriate for each category of programming.

For example, you may need a different formula for children's programming than for drama. Or you may need a different formula for drama series than variety; a different one for 100% Canadian content productions than for a production that reaches six points out of ten.

"There is a recognition that giving CBC matching funds is not going to fix everything. It is seen as perhaps part of the solution. There were problems that had nothing to do with CBC's ability to participate."

Audley noted that the key issue is license fees. "The idea of a one-third, one-third, one-third split for the Broadcast Fund is crazy. The one-third you get from CBC and Telefilm are one-thirds of different things. The Telefilm money is one-third of production financing while the CBC's one-third constitutes revenues. And at the moment the revenue side of the independent production sector is what doesn't work."

Audley felt that it might be time to revive tax initiatives to benefit Canadian productions "but on the demand side. Make it less unattractive for broadcasters, distributors or exhibitors of various kinds to use Canadian material."

Ferns noted at the press conference that the producers were taking a "two-fisted approach to the problem. One fist is the special envelope; the other is talking to private broadcasters. We are making interventions with the CRTC. Promises of performance should

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Stay of execution for Famous

TORONTO – Gulf & Western executive vice-president Michael Hope was in Toronto recently to speak about the fate of the Famous Players exhibition chain. But the speech, outlining the parent company's new position on the chain which has been up for sale for over a year, was news to George Destounis, president of Famous Players Ltd. in Canada.

Speaking before the Toronto Society of Financial Analysts on Jan. 17, Hope said that Gulf & Western is reconsidering its decision to sell Famous because of recent developments in the entertainment industry.

Destounis told Cinema Canada that he had not known of Hope's speech beforehand. "That's their decision," he told Cinema Canada, "that's not us. I would have assumed we'd be gone by now." Destounis

said he had no idea what Gulf would do next. Hope said Gulf would announce a decision on the fate of the chain within the next two months.

The Cineplex purchase of Odeon, Hope said in his speech, changed the competitive climate leaving Gulf & Western (which owns Paramount) with fewer chains to distribute its films. There is also the prospect of change in the American consent decree which prevents studios from owning exhibition chains. Such a change could open up the American movie-house market for Gulf. Famous would then be vital to a North American-wide theatre chain. Finally, Hope indicated that the change in the foreign investment climate in Canada under the Conservatives made investment in Canada more attractive.

Chronology: the CBC crisis

May, 1984. The release of the auditor-general's report damns the CBC for waste, inefficiencies and lack of management controls.

Aug. 22, 1984. David Crombie, mooted to be the Conservative's choice for minister of Communications, unveils Conservative cultural policy. He asserts that "the CBC must be strengthened. CBC needs more programming... more money for talent." The arts community welcomes the statement. Crombie is applauded as a man who understands the industry's problems.

Sept. 4, 1984. The Conservatives led by Brian Mulroney sweep into power on a landslide electoral victory. Change is the word of the day.

Sept. 10-12, 1984. CBC hosts a lavish launch for their new season. Denis Harvey, English network vice-president, announces a "cultural revolution in Canadian television. We have finally started the last push towards a television service that truly reflects this country. We can't do it solely by information programming. We must have Canadian entertainment." Harvey promises that in five years' time 90% of prime time television will be Canadian. He calls on the independents to produce the series that are the backbone of television. Rumours of impending and disastrous budget cuts are dismissed in the euphoria of Harvey's "cultural revolution."

Sept. 17, 1984. "Who is he?" greets the announcement of Marcel Masse's appointment as minister of Communications. Crombie, the favorite son of the industry, is banished to Northern and Indian Affairs. Masse, a former history teacher and Quebec cabinet minister, is an enigma. The Mulroney government's information muzzles means there is no hint of what direction the new government will take.

Late September, 1984. "It would be childish to think the CBC would be exempt from cuts," says CBC president Pierre Juneau. CBC begins to accept the inevitability of budget cuts. Hopes are expressed that the cuts will be no worse than those suffered by other institutions. The persistent underfunding of the CBC, the decline in real terms of CBC's budgetary allocation is not mentioned. Nor is there any effort to educate public or government about CBC's vital cultural role.

Oct. 26, 1984. An exclusive story in a Toronto newspaper predicts from authoritative sources that Masse has ordered CBC to cut \$150 million from its budget. The report notes that the CBC will eliminate 2000 positions. The arts community

and film industry react in shock and anger. "It would be lunacy," says Robert Lantos of RSL. "It could be a disaster," says Michael MacMillan of Atlantis. There is deep alarm about the fate of Telefilm's Broadcast Fund which has been a success because of CBC's involvement. Both CBC producers and management are silent on the purported cuts.

Nov. 5, 1984. Media reports indicate that the CBC cuts will be \$75 million. There are suspicions that earlier reports were a deliberate feint from Ottawa – the cuts are not half as bad as expected. The \$75 million is said to be Juneau's own figure from what is to become CBC's famous Plan B which would have trimmed \$75 million from CBC's budget over an 18-month period. It is unclear whether Plan B was in response to the auditor-general's report, a contingency plan in anticipation of cuts, or a method of channelling money for a proposed second CBC channel.

Nov. 8, 1984. Michael Wilson, minister of finance, delivers his economic statement. The CBC's budget is cut by \$75 million. A further \$10 million for capital purchases is eliminated. Masse gives CBC three weeks to decide where it proposes to make the cuts. Juneau indicates that programs are vulnerable despite Masse's claim that cuts will come from administration rather than programming. Masse's claim is based on the auditor-general's report. Uncertainty grips the production industry. Atlantis' MacMillan tells Cinema Canada "the prospects are frightening." Ray Hazzan, president of the CBC producers' association, worries that CBC's mandate is being fundamentally altered without a public airing of all the issues. But he adds, "we don't know very much about the cuts."

Nov. 14, 1984. A major producers' group, the Association of Canadian Film and Television Producers, meets with Masse and Juneau. Pat Ferns tells Cinema Canada that they have received assurances that the "independents are not going to be sacrificial lambs. The priority of the government is to go at administration rather than programming."

Nov. 15, 1984. Marcel Masse hires three consultants – Paul Audley, Tom Gould and Jean Paquin – to serve as his eyes and ears at the CBC. Masse denies he is threatening the arms-length relationship. "I do not want to run their programs," he says, "but I have a responsibility to Parliament for their grants and Parliament has to

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