

THE FILM INDUSTRY  
IN ONTARIO

A BRIEF  
SUBMITTED TO  
ONTARIO MINISTRY OF INDUSTRY AND TOURISM

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ON BEHALF OF  
THE EXPLORATION TEAM ON FILM INDUSTRY

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INTRODUCTION

The Ontario Government Exploration Team on Film Industry was established with the broad purpose of offering recommendations to the Minister of Industry and Tourism on how the private film sector and the Province of Ontario might jointly benefit through co-operative planning and programs for the film industry.

During the past six months, a multiplicity of information has been gathered and culled. The members of the exploration team have submitted letters, brief and documents. Interested parties such as the Association of Motion Picture Producers and Laboratories of Canada (AMPPLC), the Ontario Film Institute and the Toronto Filmmakers' Co-op, have submitted briefs as well as having given of their time for discussion of the subject. Local producers and film processors have also presented documents relevant to their areas of involvement. Published materials were gathered and inserted in the overall study file. In addition, the Canadian Film Development Corporation was studied along with the film programs in other countries (West and East) to determine the most judicious interrelationship between Provincial and Federal programs.

This report is a summary and distillation of the diverse information which was gathered in the course of the exploration. Specific pieces are appended, though not included in the main body of the report. Some of the information is a matter of record and while reference is made, the documents are not appended.

In sum, this study has taken the broad area of exploration as noted above, scrutinized specific considerations and has arrived at the following conclusions and recommendations.

CONCLUSIONS

It is absolutely without question that film is important to Canada's cultural identity. Most countries in the Western and Eastern hemispheres (for example, England, Italy, France, Ireland, Poland, Russia) are involved in their film industries. Much of the information gathered in this exploration emphasized the cultural aspect of film.

This committee is more concerned about the importance of film and the film industry to Ontario. We see film as important to Ontario as a medium of expression. The term "expression" is being used in a broad sense: first, in an artistic sense; second, in a sense of reflecting scenic attributes; third, in a sense of stimulating the economy for those craft industries involved in film.

The artistic importance of film to Ontario is founded on providing the people of the province with creative expressions of the Province's identity which are both entertaining and instructive. The importance of film to Ontario in a sense of reflecting scenic attributes is of obvious value to tourism in the Province as film locations are exported to other countries and to a range of Canadian cities. Of prime importance to Ontario is the economic value of film. The provincial economy would benefit from employment among the craft industries and from the use of available laboratory processing and other facilities.

The prime focal point of this discussion and these conclusions is the feature film industry and the people involved in the production of feature film for public viewing. Although the documentary, trade and advertising film segments of the industry cannot be overlooked, it is the feeling of the committee that the greatest benefits would accrue to the private film sector and the Province of Ontario through planning and programs directed toward feature film.

Regarding the feature film industry in Ontario, this exploration team accepts and agrees with a number of the premises put forward by the Toronto Filmmakers' Co-op.

We accept without question that feature film is an integral part of Canada's cultural identity. We say, therefore, that it is logical that we make the feature film in Canada as Canadian as possible. We face a present situation in which well over 90 per cent of the feature films shown in Canadian theatres are non-Canadian. In sum, Canada is a ripe

target for feature film distributors from other countries to walk in and harvest dollars without any requirements for reforestation.

In the electronic media Canada has not sat idle. The Canadian Radio-Television Commission has made prodigious efforts in ensuring that Canadian creativity and technique be represented in television and radio. There is an implicit difference between television/radio and feature film. The electronic media operate as trustees of a public asset; the feature film industry operates as a high-risk private enterprise, marketing products which hopefully will gain acceptance among sizeable segments of the public. Despite the operational differences, there is a philosophical similarity between the electronic media and feature film in Canada. Both require exposure of Canadian productions to Canadian audiences if their respective industries are to be viable in Canada.

The objective is to create Canadian audiences for Canadian productions. The CRTC has legislated exposure of Canadian productions in television and radio with a view to creating an audience.

A national program for feature film on theatre exposure of Canadian productions appears unwieldy, as imposition of a quota is a provincial jurisdiction. Therefore, certain steps should be taken by Queen's Park to encourage the showing of Canadian, and more importantly, of Ontario-made feature films. As Ontario is far and away the largest individual provincial market for exhibitors, it is reasonable to assume its philosophical lead will be followed across the country.

It is the chairman's conclusion that a quota system combined with a bonus incentive program for Ontario theatres would develop audiences for Ontario-made feature films and significantly increase the inflow of dollars into the Ontario film industry to the benefit of all associated with feature film production.

It should be noted that a quota and bonus incentive program is not proposed to create a feature film industry in Ontario where none exists. Examination shows that feature films are being made in Ontario at an ever-increasing rate. In the past three months, six major films for international release were produced in Toronto — as many as any other centre in the world.

One Ontario processing laboratory — Bellevue Pathé — has handled 34 original productions in their facilities since they started into colour in 1966. Another, Film House, lists 26 productions from their facilities over the past few years. The basic feature film industry exists — it is audiences that need to be nurtured through theatrical exposure. The optimum method of accomplishing this is to establish a quota system for theatres and to rebate to the theatre a portion of the provincial tax levied on each ticket as an incentive for playing and promoting Ontario-made and Canadian feature films.

The concept of a tax rebate to encourage Canadian production is not unique. The legitimate theatre is exempt from the 10 per cent entertainment tax for local Canadian productions. The concept of a tax exemption or rebate is more valid for film than for legitimate theatre. A production such as "Hair" would have been staged in Toronto with or without a tax exemption — the producers made an assessment of the market potential of the product in Toronto in making their decision. Other producers in other cities made similar assessments of their individual markets.

For feature film, the producers assess the national and international viability of production and proceed to make one essential product in one location. The tax rebate is highly logical for feature film as an incentive to attract production to Ontario as opposed to an alternate location. Moreover, an incentive program that was successful in attracting feature film production to Ontario could result in significant fresh monies being funnelled into the provincial economy.

It would be necessary to establish an Ontario Government Film Office to administer a quota/bonus incentive system, to deal with a range of film-related problems and to serve as a liaison agency with the CFDC and Secretary of State. An Ontario Film Office would have to establish guidelines to determine what creative, financial and technical

mix constitutes a Canadian Film. Within any film quota system, adjustments will have to be made (e.g. a single theatre versus multiple auditorium theatres) and dispensations will have to be granted (e.g. for a theatre with a long-term run of one feature film). The quota system will have to be reviewed by the Ontario Film Office every two years for review and adjustment of the quota percentages on an overall and individual basis.

Obviously, loopholes will exist in a quota system. There could possibly be insertion of Canadian productions in traditionally bad playing times; a proliferation of cheap sex films made in Canada; the re-running of old, classic successes, rather than new films. Factors such as these will have to be evaluated after 24 months to see if more stringent regulations are necessary.

This committee agrees with the Toronto Filmmakers' Co-op that some of the effects of the quota would be:

- (a) to ensure that the best Canadian films be booked into the small, one and two theatre towns where they are now missed
- (b) to encourage exhibitors to take a stronger interest in both the production and promotion of Canadian "suitable product" to meet the quota
- (c) to permit Canadian films to compete for the first time on an equal basis with inferior American films which have the present advantage of the Hollywood tie-on system (meaning that they are not in themselves economically justifiable, but are booked in return for rights to the larger grossing films)
- (d) to force the exhibitors to test the profitability of Canadian films in the marketplace rather than the private screening rooms where they are subject to the prejudices of too many years of experience.

The Ontario Film Institute should be expanded and incorporated into the Ontario Film Office so that a number of cities across the province may have their own programs and membership while at the same time being able to draw on the library of data of the central office. This expansion is outlined in a report to the committee by Mr. Gerald Pratley and will be appended along with the other reports when the full committee submission is delivered.

It is our belief, however, that despite its good works and appreciation of the history and development of film as an art, the Ontario Film Institute should be stressing to a far greater degree the industry within this country.

This committee does not believe that any film produced for distribution should be censored or cut but that it should be classified as to audience suitability. This whole area of classification and the administration of the Theatre Act should also come under the Ontario Film Office.

This committee recommends that the functions currently performed by the Ontario Theatres Branch be assigned to the Ontario Film Office in the following manner:

Censorship of films in Ontario should be abolished and replaced by a system of classifications, dividing films into the following categories:

- (a) General
- (b) Parental Guidance Advised
- (c) Restricted to Persons 18 Years of Age and Over
- (d) X

There have, from time to time, in other Provinces been prosecutions at the municipal level under the Criminal Code of films approved by the Provincial Censorship Board. It is recommended that the classifications in the three first categories carries with it (as has been in the past customary in this province) an immunity against prosecution under the Criminal Code.

The addition of the "X" classification should serve as a specific warning to distributors and exhibitors that in the opinion of the Ontario Film Office, this film might be subject to prosecution under the Criminal Code. It is further recommended that such prosecution should be started only with the consent of the Attorney General of the

Province. This solves the problem of determining where vulgarity ends and obscenity starts before the forum where it belongs, namely the courts of the country. Experience in the United States and other Provinces of Canada suggest that prosecution has frequently been commenced in an incompetent fashion and resulted only in additional publicity for the film prosecuted and added revenue to the distributor.

This committee recommends that all exhibition to the public of film of all gauges as well as of video tape be classified by the Ontario Film Office.

Another function of the Ontario Theatres Branch is that of setting standards for theatres and, on a regular basis, inspecting same. This aspect of the duties of the Ontario Theatres Branch has been carried out with commendable efficiency and has, in fact, resulted in Ontario theatres having attained a standard of safety and technical excellence unsurpassed anywhere in the world. This committee recommends that the licensing and inspection of theatres be extended to include places of exhibition to the public of film in all gauges and of video tape.

The final area of activity of the Ontario Theatres Branch is that of licensing projectionists. The licensing of projectionists was originally introduced at a time when highly flammable film printed on nitrate stock was in use throughout the Province and the examination of the projectionists was again a commendable effort to protect the public against the possibility of a fire or explosion in a projection booth. The use of nitrate film became illegal in 1956 and this committee recommends that licensing of projectionists be abolished as no longer serving a useful purpose.

The Ontario Film Office should determine the best method of "showcasing" Canadian films through film festivals. There are many reasons for Ontario to now concern itself with a major film festival and these reasons form the appendix that will be attached to the main report provided by Dr. J. H. Walters who undertook the study of this subject.

There is a difference of opinion among the committee as to where such an international film festival should be held. One view is that it should remain in Stratford with the necessary additional funding of \$30,000. Other committee members feel that Toronto is the best location. The authority for the final decision should rest with the Ontario Film Office.

One final note which we recommend strongly in regard to a film festival is that the Canadian Film Awards be tied in as a culmination of this festival so that a permanent place and date become important and established to all those within and without the industry such that a strong media push can be developed. It is our belief that the National Awards Committee might be interested in this as they have continuing problems in financing.

The Ontario Film Office should make positive steps in the education of filmmakers on behalf of the Ontario film industry. An Ontario Film School should be established to provide specialized, focused instruction on film aimed at turning out graduates with a sophisticated knowledge of film production and techniques. This Film School might be affiliated with a university or community college. Entrance requirements should be strict and enrollment limited to one hundred and fifty students in total. Scholarships and grants should be made available. Industry involvement with such a course of study should be extensive in order that highly employable graduates are available to the Ontario film industry.

The tremendous increase in the number of high school and college students involved in some aspect of the study of film should be encouraged, and the Ontario Film School would not be set up to discourage existing courses, but rather to provide a one-location, concentrated study for those chosen students dedicated to film as an avocation — similar to the National Theatre School or the National Ballet School, although the starting age for students in the Ontario Film School should be significantly higher.

*Continued on page 43*