

# FILM NEWS

## Faulkner's Policies

On Aug. 5 the Secretary of State J. Hugh Faulkner announced two federal government initiatives designed, it was said, to increase private sector support of the Canadian feature film industry; first, "a new income tax regulation which will allow investors in an eligible film to deduct 100% of their investment in one year" and second, the two largest theatre chains in Canada - Famous Players Ltd. and Odeon Theatres (Canada) Ltd. - "after extensive negotiations with the Secretary of State", have voluntarily agreed to a quota of four weeks per theatre per year and an investment programme of at least \$1.7 million to aid the exhibition and production of Canadian feature films.

"I am certain that these measures will be of significant benefit to the film industry in Canada", said Mr. Faulkner, "and will see the private sector making additional investments in Canadian films to supplement the \$3 million or thereabouts now invested annually by the Canadian Film Development Corporation (CFDC)."

But the same day it was learned that the Treasury Board had refused a request made by the Secretary of State on behalf of the CFDC for an interim sum of \$2 million for the fiscal year '76-'77. While the Treasury

Board is talking about a thorough re-evaluation of the CFDC's mandate, Mr. Michael Spencer, Director of the CFDC, insists that a decision must be made before the end of October if the CFDC is not to be compromised.

While waiting for news from the Treasury, all investments in films starting after October have been suspended.

### "Canadian" film

The new definition of a Canadian feature film will appear under subsection 1104(2) (h) of the Income Tax Regulations and will be retroactive, for income tax purposes, to include films produced after November 18, 1974. On that date, the federal budget included provisions for increasing the capital cost allowance for investors in eligible Canadian films from 60% to 100%.

To be eligible for the increased capital cost allowance, an applicant must invest in a Canadian feature film that is:

1. at least 75 minutes in running time;
2. produced under a formal Canadian co-production agreement with a foreign country, or
3. a film in which: the producer is a Canadian; 2/3 or more of the personnel performing key creative functions are Canadian; a minimum of 75% of the remuneration paid to personnel other than those included above is paid to Canadians; at least 75% of the technical

services are performed in Canada; the Canadian copyright is beneficially owned by Canadians for not less than four years following completion of the film.

Regarding films shorter than 75 minutes, Mr. Faulkner said that he has received recent representations from filmmakers suggesting that those films should also be eligible for the increased capital cost allowance. He stated that he was "prepared to consider the possibility of including them at a later date should that be desirable."

Films not eligible for the new allowance will still benefit from the capital cost allowance of 60% already in the law.

### Quota

Mr. Faulkner also announced that he had reached an agreement with Famous Players Ltd. and Odeon Theatres (Canada) Ltd., which between them control most theatres in Canada, to guarantee screen time for Canadian feature films and capital investment for Canadian film production.

Famous Players Ltd. and Odeon Theatres (Canada) Ltd. have agreed to a quota system by which Canadian feature films will be guaranteed not less than four weeks of screen time per theatre per year in Famous Players and Odeon outlets in Canada.

"The CFDC will monitor the situation closely", Mr. Faulkner added. "They will submit quarterly reports to me which will be made public so that we will know how effectively the quota is being met. I have had discussions with all of the provinces, some of which are considering legislation, and I am sure that they too will carefully follow the developments." Quebec and

Ontario have both introduced Bills which could lead to a legislated quota. "I am gratified that Famous Players and Odeon have seized the initiative and responded positively to this increased quota plan. This new agreement, much broader in every way than the earlier one, has the potential to be really effective."

"I also approached the chains to increase their investment in Canadian films. They have consented to invest at least \$1.7 million in Canadian films over a one year period. Famous Players will provide \$1.2 million and Odeon \$500,000."

### Reactions

The Canadian film industry reacted quickly and with dismay to these initiatives. The voluntary quota and investment propositions come just when several provinces were prepared to legislate quotas on their own. The federal government's positions, which are nothing more than declarations of intention, will make provincial legislation more difficult.

Also, the voluntary nature of the agreements is unacceptable. The last voluntary quota - two weeks in Montreal, Toronto and Vancouver - was never fulfilled. Many people see the new quota proposal as a trap. Feature production is extremely low. At the end of the first year the chains may well point to their inability to fulfill the quota as proof of the illusive nature of quota as a solution to the distribution problem.

As for the investments, \$1.7 million is too little compared to the \$54 million profit these two chains make in Canada yearly. It does not approach the levy proposals which many filmmakers and producers favor.

*As Cinema Canada is now published monthly, Film News will be reorganized, beginning in October. Due to vacations and to changes at the magazine, the present news section is incomplete. The material in Film News comes from across Canada. In this issue Stephen Chesley is responsible for the general sections concerning production, festivals, people and random notes. From Vancouver Peter Bryant, Jack Ammon, Patricia Robertson and Gayle Scott have contributed; Len Klady writes from Winnipeg.*



The definition of a "Canadian" film is also strongly criticized as it would permit a Canadian film to be made with neither the screenplay nor the director being Canadian.

This issue of **Cinema Canada** contains the reactions of several organizations and individuals. See p. 18 (CCFM), p. 19 (SFM) and p. 19 (CAMPP). Wally Gentleman offers his opinion on p. 46 and Paul Saltzman talks about investments in short films on p. 32.

## Productions

This summer has seen a curious combination of occurrences and circumstances in feature film-making. On the one hand we have a tremendous influx of American and foreign major budget features; on the other hand we have last-minute 'postponement' of two Canadian features in the major budget class. Meanwhile down at the feet is where the Canadian activity is really taking place: the lowbudget CFDC program is moving along at a great pace.

If you're American, use the West, especially Alberta. Universal shot **Mustang Country** in Banff this summer, and it features the Return of Joel McRae. And Robert Altman is reportedly shooting **Buffalo Bill and the Indians**, an adaptation of Arthur Kopit's play, **Indians**, with Paul Newman in Calgary. Winnipeg is the site of **The Melting Pot**, with Romeo Jacobucci as executive producer, Deke Miles as producer, director and writer, and a cast consisting of Peter Jacob, Richard Fullerton, Kimberly Smith and Butch Jularbal.

Pierre David and his company are local production overseers for an Italian film shooting in Montreal called **Tony Saitta**. Director is Alberto de Martino, and

the cast includes Keir Dullea, Stuart Whitman and Tiffany Bolling.

At the same time producer Larry Dane has postponed production of **Rituals**, scheduled to be directed by Peter Carter this summer near Sault Ste. Marie. Story involves four doctors fighting for survival in the wilderness, with a script by Ian Sutherland. Reason given is casting problems. And Ratch Wallace has postponed **Summer Rain**, a love story set in an exclusive school - with a happy ending - until next spring. There was only a week left to go until shooting was to start. Cast includes Donald Pleasence, David Warner, Trudy Young and Patricia Gage. Director is William Davidson from a script by Wallace. No reason given. So no major budget English language films will be shot this summer, although some are planned for fall.

Meanwhile the low-budget programme seems to thrive, with several on the boards this year. Martyn Burke wrote and directed **The Clown Murders** for Magnum International, with Chris Dalton producing along with Steven Stohn. Cinematography was by Dennis Miller, production manager was John Eckert, editor is Alan Collins, and the cast includes Stephen Young, Susan Keller, Gary Reineke, John Candy, Larry Dane and Al Waxman... Dennis Zahoruk wrote and is now directing **Brethren** in Toronto. Chalmers Adams is Executive Producer, Bill Corcoran First A.D., D.M. Ostriker camera, and the cast includes Kenneth Welsh, Richard Fitzpatrick, Thomas Hauff, Sandra Scott, Candace O'Connor, Alison McLeod and Larry Reynolds. It's about three brothers who return for the funeral of the family patriarch and return to the same conflicts that caused their separation in the first place... And in Vancouver

we hear that a feature called **The Keeper** may be shooting, with Don Wilson producing and Tom Drake directing.

Joyce Weiland's **The Far Shore** finished shooting in late spring... Denis Héroux returned to Europe to re-shoot some scenes for his multinational effort **Born for Hell**: a winter release is planned for Canada... Keg Productions has begun to shoot a film based on part of the Grey Owl saga, and it'll combine animals and humans, but only two of the latter.

Two films are supposedly ready for release, and even have distributors, but I think you'd need Eliza and her horoscope to find out for sure. International Film Distributors will handle Alexis Kanner's **Mahoney's Last Stand** in Canada, and British Lion has it in the U.K. A U.S. distrib is being sought, and Kanner says he has several million dollars backing for future projects. **Mahoney** was shot in Toronto, then re-shot and re-edited endlessly... **Lies My Father Told Me**, complete with

shiny new music tracks, is planned for fall release, and has been picked up for U.S. distribution by **Columbia**... As an aside from features, a short has been completed with an interesting angle. Filmmaker Eugene Buia made **I Am A Gypsy** with a never-before-seen-on-film baptism scene. And in spite of a gypsy law that forbids looking into a mirror or a camera.

Several films are definitely on for fall shooting, including some major features. Quadrant plans a follow-up to **It Seemed Like A Good Idea at the Time**, starring the clumsy cops from that pic played by Larry Dane and John Candy. Comedy will be directed by John Trent in September. Quadrant is also finishing **Spanish Fly** with Terry Thomas in England. Taking advantage of the success of **Sudden Fury** at Cannes, Quadrant announced a program of three low-budget productions, beginning with a comedy by Rex Bromfield and Peter O'Brien called **Love at First Sight**. O'Brien is developing two other properties for Quadrant...

Lies My Father Told Me

