Strategies for survival

How Atlantis and Primedia plan to brave the next few years

BY TOM PERLMUTTER

For the Canadian production industry the last year has been something of a rollercoaster ride. Intensive lobbying efforts to moderate the capital cost allowance cutback failed. Telefilm Canada – the mainstay of the production industry – seemed to be tottering in administrative disarray. Then there was the continued uncertainty over government broadcasting and distribution policy; and more than a little apprehension about the impact of free trade. For some the rise of the Canadian dollar – and its potentially disastrous effects on companies servicing American productions – was clearly part of government policy to level the playing field in anticipation of free trade.

Within the industry, observers began to speculate on who would survive and who wouldn't. Atlantis and Primedia are two companies that seem set to weather the squalls that beset the Canadian film and television industry. In the last few months both have announced major new initiatives reflecting a considered strategy of survival. For Atlantis it means looking for an alternative market in Europe. Ironically, Primedia, whose traditional strength has been its European connection, is looking to the States for future growth. Admirable and necessary as the industrial strategy may be, we wondered what happens to indigenous Canadian production as companies like Atlantis and Primedia extend their co-production activities. Cinema Canada *spoke to Michael MacMillan at Atlantis and Pat Ferns at Primedia to find out how they view the future.*

Atlantis goes abroad

WE'RE SURVIVORS. EXACTLY WHAT WE DO AND HOW WE DO IT IS AFFECTED BY THE NATURE OF GOVERNMENT POLICIES AND WHAT PROGRAMS ARE IN PLACE.

When Michael MacMillan joined Seaton McLean and Janice Platt to form Atlantis Films 10 years ago, much of his time was spent physically handling film. Today he oversees an energetic, expanding company that has carved a niche for itself with distinctive television programming. Atlantis' half-hour drama anthology adapted from leading Canadian short stories was a smash hit. One of the dramas, Boys and Girls, *won an Oscar in 1984. Since then, the company has produced or co-produced* The Ray Bradbury Theatre, Airwaves, Ramona, *and* A Child's Christmas in Wales. *In May the company began shooting 30 episodes of* Twilight Zone *at their own studios at Cinevillage. The company is making forays into theatrical features and has recently undertaken a major expansion into Europe as it seeks to spread the risk of production and distribution.*

Tom Perlmutter joins Cinema Canada *in Toronto as Features Editor. He holds an M. B. A. from the University of Toronto, has written and sold several plays, and was formerly* Cinema Canada's *Toronto-based news reporter.*

Cinema Canada: *You're now looking back on 10 years of success, a lot of kudos, a lot of awards. Has Atlantis's vision changed over that period? Have you moved away from what you set up to do and what you wanted to do?*

Michael MacMillan: We've changed, changed a huge amount. We've changed how we produce film; what we produce; who we produce it for or with. When we started in April 1978 we were three partners who were three shareholders, three managers and three employees. We were the three people who swept the floors, loaded the camera, did everything. The kinds of films we made were documentaries and promotional films for corporate and government clients. Ten- or 20-minute films. We did all the technical jobs ourselves. I shot our first 20 films. Seaton edited them. Janice did the sound. We took turns directing. I neg-cut our first dozen films. We did all the physical jobs. Over the years we evolved ourselves into a company; we're specialists each of us in what we do; we have lots of other people on permanent staff who are also specialists.

Cinema Canada: *Would you say the vision has changed? You started off with Canadian stories. It was a wonderful discovery that you could do those stories and find the audience for them. Is that vision still there?*

Michael MacMillan: Oh, indeed. I think so. Although the change you're getting at is that as well as doing that we do productions that aren't particularly Canadian in subject matter or are international: Canadian and French or Canadian and American. That's a change we're happy about.

Cinema Canada: *Is it possible in today's environment to have a new Atlantis find its niche the way you did 10 years ago?*

Michael MacMillan: I don't know. Ten years ago it seemed extreme and it was extremely difficult. I've not spent any time analyzing what it would take for a brand new filmmaker to make a film. It's still hard enough for us to make our films. Although, I will say that our first drama production, *The Olden Days Coat* – the Margaret Laurence story that we produced in 1980 for $138,000 – was financed entirely by selling units

of tax shelter investment to family and friends and friends of friends. Twenty-three people put up $6,000 a pop and we made the film. We didn't know what a pre-sale was. We had no idea that that kind of stuff happened. We just wanted to make a movie. And thank goodness for the CCA (capital cost allowance) system. If it wasn't for the CCA we would never have got started. Never! We might have got started by servicing a film for somebody else. In terms of making our own film, stretching our own legs and proving that we indeed could do it, it was CCA that created that opportunity. Today that mechanism doesn't exist.

Cinema Canada: *What happened with CCA?*
Michael MacMillan: Two things happened. Generally tax reform happened without anyone specifically being concerned about the film industry. There was a general political need and will to reform our tax system and to have government programs and assistance and incentives be given out (as Stanley Hartt, now ex-deputy minister of finance, would say) through the front door instead of giving benefits out the back door hidden in the tax system. Politically I understand that. In trying to clean up all those things they hit film. It was not a specific target. But having noticed that they hit film I don't think they cried very much because by and large the bulk of CCA financings in the past few years had 3/4 or more of its costs covered by pre-sales. So it was becoming less and less a mechanism of financing things that were uncertain in the marketplace. Like how we financed *Olden Days Coat*. That's what CCA was for. Take a flyer and maybe it's going to be great. But CCA was becoming a purely industrial strategy. I think it's necessary to have but I don't think they lost very much sleep when they realized those were the numbers.

Cinema Canada: *Were you concerned about the loss of the CCA?*
Michael MacMillan: We were concerned at the time. We expected the CCA to end. But we thought it would end this year or next year. So it's a year, year and a half earlier than we thought. But its ending was no surprise.

Cinema Canada: *Was that part of the drive to expand into Europe?*
Michael MacMillan: Absolutely. The tax announcement was last June. Before that we'd already co-produced *A Child's Christmas in Wales* with HTV in Wales although we shot most of it here. We'd already set up our co-production agreement with Grenada TV for *The Ray Bradbury Theatre*. We'd already struck an arrangement with a French company, TéléImage, for a TV movie that we're going to produce this summer called *Firing Squad*, a WWII Canadian soldier story set in France. We had already started to co-develop our miniseries on Dieppe with a French partner. A lot was already happening. It

Atlantis Films' Michael MacMillan

was very much part of our strategy. We sped it up a little bit maybe.

Cinema Canada: *Is the move to Europe also a decision to move away from servicing American films?*
Michael MacMillan: The Europe thing is interesting for a bunch of reasons. One is that we think that the industry relies too much on servicing American work. We don't want to rely on servicing American work. Servicing may be the wrong word. It's relying on the American market, however it comes to you.

Cinema Canada: *Was the experience of servicing American work a good one?*
Michael MacMillan: It's been by and large very good. The shift is not because anything negative has been happening but we like to be, we want to be independent. Our definition of independent is having choices. If you don't have choices you're not independent. We've always tried to deal with a variety of broadcasters, a variety of distributors, a variety of sub-agents, a variety of labs, a variety of financial institutions. Always more than one. Likewise in terms of major foreign markets. Since we set up our distribution arm five years ago, we've sold internationally in 45 countries but by far the biggest market is America and we think it's important for us to have another really big market. Europe is 250 million people and most of our production now is with European partners.

Cinema Canada: *You're getting private European investment. Is the climate there more favorable in terms of tax incentives?*
Michael MacMillan: Not really.

Cinema Canada: *What makes it easier to get the European investment?*
Michael MacMillan: We've not really sought that kind of funding in Canada.

Cinema Canada: *What kind?*
Michael MacMillan: Private capital from a private source. We've established a fund and we're going to use that fund to acquire distribution rights.

Cinema Canada: *What's the size of the fund?*
Michael MacMillan: It's significant enough that we're making this whole move to Europe and expanding the endeavours. If it were a small amount of money we'd do it from here.

Cinema Canada: *Does that fund buy an interest in the company?*
Michael MacMillan: Oh no, it's strictly investment in projects.

Cinema Canada: *Is it coming from a number of private sources or is it spread widely?*
Michael MacMillan: It's not spread widely.

Cinema Canada: *What kind of projects will come out of this fund?*
Michael MacMillan: We don't know yet. One difference is that historically we've distributed into television and home video. The new operation will also distribute theatrically.

Cinema Canada: *Is the theatrical a loss leader?*
Michael MacMillan: No, no. We think we can make a profit. We just have to be careful.

Cinema Canada: *Is it attractive for Europeans to work with Canadians as a strategy against incursion of American product?*
Michael MacMillan: No, not in terms of defending their turf. It's a way for them to market internationally. They probably regard us as an entry into America which is a sensible notion because we speak the same language and our culture is much closer to America than the British or French. We're physically close. They see us as an easier entry into the U.S. They see us as people who are used to coproducing, to joint-venturing. They are used to doing that also. And we're more used to it than a lot of Americans. Americans haven't had to do it until recently. But I wouldn't say that they regard us as helping to defend themselves. It's more offense.

Cinema Canada: *When you were considering your European strategy were you looking at the experience of companies like Primedia?*
Michael MacMillan: Pat Ferns has been successful. One can learn certainly from his example. He's a Canadian fully integrated into this community but when he's over in London he's integrated into that one too. It's fantastic. He really does a smart job. Sure, we'd like to have that depth of relationship with European partners. But you know our European thing is not to stay away from the States. We're still going to be doing lots of stuff with Americans. We're not turning our backs on them by any means.

Cinema Canada: *What kind of things have you got in the pipeline?*
Michael MacMillan: More *Ray Bradburys*. The *Our Sister Ruth* project. *Twilight Zone*. And a lot of other things in development which I can't talk about yet.

Cinema Canada: *What kind of feature films have you got in the works?*
Michael MacMillan: The films tend to be exclusively Canadian. That's a strategy also. We

have two films that we're planning to shoot this summer. One is *Destiny to Order* and the other is called *The Watcher*. Both are 105 per cent Canadian. *Destiny to Order* is written and directed by Jim Purdy who recently wrote *Concrete Angels*. It's a comedy-adventure, a contemporary urban story about a writer whose characters come to life with what I call an indigenous budget – a little more than $2 million. *The Watcher* is a sort of thriller/romance written and directed by David Wheeler. Also urban and contemporary. Both are set in Toronto.

Cinema Canada: *Is there any European money in these films?*
Michael MacMillan: Not specifically. Atlantis Releasing in Canada has put up a guarantee for foreign sales.

Cinema Canada: *Are you getting Telefilm funding for those films?*
Michael MacMillan: For both of those we have applied to Telefilm and we're waiting to hear. We haven't had much investment from Telefilm in the past couple of years. We tend only to go to them when we're convinced that a project is perfect for them. We've also applied to OFDC.

Cinema Canada: *How dependent are you for those two films on Telefilm funding?*
Michael MacMillan: They won't happen without it.

Cinema Canada: *How did the two film projects come to you?*
Michael MacMillan: The writers approached us with screenplays. We've been doing a lot of looking the past six-eight months to produce a few modestly budgeted films that had no American distributor involved, films over which we would have complete and utter control.
Cinema Canada: *What was the thinking behind that?*
Michael MacMillan: It was the only way we as a company could continue to produce feature films. We wanted to make that expansion into modest films that we don't have to answer to anyone else on.

Cinema Canada: *How much control do you exert on projects? Could you work with a very personal filmmaker like Atom Egoyan? Would Atlantis trust the writer/director to make a film?*
Michael MacMillan: We want a lot of say. We're not interested in being a clearing house. On the other hand we wouldn't want to proceed with something until we discussed it thoroughly – and I don't just mean the business end or the creative ideas behind the project. If the vision seemed to be shared, then we would trust the person. We have given directors, by and large, a fair degree of autonomy and authority.

Cinema Canada: *Do you see the company as a way of nurturing Canadian talent?*
Michael MacMillan: Absolutely. There are writers and directors I would say we have nurtured, people we have worked with over and over again, two, three, four, five times over the past decade and we've begun to build up some of those relationships and we want to do more of that. We want to get involved with a range of writers and directors. The first-timers and the experienced ones. Because we're still young. And we reckon those kind of people will be the core of the industry in 10 years.

Cinema Canada: *A number of producers have articulated a vision of a core group of producing companies, mini-majors, like Atlantis, Alliance, Nelvana and a few others, occupying the centre ground of Canadian production. Is that a vision you share?*
Michael MacMillan: I'm not certain. I think with the crumbling of CCA, with the Canadian dollar rising, with a lot of other factors, it's an unstable industry. There will be a centralizing of production into a handful of bigger companies. I see that as a trend. Those companies will increasingly have to be better capitalized, will have to have real assets, the kind of characteristics that we are trying to acquire. The positive thing about that will be those producers and those companies will be able to withstand the buffeting, the turbulence of this industry. The downside of that is that newcomers, young filmmakers, unproven filmmakers, may find it difficult to create their work and that's terrible if that happens. That's the bad price to pay for stability. So it's important that whatever government programs are in place can accommodate them. I know that we as a company make sure we work with emerging filmmakers.

Cinema Canada: *Government policy is subject to so many vagaries. Over the past four years we've been waiting for a broadcast act, distribution legislation, etc. Has Atlantis more or less shrugged its shoulders and said we can't rely on what may or may not happen, we have to find a way to exist without government support?*
Michael MacMillan: We're survivors. Exactly what we do and how we do it is affected by the nature of government policies and what programs are in place. Without government support we are able to produce programs with Americans or Europeans for the international marketplace because we're good producers and we're good salesmen. The extent to which those programs reflect Canada and rely on Canadian initiative, creative initiative, is connected to the usefulness and depth of government programs. Most other western nations have figured that out. Canada has figured it out. Add up Telefilm, CBC and NFB, CCA, when it existed, that's pretty strong support.

Cinema Canada: *Perhaps it's a question of uncertainty in relation to that support. Telefilm has its upheavals; CBC is consistently underfunded and producers complain about inadequate license fees.*
Michael MacMillan: That's true.

Cinema Canada: *Have you pre-sold anything recently to CBC?*
Michael MacMillan: No. Well, we sold them recently a pilot called *110 Lombard Street* which we coproduced with SCTV. We sold it to CBC and CBS. Whether or not it goes to series remains to be seen. Apart from that I don't think there's anything. We've pitched them a couple of things.

Cinema Canada: *You mentioned you're very good at selling producing services. Is it because there's a Canadian method of production that is much more cost effective than American-style production, with a less restrictive union structure?*
Michael MacMillan: The guilds, associations and unions are pretty good. By and large we have a problem-free relationship with them. And the dollar being what it is tends to buy more here than in the States. But that applies to the cost of lumber as it does to the cost of a gaffer. But I was more referring to us. We creatively are great.

Cinema Canada: *How do you define great? What are the elements that go into it?*
Michael MacMillan: The ability to work with writers, directors, editors, crew, development team; knowing how images and sound work together and convey an idea; an intimate knowledge of the production process; and, importantly, top-rate crews and top-rate post-production people.

Cinema Canada: *When you're doing things for the American market such as* Twilight Zone, *how much creative control do you have?*
Michael MacMillan: It varies. In the case of *Twilight Zone*, a great deal. The other end of the spectrum is *Almost Grown* which is a TV movie we shot for MCA and CBS. In that case it was initiated by MCA. It was theirs. We executed it; we did a good job but that's all we did.

Cinema Canada: *How does something like* Twilight Zone *come to you?*
Michael MacMillan: It came out of a relationship we had with CBS International. We've known them for a couple of years. They put us together with London Films. CBS was aware of our *Bradbury* work most importantly and our other anthology work. One thing we have a lot of experience of is half-hour anthologies. We can certainly claim to be relative experts in that area. And the *Bradburys* also make us suited to do the *Twilight Zone*. Not only is it half-hour anthology but half-hour spooky. So who else are they going to call?

Cinema Canada: *Do you have an equity stake in these projects?*
Michael MacMillan: Not in *Almost Grown*. Tha was a service deal.

Cinema Canada: *In* Bradbury, Twilight Zone...
Michael MacMillan: *Bradbury*'s ours. *Twilight Zone* we have a piece of, CBS has a piece of and London Films have a piece of. *Bradbury*'s a funny case because at the very beginning of the process it came to us half developed. It was taken to HBO by the Americans who had worked on it thus far and HBO brought it to us. Now over the years it's turned into an Atlantis-controlled project. It wasn't initiated by us in 1984 but it's initiated by us now. It's a Canada-France treaty production. Our partners are Grenada TV in England and Canal Plus in France. Ray Bradbury still writes the screenplays but it's very much driven by us. USA Network shows it. Wilcox Productions who developed it at the very beginning gets a credit and a fee bu they're not involved in the production.

Cinema Canada: *In the case of* Twilight Zone, *how many of the 30 scripts would be written by Canadians?*
Michael MacMillan: On *Twilight Zone* virtually none. They all come out of L. A. But the directors are all Canadian.

Cinema Canada: *Is there a reason for that?*
Michael MacMillan: That is how we split it up

Cinema Canada: *You're taking a multilateral approach to trading partners. Do you think Canada should be thinking the same way? Do you think unilateral free trade with the States will adversely affect the Canadian production community?*
Michael MacMillan: Quite probably. I'm petrified that it will. I don't know who to believe; I don't know what to believe...it's very difficult to know. I'm really concerned that cultural industries have not really been exempted. There are a lot of ways cultural industries are affected even if it's not specifically by a piece of legislation. For example, the move to raise the Canadian dollar from 74 cents to 81 cents is government policy. It's not an accident. The policy is there for a number of reasons but one of the obvious effects is to even out the playing field. To the extent that the playing field gets evened out through that device, it makes it a lot tougher for Canadian producers to sell to the States. That's not a unique complaint. Everybody gets hit the same way but it affects us too. The Canadian broadcasting system is set up on very clear Canadian guidelines. The content quotas, the existence of Telefilm, all those sorts of things were designed specifically to get Canadian programming on the air. Those are incentives that possibly America will say are unfair. And if they do...yikes...what will Canada do? Most other western nations have this domestic supply-side support. In the U.K. 85 per cent of the television schedule has to be British. Protection of one sort or another is

necessary. Even though we complain about free trade we already, apart from those Canadian incentives, have free trade. We can sell our stuff to the States, Americans can sell up here. Our industry is dominated by Americans.

Cinema Canada: *What would happen to Atlantis under free trade?*
Michael MacMillan: If the playing field were absolutely levelled and Telefilm didn't exist and broadcasters didn't have quotas and if there was no replacement of CCA, then we would still exist but the subject matter of what we produce would be a lot less Canadian. Because we couldn't rely on the extra money that is available frm Canada which is for Canadian subject matter.

Cinema Canada: *You mentioned earlier that we need a better capitalized industry with more real assets.*
Michael MacMillan: It's easy to say and hard to do.

Cinema Canada: *Where is the capitalization going to come from and what real assets will the money go into – studios...?*
Michael MacMillan: They're here... you're looking at it. We've got some real estate assets and we're building. We have our film catalogues... what they're worth is a big question.

Cinema Canada: *You're obviously hoping to see some return on the studio. Given the cyclical nature of the industry, how badly do you get burned if they remain idle?*
Michael MacMillan: They've never been idle yet, not for a week. Mind you we've been in the middle of a boom. But most of our property is rental space with tenants like ACFC, Film Finance, a graphics company, a couple of other production companies and so on... We're building more office space this summer.

Cinema Canada: *Where's the capitalization come for building projects? Does that come out of the company...do you have the reserves for that?*
Michael MacMillan: Well, we own the real estate 50-50 with PS, the equipment rental company. Both have contributed cash for the project and there's a mortgage on it.

Cinema Canada: *Are you going to be doing more of that sort of thing?*
Michael MacMillan: I don't know. Frankly, after we build the second stage and add this extra batch of rental space, that will be enough for right now. Although even after doing that we'll only have built on two of our four acres.

Cinema Canada: *Have you ever thought of taking the company public?*
Michael MacMillan: Yes, it's crossed our minds...but we're too young for that.

Primedia looks to the States

Pat Ferns has been involved with film and television for 20 years. He started with the CBC but left after four years to form an independent production company with Richard Nielsen. Together, they produced such series as A Third Testament, Cities, *and* The Newcomers. *When Nielsen left Primedia to concentrate on his writing, Ferns forged ahead with what he calls 'event' television: arts programming, documentary series and one-off dramas. He brought the ballets* Onegin *and* The Merry Widow *to the small screen as well as* Bold Steps, *a performance documentary about the National Ballet. He produced three natural history series with Gerald Durrell. His dramas* Heaven on Earth *and* Going Home *have been critically acclaimed on both sides of the Atlantic. Ferns' genius has always been to find the right partners to work with. In particular he built up enviable relationships with various production companies in Europe. In preparing his assault on the American market, Ferns has recently linked up with Don Taffner to produce series television and game shows.*

Cinema Canada: *Over the last year you seem to have been making great efforts to extend the activities of Primedia in a number of different ways. Perhaps you can start by giving an overview of what the company was and how it's changing.*
Pat Ferns: Primedia Productions has traditionally done event television: the mini-series, the TV movies, the ballets and documentary series. That's strand one. Then at Banff last year I was approached by Don Taffner to go into a joint venture called Comedia to produce situation comedies, action drama, specials and game shows. We're even in the game shows. Ballet to game shows!

There is also the third strand where we are a shareholder with Ron Hastings, Richard Price and Don Taffner in a distribution company called Maple Leaf World Wide Distribution. We've now got a major Canadian distribution company which sells worldwide and has its own people to sell. Also within this group is a venture Primedia Productions is involved in called Les Productions Sept Avril which is a Franco-Ontarian company to do French-language production out of Toronto. We did a series last year called *Transit 30/50*, a series on mid-life crisis. It was really a terrific series, a lot of new young directors. It hasn't been adequately seen and reflected on. It was really quite an important creative achievement.

Cinema Canada: *Primedia co-produced that with a partner?*
Pat Ferns: Yes, with Claude Grenier, who's a director who won a lot of awards for *Le Viellard et l'enfant*. He was the producer of the series and worked with these young directors and directed an episode himself. It was a series that was quite striking for the style. They were the most dramatic documentaries I've seen in years. They dealt with people either in a very gritty, *cinéma vérité* way – a husband and wife confront themselves on camera with a profundity that they'd never done before – to a highly fashioned piece about solitude with very composed images.

Cinema Canada: *You've traditionally been known for your links to Europe.*
Pat Ferns: Yes and that's been strengthened through our joining the Vision group which has links with companies in Britain, Germany, Italy and France.

Cinema Canada: *There certainly seems to be a strategy here of distributing your eggs in many baskets.*
Pat Ferns: We have those links with Britain particularly but also to Europe with our French and English programming. With Comedia we now have a much stronger link into the States to do mainstream entertainment programming. And with the distribution company we have a way of making sure our product is well distributed around the world.

Cinema Canada: *Let's talk about the distribution aspect. Will this distribution company just deal with house product?*
Pat Ferns: No. Absolutely not. It will obviously handle the product of Comedia and Primedia but we've already moved quite aggressively. For example we've put major money into *The Raccoons* to handle it internationally. Maple Leaf is in a position to secure rights on things; it's prepared to go at it seriously. I think that's what Telefilm has been particularly looking for in the Canadian distribution sector: heavyweight players who are prepared to make productions happen.

Cinema Canada: *How is the distribution company being capitalized?*
Pat Ferns: The various partners are all contributing to that effort.

Cinema Canada: *Has Maple Leaf applied for the $500,000 loan Telefilm has made available for distributors?*
Pat Ferns: We haven't gone that route. We'll decide if that's what we want to.

Cinema Canada: *In terms of financing, you have an adequate capital base, as you say, to play aggressively?*
Pat Ferns: Yes.

Cinema Canada: *And the company is distributing exclusively for television?*
Pat Ferns: Yes.

Cinema Canada: *With a lot of production companies setting up their own distribution arms and searching for additional product to sell, isn't the field getting overcrowded?*
Pat Ferns: Everyone is moving in that direction because they realize that a distributor is not just someone who will hopefully gain revenue for you but will provide an intelligence service as to what the market is looking for. And our feeling was that there are a lot of small Canadian independents being created as offshoots of production companies. We could have created Primedia Distribution. We didn't go that route

BY BEING ABLE TO TAKE OVER BRITISH PROJECTS WHERE THERE'S A BODY OF SCRIPTS THAT EXIST AND ADAPT THEM FOR THE NORTH AMERICAN MARKET, INSTEAD OF GOING IN WITH SCRIPTS AND IDEAS AND WHATEVER, WE CAN PUT A CASSETTE ON THE SCREEN AND SAY: HERE ARE FIVE FORMATS. DO ANY OF THESE APPEAL TO YOU?

because what we would end up doing is subcontracting our distribution to someone else in various territories. You end up being in distribution management rather than actually out in the front line. Ron Hastings, the chief executive of the company, who probably runs the best domestic syndication operation in Canada and is very good selling into French Canada, has a terrific track record. Then with Don Taffner who has offices all over the States, Australia, Ireland and God knows where and with Richard Price of Primetime in the U.K. we have the two strongest independent distributors in their respective countries. Combining those sales forces means we could be up and a major player right away. At a marketplace like Cannes, instead of ending up with a little booth where no traffic is, Maple Leaf will have a presence on the ground and be right there.

Cinema Canada: *Is there room for all these distribution companies in the marketplace?*
Pat Ferns: I'm not sure. We feel that we'll survive. We're working into a network that is already there and knows it can sell. The kind of job Richard Price has done for us on the Durrell series – the money keeps coming in. What is nice is to create a company with three other partners you've worked with a long time. Ron has handled us for a long time; Richard has handled

us. Ron handled London Weekend Television in Canada as well as Taffner.

Cinema Canada: *What impetus brought you together in Maple Leaf?*
Pat Ferns: Richard and I had been talking of how to create a stronger international foreign sales agent for Canadian materials. When Don approached me at Banff last year, I clarified with Don my relationship with Richard because in some areas Don and Richard are competitors. So we put all our cards on the table. I said Richard and I are thinking of creating a distribution agency. So Don said I'd like to play in that too. We got two strong competitors playing under the same roof. I think we'll get good results for Canadian programming internationally.

Cinema Canada: *Let me get some clarification on this connection with Don Taffner.*
Pat Ferns: I should probably get you the organigram so you know where everything fits. I created this new holding company – Primedia Entertainment which I own with my wife. It is a 100 per cent Canadian entity at the top of the group. Richard Price of Primetime owns 25 per cent of Primedia Productions and my holding company the rest. Then Comedia is a 51/49 split with Taffner. We own 51 per cent to make sure it's a Canadian company. The relationship is direct with the holding company, not through Primedia Productions. Then there's Maple Leaf. Between Ron Hastings and Primedia Entertainment we're majority shareholder but neither of us has an absolute majority of the company.

Cinema Canada: *With Comedia you're shifting focus towards the American market. What was the reasoning behind that move?*
Pat Ferns: In the past our philosophy had been to try and raise our money between Europe and Canada, to keep back the American market as one you can sell to. My feeling was with that kind of product if you tried to coproduce with the Americans they would put up more money and take over and ultimately you would be servicing their productions. For us to preserve a uniquely Canadian feel to the kind of drama we were doing, to bring our own perspective to the documentaries, to do Primedia's kind of cultural programming, Canadian/European financing was the right vehicle. When you're moving into series production of sitcoms and action dramas against the competition that exists in North America, you've got to have a North American player as a partner. Don Taffner had a philosophy of looking east to Britain for formats. Don and I had certain ideas in common. What he could do was get us into situation comedy very quickly because he owned a lot of formats which we would then adapt in Canada.

Cinema Canada: *You're really talking here about television fodder. It's not the sort of thing you've been doing.*

Pat Ferns of Primedia

Pat Ferns: Well, if you look at what's happening, if you look at what Ivan Fecan is doing at CBC, he's going head-to-head with CTV in terms of series programming. He wants comedy, he wants action drama. The key to our reputation in the past is the quality of our writing. I think with Comedia what we see again is that the writing is critical for sitcoms and action drama to work. By being able to take over British projects where there's a body of scripts that exist and adapt them for the North American market, instead of going in with scripts and ideas and whatever, we can put a cassette on the screen and say: Here are five formats. Do any of these appeal to you? We've got a development deal with CBC at the moment on a popular BBC series called *Three Up, Two Down*. We've also got another format from Thames for CTV.

Cinema Canada: *If I can just come back to the shift in what you're doing. If you look at what Taffner has done here like* Check It Out *and* Three's Company *in the States, it's not great television.*
Pat Ferns: Well *Three's Company* was a huge success.

Cinema Canada: *I can see it as a financially attractive thing to do.*

Pat Ferns: The reality we're having to face, particularly with the uncertainties of Telefilm, the withdrawal of the CCA, etc., etc. is to find ways of financing production that may not lean on those sources. We have found it is a lot easier to do one-offs and mini-series in co-productions with Europe. However, the mainstream of television is series production. We felt that was the next step for us. You can do good sitcom; you can do bad sitcom. I don't think we're sullying ourselves by moving firmly into the mainstream. We did a very down market pantomime for CTV that got great numbers. I'll put Karen Kain in that. I'll also do Karen Kain in *The Merry Widow* and get terrific numbers for something that is very upscale. What's important is that we do high-quality stuff. One of the first things we're doing is an adaptation of a wonderful British series called *Minder* as a vehicle for Al Waxman.

Cinema Canada: *In a Canadian setting or some neutral environment?*
Pat Ferns: It's set in Toronto and written by David Cole. We believe that's got real legs in the States. We'll shoot that here. CBC is in development with us.

Cinema Canada: *How do you manage the adaptation process? The characters are so peculiarly Londoners.*
Pat Ferns: The process of adaptation is quite a tricky one. In a sense the Dennis Waterman character is trapped by class. You can't just translate that. The nature of the kind of aspirations of the Arthur character have to be different in what we're doing. We couldn't have him in the same sort of business in Canada as would happen there. *Minder* is excellent popular entertainment. That's the game we want to get into.

Cinema Canada: *Will you be going to Telefilm for financing for the Comedia programs?*
Pat Ferns: Some of it we will, some of it we won't. One whole area I never imagined we'd move into is game shows. We've got two children's game shows. We're piloting one with BCTV and we've got a children's format for CBC. And Ivan and Carol Reynolds have been holding a competition to find the CBC (adult) game show. They commissioned nine presentations. We did two of them. We're in the last three of the finals. We're also developing another one with Glenn-Warren.

Cinema Canada: *Surely, this is purely money, this interest in doing game shows?*
Pat Ferns: Again, there are good game shows and bad game shows. Hopefully, the format we've devised for CBC is a very superior game show. Because of the link with Taffner, that's also being marketed in Australia as a format down there.

Cinema Canada: *Was that developed by Primedia or an adaptation?*
Pat Ferns: We have one of the leading game show producers in the States who has a number of formats and he came up here pitching that development. They're bringing us a format that will work.

Cinema Canada: *What happens then? Will they produce it?*
Pat Ferns: It will be done as a Comedia production. And what's important, we can train people to do it here in Canada. Because this has got a more sophisticated computer software program than used on Canadian game shows. We will have it all staffed by Canadians. But we will need some consultation at first.

Cinema Canada: *How critical were the uncertainties of the Canadian production environment in pushing you in the Comedia direction?*
Pat Ferns: It was a logical move for us to make. In a sense you spend as much time selling a one-off drama as you do a series. You have to bear that in mind if you want to be able to support the kind of overhead and to do the range of programming you want to do. Curiously, we've actually made money on our arts

programming. They've not been a loss leader although it happens to be a personal passion of mine.

Cinema Canada: *Is there a sense that some of the popular entertainment will subsidize other kinds of programming or does everything stand on its own?*
Pat Ferns: Everything has to stand on its own. I'm a sort of financial primitive. I go and find the money then make the programs. I'm not very sophisticated in working out the tax shelters...

TELEVISION IS BECOMING MUCH MORE FRAGMENTED, MUCH MORE COMPETITIVE. THEREFORE THE STRENGTHS OF THE TRADITIONAL NETWORKS ARE ON THE DECLINE. THE PEOPLE WHO ARE GOING TO SURVIVE AS INDEPENDENT PRODUCERS ARE THOSE WHO CAN PUT TOGETHER FINANCING AMONG A LOT OF DIFFERENT PARTNERS.

Cinema Canada: *You haven't used CCA?*
Pat Ferns: No.

Cinema Canada: *Then the withdrawal doesnt have an impact on you directly?*
Pat Ferns: It doesn't but I think you will see a lot more companies either turning to Telefilm or looking to coproduction. The pressure in the marketplace is going to be more and more intense. I see industry going into a pretty rocky year because a lot of that service production is going to start drying up. We've let our costs get out of hand and the Canadian dollar is strengthening.

Cinema Canada: *We're seeing Atlantis trying to protect themselves by moving into your traditional coproductioné areas. Are they competitors?*
Pat Ferns: Yes, we're in a competitive business but I think we tend to collaborate rather than compete. Whether it's Michael MacMillan, Michael Hirsch, whoever, we have to work together to make sure that our industry is organized to enable us to make a living. More of the time we're locking arms together to fight for suitable policies... whether it was getting independent production on the CBC, or the creation of Telefilm, or making sense of the organization of pay-TV. We have to because we're a small marketplace. We have to fight to protect ourselves.

Cinema Canada: *Atlantis in particular seems to be muscling in on an area that somehow Primedia had made its own.*
Pat Ferns: I think we were the first ones and still preeminent in the British marketplace. We've shown the way as it were, and a lot more people are going to be looking for the way in. Atlantis is finding partners we didn't have and working with some of the same partners.

Cinema Canada: *Do you think as you expand you can maintain the reputation you've established?*
Pat Ferns: The core of the company is very small. We'll hire people for a contract for a documentary series or three months on a drama or whatever. We build things that way. But I think the key is to try and maintain one's own stamp on what one does. I'm still very involved in the actual scripting process on just about everything that comes up. But I'm less and less involved in the actual manufacture.

Cinema Canada: *You say you're involved in the actual scripting process. In what way? How do you maintain the Primedia stamp?*
Pat Ferns: I think that a producer's greatest obligation is in the casting of the director, writer and key performers. That's what I'm trying to do. I do tend to be very involved in the first drafts of the script. Now, we've got a head of development, Jonathan Harris, directing a series we're doing for Channel 4 and TVOntario. He becomes free very shortly. But still it's a management of four people. A few years back Primedia was a bit unusual when Dick Nielsen and I went our separate ways; I was left on my own. Atlantis has three partners; Alliance was two, four, six... Nelvana team was three. What I've now got is a management of four.

Cinema Canada: *Do you see Primedia Entertainment developing in some fashion as a mini-studio?*
Pat Ferns: We're a ways from that yet but you know we have arrangements for senior management to buy into that entity, so ultimately we have growth...
Cinema Canada: *Do you see yourself going public at some point?*
Pat Ferns: I think that's a long time away. If things go well, it's obviously an option.

Cinema Canada: *Do you have an idea of the level of production you want to achieve annually in terms of a dollar figure?*
Pat Ferns: Not really. We've been growing each year. As long as I can keep that going. We've been going through an analysis of where we're going over the next five years. We do see, as long as the Canadian market is not totally eroded, a good growth curve. We are a company whose ambition is not to end up in Los Angeles or London. We are a Canadian company. The reason we are in this business is because we want to do shows that reflect our reality.

Cinema Canada: *How dependent are you on the Canadian market?*
Pat Ferns: More than most. We haven't gone into servicing American production. And don't intend to. We have traditionally played the role of a core company involved in a lot of joint ventures with other Canadians. Ninety per cent of what we do has got another Canadian entity involved. What we're doing is providing our marketing expertise, our production supervision and now our distribution clout to these ventures. When someone comes to us we don't say, "We'll raise the money and you make the program." It is a collaborative venture. We want to keep our creative oar in whatever we're associated with. We're not just a factory. We're creative producers who put a stamp on what we do. So I hope whether it's an impeccably produced ballet or an effectively produced game show, it will have a stamp of quality.

Cinema Canada: *What percentage of your company's income comes from Canada as opposed to the rest of the world?*
Pat Ferns: We've been raising about two-thirds; actually we have raised over a third from foreign pre-sales in terms of financing. Then most of our distribution revenues obviously comes from offshore. We've raised in the last five years something like $35-36 million of which $12 million comes from foreign sales and the rest from license fees, Telefilm, OFDC and other investors.

BUT I FIRMLY BELIEVE IF WE'RE GOING TO HAVE A RESURGENCE OF CANADIAN CINEMA ALONG THE LINES OF WHAT HAPPENED TO BRITISH CINEMA, WHERE THE "FILMS ON 4" LINK WAS ABSOLUTELY ESSENTIAL, WE'VE GOT TO FIND SOME WAY OF TYING TELEVISION'S WINDOW INTO FEATURE FILM PRODUCTION.

Cinema Canada: *The sitcoms you're planning to do, will those be the first major penetration for you of the American market?*
Pat Ferns: Hopefully. We have done stuff before for HBO, PBS in that cable area. We haven't cracked the network but that may change soon.

Cinema Canada: *Will the comedies go into first-run syndication or will they go to the networks?*
Pat Ferns: We don't know yet. Our guess is that some of the things will go to cable homes because that's compatible with CBC or CTV getting first window. But we can devote some stuff to network television.
Cinema Canada: *In addition to a myriad of television projects you also have a theatrical feature in the works.*
Pat Ferns: We're doing Atwood's *Life Before Man* and it's dynamite. Helen Shaver is my partner in it. She will star in it. Linda Griffiths has done a totally original and wonderful screenplay. It's a case of a script you think enormously faithful but when you look at it it's very different. Linda has absolutely internalized the characters so they're totally faithful to the novel while being written in a totally filmic way.

Cinema Canada: *Have you got a production date for that project?*
Pat Ferns: We're hoping to go late fall.

Cinema Canada: *What kind of pre-sales do you need before you can go into production with something like that?*
Pat Ferns: We will want to get it fully financed. It's a case here where we can lay off the back-end against television.

Cinema Canada: *Have you got distributors signed up?*
Pat Ferns: No, we're waiting. Linda's doing a little more on the script.

Cinema Canada: *Who would you approach for theatrical distribution?*
Pat Ferns: We'll go to a Canadian distributor first and grapple with the implications of that. But I firmly believe if we're going to have a resurgence of Canadian cinema along the lines of what happened to British cinema, where the "Films on 4" link was absolutely essential, we've got to find some way of tying television's window into feature film production.

Cinema Canada: *Your theatrical ventures have been rare.*
Pat Ferns: We did *The Wars* sometime back... I could probably sell *Life Before Man* off to television now but I don't want to do that because it's a theatrical piece. Helen and I have gone into it with that in mind.

Cinema Canada: *You're comfortable working with a theatrical feature?*
Pat Ferns: We try to do good work and if that work demands a large screen rather than a small screen, we'll proceed that way. We may make more mistakes in putting the financing together but we think we know how we can do it.
Cinema Canada: *What's the budget range for this project?*
Pat Ferns: My guess is $4-5 million.

Cinema Canada: *What are some of the other things Primedia is developing? You seem to have quite a few TV features in development. How many of them will go into production?*
Pat Ferns: One this year, *The Rocket's Red Glare*, an American story but written by a Canadian; and hopefully two next year. We've also developed a musical by Margaret Atwood, music by Raymond Pennel; a Christmas piece. We're doing another pantomime with Karen Kain before she gets too pregnant. Next month we're doing a piece with the Royal Winnipeg Ballet. We're piloting a series of prize-winning Canadian pianists with different orchestras across Canada. We're doing a master-class pilot

in the fall. We're developing a series with Jonathan Miller. We want to do some more *Return Journeys*. With Sept-Avril we're doing another cycle of 13 half-hour documentaries and looking to move into some half-hour drama production.

Cinema Canada: *You've got a plateful in development.*
Pat Ferns: You have to develop a lot; for every thing that goes you probably develop five.

Cinema Canada: *Is there adequate financing for development?*
Pat Ferns: We're pushing it to the limit. We can't handle any more development. The danger is you spend all the profits ploughing it back. How long can you keep doing that?

Cinema Canada: *What do you see as the future for Canadian television and Canadian production?*
Pat Ferns: When I'm in my optimistic mood, and that's my failing, I think that we're actually getting better positioned for the new world of television. Television is becoming much more fragmented, much more competitive. Therefore the strengths of the traditional networks are on the decline. The people who are going to survive as independent producers are those who can put together financing among a lot of different partners. Because Canadian independent producers have always had to co-produce to survive we're just a bit ahead of the game. You'll find the British industry, for example, has been such a controlled duopoly for so long. That's going to start fragmenting in the early '90s. They are looking more and more for co-production funding. The kind of things we're doing in the Vision group, like the project *Wild Justice*, a high-finance piece set across Europe and North America, will have a pilot shot in five countries. Then we want to follow that with five more movies undertaken by the Germans, the French, etc. Those will probably have elements in other countries. We'll end up with a body of six films. One of the things we'll have to look at is the whole nature of our treaties with Europe because each is slightly different. I would welcome having a treaty with the Common Market. That isn't on but we have to look at harmonizing our treaties when eventually Europe does consolidate all its regulations. But I think Europe is an important market for us to look at. It's huge and changing rapidly.

Cinema Canada: *How does your participation in Vision work?*
Pat Ferns: It's a club with five partners. We don't all have to go into the same projects. Our strength will be when all five support a project. We're looking at ways. Either we'll do anthology productions. For example, the French have a concept for a series of half-hour dramas. If each partner does five, suddenly you have 25 programs which gives you clout in the marketplace.

Cinema Canada: *Who are the five?*
Pat Ferns: It's HTV in Britain; TéléCip in France; Racing Pictures in Italy; TV60 in Munich, and ourselves. The British and the Germans are taking the lead in a production called *We Are Seven*; we are taking the lead on *Murder in Paradise* which the British are also involved in. There's also *Wild Justice*. The French have a thing called *Coup de Foudre (Love At First Sight)*. The Italians have a thing called *We Wore Sailor Suits* which is about the Agnelli family. The British have a thing called *Scorpion* about an international anti-terrorist organization.

Cinema Canada: *Are you still actively involved in the producers' organizations?*
Pat Ferns: Yes. I would still like to see the CFTA (Canadian Film and Television Association) and the ACFTP (Association of Canadian Film and Television Producers) married. I thought we'd actually pulled it off at one point. Merger is dead but maybe confederation lives. We shall see.

Cinema Canada: *What do you see as the prime lobbying efforts for those organizations?*
Pat Ferns: Well, we have to find some substitute for CCA. The problems of the industry are now throwing us together again. The withdrawal of CCA pointed up again that what we need is a decent lobbyist in Ottawa. The mining industry knew what was coming with the White Paper and protected its ass. We as an industry didn't.

Cinema Canada: *Throughout that lobbying process the producers seemed very optimistic about a positive outcome.*
Pat Ferns: You've got to get a Jack Valenti in there doing that job. Michael Hind-Smith has done a great job for the cable industry against a lot of pressure. We've just got to get serious. The broadcasters have a decent lobbyist. If we don't get into it, these things will happen to us.