

Tough issues face Telefilm

TORONTO – Telefilm Canada's executive director Pierre DesRoches issued a press release September 28 reassuring Canadian producers that "the Corporation would be able to meet all the commitments it had made since the start of its 1988-89 fiscal year." This was after a story broke by the Canadian Press and run on the CBC that Telefilm's Feature Film Fund had "dried up" for the second year in a row.

DesRoches pointed out that because of an additional \$11.4 million granted by the department of communications, Telefilm this year had already agreed to assist in financing 30 feature films, for a total of \$30.5 million. He said that exhausting the film fund by the fall is to be expected in a country where almost everyone likes to shoot in the summer and submit funding applications in the spring. Because of the fall-winter freeze on funding at Telefilm last year, the lineup of producers looking for funding was longer than in many previous years.

Film producers are now being asked to wait until next year to make applications and television producers are being put on hold as the corporation does a thorough survey of the funds remaining in this year's allocation. DesRoches confirmed that there is still money left for dubbing, subtitling and marketing and the new distribution fund of \$17 million will come on stream November 1.

However, Bill House, Telefilm's director of Operations in Toronto, said at this year's Festival of Festivals' Trade Forum, "It is clear that Telefilm needs a new way of allocating funds." The production community would seem to agree. Peter Mortimer, executive vice-president of the Association of Canadian Film and Television producers, told *Cinema Canada*, "There is perhaps a need to change the basis upon which the money is passed out at Telefilm, from the first-come-first-served basis to a more structured series of key dates throughout the year so the situation of running out is avoided."

According to Sam Jephcott, president of the Canadian Film and Television Association, "While it is entirely appropriate that Telefilm make the vast majority of its commitments early in the fiscal year, Telefilm should never be in a position of having to turn down projects which get the rest of their financing together later in the year. Therefore, what's appropriate is that 80 per cent of the funds should initially be committed during the first quarter of the year and a hold-back of 20 per cent."

Barry Young, CEO of Spectra Films, offers a slightly different solution. "They should keep their allocations on a quarterly basis and keep putting the money out throughout the year.

That doesn't mean there should be 25 per cent per quarter. There should be different percentages per quarter, less money at less busy times, like Christmas and winter."

Trudy Grant, president of Sullivan Films, agrees. "My feeling is that they need to do it quarterly. They want their monies returned to them on a quarterly basis, so they should be looking at giving the monies out on a quarterly basis. It's a difficult situation, but if they spread it out further to a greater number of people, they would be helping a greater number and not putting it all in one basket."

Andre Bennett of Cinephile Distribution says, "A sizable portion of the Telefilm Feature Film Fund should be channeled into specialty art films and not the commercial product, because the commercial product has other venues for financing. Specialty films have few other venues for financing."

This brings up the always thorny issue of whether the feature film fund, or any of the many funds that Telefilm administers for that matter, should be deemed cultural or industrial. Sam Jephcott asks the question this way: "Is it appropriate that the funds should be politicized to the extent that geography and language and minority groups should get primary attention?" The additional \$11.4 million that was allocated to the feature film fund early this year was earmarked for French-language and regionally-based films.

There are other issues complicating Telefilm's present financial problems as well. Barry Young feels that "they are still digesting a little bit of last year's problem (when both the executive director Peter Pearson and chairman Jean Sirois left almost simultaneously, setting off a public row over management capabilities and government patronage). It would be nice if they were out of that mode now, but unfortunately they are not." Peter Mortimer suggests that because of the changes in the federal tax laws, there is no other money for film investment in English Canada except government money. "The 30 per cent CCA is just not attracting any money to film production. It isn't working. So really there is a total reliance on public funds."

Mortimer and the other producers' associations hope to be involved in a consultative forum with Telefilm soon. He says, "I think it's recognized by the production community and certainly by our association that this is not a situation that can be allowed to continue year after year. There now seems to be a willingness to consider a spectrum of ideas."

TORONTO – The Ontario Ministry of Industry, Trade and Technology announced at this year's Festival of Festivals Trade Forum that it will support a lecture series at the Canadian Centre for Advanced Film Studies. Although there are few details to date, the initiative is to support the business side of filmmaking and the Ministry is contributing \$15,000 for the series.

Catching up with Quebec

TORONTO – What Ontario needs, Peter Mortimer, executive vice-president of the Association of Canadian Film and Television Producers (ACFTP) told *Cinema Canada*, "is a policy that recognizes the economic and cultural costs of reduced production activity in the province." This sentiment is echoed throughout the film and television industry, faced with reduced tax benefits from Ottawa and the impending Free Trade Agreement.

"If there aren't any initiatives, the industry (in this province) has a major problem," says Barry Young, president of Spectra Films. "Nobody likes to address productions going elsewhere, but if it's double in Quebec and not double in Ontario, then of course this will happen. If Ontario doesn't move and the feds don't move by the end of the year, I'll take off my distribution hat and put on my tax incentives hat. We couldn't offer any production investment except production investment in Quebec."

The Province of Quebec offers film investors a 166 per cent tax shelter, and recent new licensing regulations, which came into effect as part of the Quebec Cinema Act, bar most non-Quebec companies from distribution in the province.

Sam Jephcott, president of the Canadian Film and Television Association (CFTA), agrees that Ontario should initiate a comprehensive policy to prevent the downsizing of the production business here. "It would seem that two provinces, Ontario and British Columbia, are looking very hard at any initiatives they can take to stop or equalize the initiatives that have been taken by Quebec and save their own domestic production."

"Ontario is going a step further. It is looking at possible tax or financial incentives for Ontario-based productions and a number of other factors which should be taken together and form the basis of a policy for the province. Ontario has to look at the whole basket and try to figure out a way of putting all of the elements into a single, defined policy."

Angela Longo, director of the Cultural Industries and Agencies Branch of the Ontario Ministry of Culture and Communications, told *Cinema Canada* in an interview, "Our Ministry has been concerned about the implications for the industry in Ontario since the federal government changed the CCA program and some of their other initiatives, such as the film distribution legislation, which was not as strong as we have been led to anticipate. It is an area that we are reviewing closely, but I can't speculate at this time whether that may or may not happen. I don't think the Ministry would be comfortable to see the industry in Ontario diminish."

Jonathan Barker, acting CEO of the OFDC, was a bit more specific, but he said it is still too

early to say what the Liberal government will do in this area. "There is serious consideration of a number of alternatives. The Premier and the treasury are actively looking for alternatives for Ontario and if there is going to be a result, it's going to be very soon. Ultimately, it is the Cabinet that decides what to do. They'll be given options in a month or so and they'll make a decision. Cultural policy is a fairly high priority, but at this moment, it is hard to predict what will be in it."

However, others in the Ministry believe that nothing will be done prior to the federal election and that there is some reluctance in the provincial government to let the federal government off the hook on tax matters. The provincial Liberals have slowed down the pace of legislative action considerably since they got their overwhelming majority. The feeling is among government insiders is that they are in no hurry to move on anything right now.

BC Film fetes successful first year

VANCOUVER – In September 1987 the British Columbia government launched its first film funding agency, BC Film. A year later the lotteries funded body has invested \$4.5 million in indigenous production and has helped launch 10 locally written and/or produced features. The total value of indigenous production begun during BC Film's first year of operation is estimated at \$28.3 million.

By contrast, there were no indigenous features shot the previous year and the total value of B. C. productions was about \$3 million.

BC Film boss Wayne Sterloff is, to put it mildly, delighted. His first annual report shows \$4.3 million invested in long-form production. Writer Phil Savath's name appears most, in Stephen Foster's *Maximilian Glick*, John Conti's *Ricochet* and Harry Cole's *Lighthouse*. Five productions received the maximum half-million-dollar investment with only two getting less than \$100,000.

"I think it's symptomatic of the backlog of scripts that haven't been produced in the last two or three years," Sterloff told *Cinema Canada*, "Many scripts had been using Telefilm development money just to stay alive."

The emergence of BC Film filled in the funding gap and then a silver-lined back cloud appeared on the southern horizon – the WGA strike:

"Our union and guild memberships began to realize that what had happened elsewhere – in Britain, in Portugal – could happen here. The American producers can come and can go. It drove in the importance of having an indigenous industry. The labour organizations were exceedingly co-operative and understanding with local producers."

Continued next page