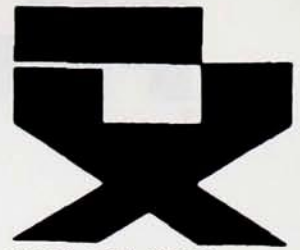


DIRECTORS GUILD OF CANADA

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The Annual General Meeting of the Directors Guild of Canada held in Toronto on the 7th of March elected Peter Pearson as its new President; John Trent, 1st Vice President; Peter Carter, 2nd Vice President; Sam Jephcott, Secretary; Elizabeth Butterfield, Treasurer. Don Wilder, Sydney Banks, Julius Kohanyi, Robert Schulz, Jim Margellos & Richard Gilbert were also elected to the Board. Area representatives Wally Gentleman (Montreal) and Munroe Scott (Ottawa) were returned to the Board, with Robert Linnell assuming the responsibilities as Western rep in Vancouver – replacing Jim Margellos who moved to Toronto during the past year. Evelyn McCartney continues as Executive Secretary.

In late January the Guild Executive was privileged to host an informal meeting/buffet in Toronto with the Secretary of State, the Honourable J. Hugh Faulkner, the Honourable Donald MacDonald, M.P., and their Executive Assistants.

In addition to the previous executive (prior to the AGM), those standing for election and representatives from all categories of the Guild, the Guild invited, as its guests, representatives from the industry's Guilds, producers, and laboratories. Everyone in attendance appreciated the frankness of the discussion and the opportunity of being able to express their point of view.

At the request of the Secretary of State, a further follow-up meeting will take place in Ottawa at the end of March – again, with Industry representation. In the interim The Guild has been submitting Briefs recapping the problems and points raised, and, in co-operation with the industry, putting forth what we believe are workable solutions.

One, if not THE, major problems besetting the feature film industry at the moment is the tax situation. The nascent feature film industry in Canada at this point in time is on the verge of collapse. Hard to believe, perhaps, considering the hectic pace of the past couple of years, but nevertheless only too true.

The Canadian Film Development Corporation has provided a vital stimulus for the initial stages of the development of feature films.

Canadian distribution companies have, in the past two or three years, provided financial support for many projects.

In addition, Famous Players Limited, the major exhibitor in Canada has invested in many projects.

However, for all these investments to be translated into a viable production, other monies must be invested from the private sector. Until mid-1972, the principal deciding factor for the private monies to invest in the feature film was the existing tax advantage. The private sector could claim write-offs over a period of time based on the total cost of the film rather than the amount of the private sector's cash investment.

In effect this was an indirect incentive provided by the government to encourage investment in a high risk enterprise. Should the film be a failure financially, the investor's risks were minimized.

We are all aware that many questions relating to feature film financing, addressed to the Secretary of State, do not fall within his jurisdiction; however, they vitally relate to the very lifeline of the future of the feature motion picture in Canada.

1. *The Government of Canada, through the development and support of the Canadian Film Development Corporation, has enunciated its belief in the importance of a feature film industry in Canada.*

Unfortunately, the Government, through the Secretary of State, the Department of National Revenue, and the Ministry of Finance, has failed to make clear the incentives and tax advantages available to private monies investing in feature films.

We firmly believe that, given the high risk nature of the investment, private investors' risks must be minimized as much as possible. Government must provide such incentives to attract the vital private investments.

2. *At the moment, the American withholding tax in respect to Canadian pictures is fifteen percent, while the Canadian withholding tax with respect to American pictures is ten percent. We see no justifiable reason why these rates should differ. If the Government raised the Canadian withholding tax from ten to fifteen percent, providing the government with increased revenues, it should be possible to divert these increased*

revenues to the private sector in the form of tax benefits to private investors in return for their investment in Canadian feature film productions.

3. **IMPROVED CAPITAL COST ALLOWANCE FOR PRIVATE INVESTOR.** *We have submitted proposals in detail, and it is our belief that it is realistic to achieve a thriving industry without misuse of tax laws in a shoddy and gimmicky way.*

Leverage should be allowed, we believe, on monies actually put up by the investors, and, also, on additional monies which they are able to bring in from outside the country which would otherwise not have flown into the economy. Consequently the government may lose the individual taxes of the Canadian investors on a losing picture, but will be picking up the taxes from the foreign dollars invested in order to make that picture.

Legally many lawyers now believe that the leverage situation is sound as it presently exists, but, unfortunately, misuse of it by certain groups has created such an area of uncertainty that legitimate producers and directors are no longer able to finance their films.

The concept of Capital Cost Allowance on Canadian films, if the investment is made up front, should be considered.

4. **TAX BONUS FOR FOREIGN FILMS REVENUE.** *Would it not be possible to divert some of the income generated at the Box Office by foreign feature films?*

For example, foreign owned distribution companies (whether incorporated in Canada or not) might be permitted to deduct, from their income taxes or withholding taxes, an amount based on a percentage of gross film rentals from such foreign films. For instance, ten percent of gross film rentals could be deducted from taxes based on an equivalent amount being invested by such distributor in Canadian feature films.

5. *We would like to thank the producers who so generously supplied us with copies of their correspondence with cabinet ministers and various government officials for inclusion on our Briefs.*

The producers have argued at length the need for government assistance in

providing incentives for private investors, and the correspondence submitted typifies the attempts by private producers over the past couple of years for clarification from the Department of National Revenue and the Department of Finance. Unfortunately, the process of dealing with at least three separate governmental departments (State, Finance and Revenue) makes the course of the producer extremely arduous. Since the responsibility for film is under the aegis of the Secretary of State, co-ordination of relations with other governmental departments could perhaps be handled through his office.

The Secretary of State has expressed, on several occasions, his solid interest in the future of the feature film industry. Unfortunately, because of rulings from the Departments of National Revenue and Finance, very little private monies are available for investment in feature films. The scarcity will continue until the viable incentives and safeguards are provided. Hopefully these will be forthcoming.

Another area of prime concern is the field of television commercials. The Directors Guild, through its Executive and Commercial Directors Committee, has been and is continuing to make strong representation on behalf of Canadians.

During the beginning years of television in Canada there existed a handful of Canadian Production Houses manufacturing television commercials for the Canadian market. It is estimated that at that time 80% of our National Advertising was manufactured in the U.S. Advertising agencies claimed that there did not exist in this country the proper facilities or skills to translate their marketing concepts to the television screen. In some areas they were correct; but the "existing industry" felt they could meet the challenge and began representation to the Canadian Government through the A.M.P.P.L.C. Finally, in the early sixties, the Canadian Government imposed a 20% ad valorem on all television commercials (film and tape) imported into this country, based on a fair market value.

There very quickly came into being a tremendous increase in new PRODUCTION HOUSES, LABORATORIES, OPTICAL HOUSES, MIXING STUDIOS, MUSIC RECORDING FACILITIES, EQUIPMENT COMPANIES, PRINT PROCUREMENT HOUSES.

The production of television commercials has become the only division of the film industry which is completely self supporting.

In the early sixties Advertisers and their Advertising Agencies, through economic pressure, were forced to produce in Canada, and they came to realize

that production could be done here in their own country. Hundreds of Canadians have become well-trained in this area of film making. We have achieved respect and stature throughout the world; and acclaim, through the Awards we win each year in International Competitions, against, very often, production that cost four to five times as much to produce.

As mentioned earlier, the introduction in the early sixties of the 20% ad valorem based on 'fair market value' did bring about a change in habits within the Advertising community, but certain traditions were maintained.

1. Agencies insisted on casting in New York for many commercials.
2. Agencies continued to go to New York to have many of their music tracks created.
3. Agencies insisted on importing American or English directors.
4. Agencies insisted on importing American cameramen.

It was only after considerable pressure from ACTRA and the Musicians Union that these traditions have been appreciably re-shaped in points one and two. The directors keep coming in. The Toronto cameramen, who work mainly in commercials, are members of IATSE Local 644C, which is controlled by New York.

By the mid-sixties a softening of the tax levy became apparent and imported television commercials began to be levied on the basis of '\$9.00 per foot value' instead of a 'fair market value'. Advertisers and their Advertising Agencies have understandably taken advantage of this situation to the degree that the ratio that once was in our favour has regressed alarmingly. Firm figures are hard to come by, anywhere from 30% to 60% of commercials seen on Canadian television are American imports. The Canadian Radio-Television Commission is presently endeavouring to establish precisely the number of American commercials imported into Canada, and their percentage of air time.

If the television commercial industry were truly Canadian, the personnel Canadian, and if an increase of at least 30% occurred in our present \$30,000,000 volume (to use the low estimate*) it would mean a conservative increase of \$9,000,000 in earnings to Canadians; a tremendous increase in job opportunities for Canadians. (*Television Bureau of Canada - 1970 figure of \$28,341,800 plus conservative estimated increase.)

To justify the enormous investment in facilities, it is necessary to have laboratories and personnel working year round. If a lack of support continues or increases, the commercial industry in this country could collapse thus endangering those facilities and talent

pools necessary for other forms of production.

Discussions are also taking place with the Department of Manpower and Immigration re the Work Permit system that comes in to effect at the end of March. Clarification is being requested from Ottawa on a couple of clauses presenting difficulties; however, it is hoped that these will be resolved very quickly.

ON THE AGENCY FRONT

MACLAREN ADVERTISING, TORONTO, will handle the entire \$750,000 CIBA-GEIGY ACCOUNT following its acquisition of the company's Green Cross garden products line from Gordon Hill Advertising of Toronto. C-G is the Canadian subsidiary of the \$1 billion-plus International Corporation CIBA-GEIGY, Switzerland.

BRISTOL-MYERS CANADA, Toronto, has announced appointment of McLaren Toronto to four additional brands: Bufferin Analgesic, Tanya Tanning Aids, O'Cedar Floorcare products and Nu-Fluff fabric softener. McLaren retains the Javex line of bleaches, Fleecy Fabric Softener, Windex and the Drano Line.

GARY ACKER has joined MCCONNELL ADVERTISING, TORONTO, as Account Group Supervisor, handling several of the Agency's consumer accounts. He was with RONALDS-REYNOLDS, Toronto, as an Account Supervisor.

LYN HELPARD has been named Vice-President of the International Advertising Agency FREEMAN, MILLNE, BOZELL AND JACOBS, Montreal. He will continue to supervise the British Overseas Airways account and assume responsibilities on several other FMB&J accounts. Helpard is President of the Canadian Advertising and Sales Association.

LEWIS SMITH, senior Vice-President, Client Relations with RONALDS-REYNOLDS ADVERTISING, Toronto, has been named General Manager of the Company's Montreal office. SMITH had been with the Toronto office eighteen years.

PETER SANDERS has joined PAUL CESTNICK AND ASSOCIATES, Toronto, as Vice-President, Client Services. DOUG GARNETT has been named an Account Supervisor (Marketing), ERIC JOHNSON, Consulting Art Director, and JEANNETTE EVERITT will act as Co-ordinator of Media Services.

WARREN REYNOLDS has decided to move to Chairman of the Board of RONALDS-REYNOLDS, and S. ANDERSON, Executive V.P. and Managing Director since 1970, has been appointed President. Anderson's appointment, says Warren Reynolds, should help squash "once and for all" rumours that R-R is up for sale.

HERE AND THERE

20TH-CENTURY FOX TV and BBC has signed a Co-production deal for nineteen hours of programming based on Classics of English and American literature for "Family Classic Theatre," according to president, Bill Self. The hour-long episodes will be produced by the BBC in association with 20th-Fox TV and the ABC-TV owned and operated stations. The co-production package will include five segments each of Sir Walter Scott's "The Fortune of Nigel" and James Fenimore Cooper's "The Pathfinder"; three episodes of Eleanor H. Porter's "Pollyanna" and a six-segment Science Fiction project developed by Ron Marsh. ABC's Self, Kline and syndication v.p., Alan Silverbach, are currently in negotiation with BBC and other British companies for additional program development.

A report has been submitted to the **ONTARIO GOVERNMENT** calling for a Provincial involvement in Feature Film Production and Exhibition. The report, commissioned by former Ontario Minister of Industry and Tourism, John White, has been presented to his successor Claude Bennett. — The Brief proposes every Ontario Theatre be required to exhibit Canadian features for eight weeks of every two years. In the case of multiples 7.7 per cent of seating capacity is the quota. Special arrangements would be made in the case of hard-ticket runs, etcetera. The aim is to expose home product to audiences who would never see them, especially in small towns. — As an incentive to the theatres, the 10 per cent tax would be rebated from the Canadian run: 5 per cent to the theatre and 5 per cent to the producer of Ontario-made features. — Abolition of the Theatres Branch is recommended, substituting an Ontario Film Office which would have a wide role. Besides encompassing the Theatre Branch's duties, it would administer the Quota and review it every two years, especially the prerequisites for Canadian content. — A recommendation is contained in the Brief that censorship be abolished and a Classification system substituted. Under this system, no cutting would take place, but the Film Office would classify each film according to the following categories: General, Parental Guidance Advised, Restricted to those 18 and over, and X. The latter group would be labelled such to indicate that they could be liable for prosecution, thus letting the Courts act as a forum for the determination of obscenity. — Licensing of Projectionists would be abolished. Theatre would be expanded to include additional branches in small towns. — Ontario Film School should be established to train personnel, and co-operation from the industry would be hoped for. — A Script Development fund of \$250,000 should

be created, with each applicant receiving a maximum of \$12,500. — Recommends the establishment of a major International Film Festival, incorporating the Canadian Film Awards. — A complete report is to follow. (See *Cinema Canada*, issue No. 6, for complete text.)

Further to the report in our last newsletter, **ATV's SIR LEW GRADE and RAI-TV** seem headed for a long-range association of international dimension. In addition to deals set in December to coproduce in equal partnership with RAI-TV six one-hour episodes of **MOSES** and five episodes of one hour each on **THE ORIGIN OF THE MAFIA**, Sir Lew disclosed ATV acquisition of three RAI-TV programs. They are Michelangelo Antonioni's **CHINA** (the two-hour ABC version but programmed in separate episodes), all ten segments of **GREAT ORCHESTRA CONDUCTORS** and a one-hour **BALLET-ENTERTAINMENT SPECIAL** with Carla Fracci.

CINEPIX CENTRALIZES SALES ACTIVITIES. Montreal-based Cinepix Inc. has reorganized to centralize all United States and Canadian Sales activities in its home office. — Ben Siegel has resigned as National Consultant to devote his full time to his own distribution company, LBJ Film Distributors, Inc., but will remain associated with Cinepix in a limited capacity. Maurice Attias has been named overall General Sales Manager with responsibility for U.S. distribution programs.

INDUSTRY DEVELOPMENT. An experimental film using Laser Technology and Synthesized Music has been made at Todd-AO in Hollywood, California. Titled **DEATH OF THE RED PLANET**, the 20-minute film was produced by Dale Pelton, working with Laser Physicist Elsa Garmire of Cal-Tech and electronic music composer Barry Schrader of Cal-Arts in the U.S. Made in 35mm Anamorphic process with four channel sound, the film is part of a program also featuring light-in-motion sculpture by several regional artists.

GLEN WARREN PRODUCTIONS of Toronto, headed by John Bassett, is setting up a Chicago office to win more commercial filming deals.

CRTC has renewed the license of 12-station **CTV** from October 1, 1973 to September 30, 1976, and they received CRTC's commendation for the reorganization of its corporate and programming structure. CRTC will require, however, that the necessary further documentation and by-laws be completed and filed with it before license renewal time. It notes that, while only 48 hours a week of Network Service is stipulated, CTV now gives 60 hours, and suggests that be kept as a minimum. — CRTC will

permit CTV to alter its Corporate organization and web-affiliation terms. CTV member pact sets up three classes: Full Affiliate, Affiliate, Supplementary Affiliate. Latter will be supplied with full Network service, with sales rights to "almost all programs." Affiliates will get Full Network Service at No Cost, plus "a guaranteed revenue." Full Affiliates will share in revenue, costs and obligations of the network "on a proportional basis." — The CRTC approved a \$50,000-a-year-fund "for the exploration of program ideas that may not necessarily reach production." The Commission expressed interest in watching how it operates. CTV acknowledged the need, underlined by CRTC, to develop "more drama programming with Canadian themes, concerns and locales" and expects to start at least one such project by next September. — The CRTC also stressed the need for the Network to "commit a reasonable proportion of its programming budgets to independent production sources, other than the stations" and will check up on this annually.

CINEMA CANADA (No relation to the magazine of the same name), "**A NEW FILM CULTURAL AGENCY**" to foster the appreciation and use of motion pictures and television — was proposed last month to the Secretary of State's Advisory Council on Films by Canadian Film Institute president Jean Clavel. It would collect and preserve films and television programs for a National Library of Cinema, run a National Research and Information Service, publish a National Film Catalogue, and "service and support the work of related national and regional bodies." (See *Reverb* section in this issue for comments — ed.)

On February 1st, MGM and 20th-Century-Fox merged their European distribution divisions in twenty countries. Headquartered in Frankfurt, Germany. Metro Director General Erich Steinberg becomes president of the combined operation, with 20th's Max Falter as v.p. and second-in-command. MGM's Kurt Schreiber will head the Munich exchange. Publicity departments will continue to operate separately with Wolfgang Wittig handling the chores for MGM and Karl-Heinz Scheffler for 20th-Fox.

ON THE CURRENT PRODUCTION SCENE a number of projects are being discussed but plans remain to be finalized. Work on the \$100,000 projects is underway — see details in last newsletter. We will keep you posted as things develop.

Kindest regards, Evelyn McCartney

Post script: IATSE, Local 873 had advised us that the increase in their rates, scheduled to go into effect June 1st, 1973, has been rescinded. The rates which came into effect January 1st, 1973 are still applicable. E.M.

The New CP-16/A (with Crystasound). A Cameraman's Kind of Camera.

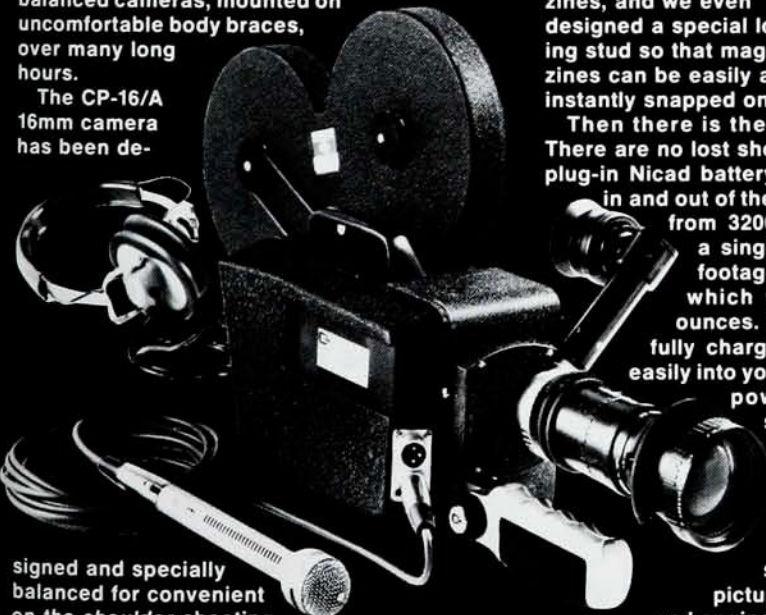


Tired of the daily struggle with backbreaking body braces, unwieldy tripods, and heavy, poorly balanced cameras? Tired of dangling power and sound cables? Encumbered by quickly exhausted battery packs? Frustrated by a noisy camera movement? Annoyed with "tack-on" sound equipment? Feeling crushed under the weight of it all?

We, at Cinema Products, believe that we have designed a unified camera and sound system that will solve all of these problems.

Take backaches, for instance. Backaches may sound funny to some people. To a TV-newsfilm cameraman they're no joke. More and more TV-newsfilm cameramen have been reporting severe and crippling backache conditions as a result of carrying heavy and poorly balanced cameras, mounted on uncomfortable body braces, over many long hours.

The CP-16/A 16mm camera has been de-



signed and specially balanced for convenient on-the-shoulder shooting.

It weighs a little less than 17 pounds when fully equipped. And "fully equipped" means fully. With 400-ft. magazine loaded with 400 feet of film. With a 12-120mm Angenieux zoom lens. With a plug-in Nicad battery pack. With a critically accurate crystal-controlled DC servomotor for single and double system sync sound. Plus the Crystasound recording system with built-in amplifier. That's right. Less than 17 pounds!

As for noisy camera movement problems, you've got to "not hear" the CP-16/A to believe how quietly it runs. Our sound tests show approximately 31 dB at 3 feet. But the real

sound test is your professional ear, and the actual quality of the sound recording.

Out-of-sync problems? Our CP-16/A is crystal-controlled to the extremely critical tolerances required by cordless double system recording, with a frame rate accuracy of ± 15 parts per million over a temperature range of 0-140° F. And if something should go wrong, the easily visible out-of-sync warning lamp, located at the front of the camera, will instantly light up.

As for magazine capacity, the CP-16/A accepts standard 400-ft. and 1200-ft. Mitchell-type magazines, and we even designed a special locking stud so that magazines can be easily and instantly snapped on and off the camera.

Then there is the power supply problem. There are no lost shots with our rechargeable plug-in Nicad battery pack. It snaps instantly in and out of the camera body, and drives from 3200 to 4000 feet of film on a single charge. That's a lot of footage from a little battery pack which weighs a mere sixteen ounces. It is so compact—a spare, fully charged battery pack will slip easily into your shirt pocket. And it also powers the CP-16/A sound system.

Lately, more and more TV-newsfilm and documentary cameramen have had to "go it alone," with the responsibility of capturing both picture and sound. Designed and engineered from an overall total systems approach, our CP-16/A with Crystasound makes it seem almost easy.

The Crystasound amplifier is part of the camera, and it is powered from the same battery pack. Switchable, variable compression Automatic Gain Control let's you concentrate on filming the event. The headphone monitoring channel automatically switches from live mike to playback when the camera is turned on. We've even provided a special line feed to a tape recorder for those instances where the cameraman is recording simultaneously for TV and radio. The built-in amplifier has two microphone inputs and one line input,

all with independent volume control. Other features include automatic bias level, with no adjustment required, preview switch, VU meter, and low power consumption.

Our Crystasound recording system features a special record and playback head, encapsulated in the same module to guarantee absolute alignment for its entire life.



Should you need an auxiliary mixer, our Crystasound auxiliary mixer features: four channels of mike input, one channel of

line input, and one condenser mike channel. It also features individual and master volume controls as well as switchable AGC.

For the TV-newsfilm cameraman, the name of the game is lightweight, extremely mobile and reliable equipment, so that he can capture the spontaneous *live* feel of a news event as it happens. We are confident that the CP-16/A provides just that.

With no backaches.

Alex L. Clark Limited



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