

Reaction To Par's 'Meatballs': A Canadian Film's U.S. 'Break' Heartburns Canadian Distribs

By SID ADILMAN

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Canadian film distributors are fuming but apparently are powerless to stop sales of North American releasing rights to U.S. majors of Canadian features funded by Canadian investors.

A campaign by distribs to get Canadian rights split off from any such deal was stepped up last week following pickup of "Meatballs," a youth comedy, in separate deals by Paramount U.S. and Paramount Canada for a price that's said to be "in excess of \$3,000,000" total.

The "Meatballs" sale puts Montreal-based Cinepix distrib chiefs Andre Link and John Dunning in the spotlight. They were the pic's executive producers along with Ivan Reitman and Cinepix had "Meatballs" set for a number of Canadian film houses in May.

Cinepix quickly withdrew its dates at confirmation of the deal and the pic, which toplines Bill Murray of "Saturday Night Live" will open in Canada in late June under the Paramount banner.

A Dichotomy

"As a producer, I'm delighted," says Link. "As a distributor, I'm disappointed."

But Cinepix is a founding member of the Assn. of Independent and Canadian Owned Motion Picture Distributors which has been battling with the federal government over splitting off Canadian rights to its members.

The association got into the fore-
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front of the argument recently when "Running," a \$4,000,000 feature headlining Michael Douglas and Susan Anspach and, as "Meatballs" funded in part by the Canadian Film Development Corp. was sold to Universal for U.S. and Canada for \$2,250,000.

"From a business point of view, such deals are hard to refuse," says association president Dan Weinzwieg who is head of the Toronto-based Dantom Films distribbersy.

Dubious Economics

"But," claims Weinzwieg, "it's unfair competition. It doesn't help us survive in the distribution sector."

Federal government film officials also are caught in a touchy position. Secretary of State (Minister of Culture) John Roberts last year eeked out a promise from U.S. majors to do more in Canada because the country represents Hollywood's best "foreign customer." Part of that arrangement was for them to do more about distributing Canadian features in the U.S.

The government officials are pleased that recent productions have been of sufficient interest to the majors that they are paying well for them. On the other hand, the Canadian distribs are beefing loudly.

"There is no logical approach to satisfy everyone," says Weinzwieg, "but the question is do we want indigenous distributors in Canada as they have indigenous distributors in Italy, France, and virtually everywhere else.

"As far as the U.S. is concerned, we are regarded as part of the 'domestic' market, part of New York State. If we don't get all the films that receive Canadian tax relief for investors and if we give all the films we make to the Americans, we could close up and all go and work for, say, United Artists."

Windmill War?

Reitman, from Hollywood where he is now based and coproducing "Delta House" series for Universal TV, told *Variety* that Paramount "wanted to do something for Canada and that's why it made separate deals." The Canadian distribs, he says, "are just tilting at windmills. Canadian producers have been making films for countless years and we've been trying to get the best deal for our investors. It would be ridiculous to set up a monopoly for Canadian distributors."

Reitman says "Meatballs" was made for \$1,400,000 U.S. (20% less in Canadian funds) "and we're in profit with the Paramount deal and the \$1,000,000 sale to Home Box Office three times over."

The pic was shot in northern Ontario last summer and is centered on a summer camp. Reitman produced and Dan Goldberg directed. It was Reitman's first pic since coproducing "Animal House." After receiving a chunk of its take, he moved from Montreal to Los Angeles and the "Delta House" tv spinoff.

Link claimed that although he,

Dunning, and Reitman were executive producers of "Meatballs," Reitman "had more rights when it came to making a sale of this kind. The deal was in excess of \$3,000,000 and, although we had interest from other studios, we accepted Paramount because the others said they couldn't get it out in the summer. It has to be out then because it's a camp picture."

Furious over the Universal U.S. and Canadian pickup of "Running," the distrib association met with various government film officials, including Michael McCabe, executive director of the Canadian Film Development Corp.

Now with "Meatballs" lost to their members, as well, they're preparing a stiffly worded appeal and this coming smack in the middle of a federal election campaign could become an even more landmined battlefield.

"There were no heavy-handed tactics on our part," said Link. "Paramount just offered separate deals."

The side there, say industry sources, is that Paramount and other of the majors based in Canada feel they should be counted as belonging to the distribs club and should have as much right to handle Canadian pics as those companies that are entirely Canadian owned.

For its part, Paramount Canada didn't bother to make its own announcement of the

"Meatballs" deal and distrib publicist Bob Yankovich advised one reporter that he knew what was going on, but didn't think it was worth telling anyone.

Word is that other recently shot Canadian features are being pitched to the majors for North American rights. It's felt that with a split off of Canada, the majors won't offer as much. However, even that is hotly debated.

"This just worked out fabulously well for us," says Reitman. "We've kept music and merchandising and tv rights and foreign rights. We couldn't be happier."

The distribs say the fight's just beginning in earnest and they know producers are not on their side.