



Bill Murray and Chris Makepeace in 'Meatballs' (left); Dunning (above); Link: gambling with \$2 million, grossing over \$50 million



duction of Claude Lelouch's *A nous deux*. Catherine Deneuve stares back, that coolly beautiful face a little rippled by summer's humidity. Héroux is discussing another problem in the Canadian film industry—the films made last year that are having trouble finding box-office homes. "Of course they're having trouble," he shrugs. "Last year the six major film distributors in America only bought 25 independently produced films, foreign and American." Héroux has spent the last couple of years specializing in co-productions with European producers: films such as *A nous deux* and *L'Homme en colère* (*Jigsaw*), with Angie Dickinson, placed in the top 50 box-office draws in France last year and his *Violette Nozière* fared well for a foreign film in the States. Then this summer, within a year of Héroux's forming ICC with producer John Kemeny, the company nailed down an important—and unprecedented—deal with 20th Century-Fox, a Hollywood major: ICC will make three films for Fox, and Fox will distribute three other films ICC chooses to make (see *Maclean's*, July 14). Come hell or high water, six ICC films will have box-office homes in the U.S. assured.

Still, ICC will have to make its films in the current climate, and the climate is close. The Canadian Film Development Corporation (CFDC) is pulling in its horns: this spring it decided not to put more than \$250,000 into any one project; nor will it enter into any more than two projects with any one producer. The CFDC is also now insisting that either the director or the screenwriter, and at least one person in a leading role of films they back, must be Canadian. The corporation's high-profile executive director Michael McCabe resigned in early May, and veteran bureaucrat André Lamy has replaced him. Lamy, thought to be putting the CFDC in dark-suited order, has an extensive background in the Montreal film circle: he worked in distribution for Montreal producer John Dunning and co-founded Onyx Films with his brother Pierre. Handling commercials, documentaries and features and attracting such young cinematic talents as producers Guy and Claude Fournier, Denis and Claude Héroux and director Gilles Carle, Onyx became a near legend in film production circles. Lamy left Onyx to become the federal deputy film commissioner, then film commissioner and chairman of the board of the NFB, and finally vice-president of audience relations with the CBC, leaving when he was asked to move into the hot seat at the CFDC.

Despite his familiarity with the Montrealers, however, Lamy's appointment is not considered an omen of easier times. The Association of Canadian Television and Radio Artists (ACTRA) is



David: 'My job is to protect my investor's ass'



Denis Héroux: admits there's trouble



Greenberg: 'Producers here are more competent'

Films

Only days before last Wednesday's opening of the fourth World Film Festival in Montreal, it was hard to know what duds to don. Should it be slinky slit-to-there gowns and tastefully tailored tuxes, or the latest in dressing down in artfully rumpled cotton? Would Montreal's movie moguls once again be putting on the Ritz, outdoing one another with one lavish affair after another? Would they repeat the parties of the past: producer Pierre David with a discreet reception on the floor of the Montreal Stock Exchange; production partners Robert Lantos and Stephen Roth carrying guests by *calèche* to a klieg-lit evening on Mount Royal; Harold Greenberg arranging a sumptuous buffet at the stately Ritz-Carlton Hotel? Or would it simply be burgers by the hotel pool?

While the films are the major attraction of the festival for film fans, critics and the paying public, there is no question that, for the Montreal film industry, the week is a chance to gossip, to trade figures on last year's deals, put out feelers for next year's. It means nonstop entertaining. "I end up spending more in Montreal than I do in Cannes," moaned David last year. "In Cannes I'm a guest. Here I'm a host. I pick up the cheques."

But amid the cocktail chatter there's bound to be a certain air of solid accomplishment. Claude Léger's made-in-Montreal production, *The Lucky Star* with Rod Steiger, was chosen to open

# Moguls mastering the role

By Wayne Grigsby

the festival, having already been well received in closed film-market screenings at Cannes. Producers Denis Héroux, Joseph Beaubien and John Kemeny will be accepting kudos for producing Louis Malle's *Atlantic City, U.S.A.* with Burt Lancaster, Susan Sarandon and Kate Reid, which has been invited to the current Venice Film Festival. And Lantos and Roth are entitled to smile since their *Suzanne*, starring Jennifer Dale, is due to premiere at Toronto's Festival of Festivals next week. Bet on something else: even as they grin for the paparazzi, most of the proud producers will be counting the hours until they put away the patent leather for another year and get back to business—making films.

In Montreal, movies aren't so much tinsel as bread and butter. For the most part, the Montreal moguls have learned the business the hard way—from the

box-office up. Some started in film distribution, paying their dues counting customers. Others, with a background in film craft, spent years editing, shooting and directing earnest documentaries or producing paens to toilet tissue. Wisely, most Montreal producers have stayed active in distribution or smaller-scale production, keeping the cash flowing while the reserves are tied up in pricey features. It's the perfect edge against the slump in feature-film production, something Montrealers are used to: they've seen booms and busts, notably in French-language production in the early '70s. Right now they're just a little concerned about the health of Hollywood North. Booms make them nervous, and what else can you call a jump from 31 films made in 1978 to 55 in 1979? Almost half of those films—26 to be exact (17 English, nine French)—were made in Montreal. The total cost of Canadian films has exploded as well—\$36,741,273 in '78, approximately \$150 million in '79. David, the slender and intense 36-year-old president of Filmplan International, shakes his head. "Last year was a landslide," he explains. "Nobody really wanted it that way, it just happened. It was a giant free-for-all. Anyone who wanted to be a producer could be one. It's as if tomorrow anyone could be a lawyer or a doctor."

On the third floor of a greystone in Old Montreal, Denis Héroux, 40, glances out the casement windows, then fixes his attention on a poster for his co-pro-



Victim in 'City on Fire' (left);



Sarandon, Lancaster in 'Atlantic City, U.S.A.' (left);



Gould in 'Dirty Tricks' (left);

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Bowden's Information Services

anxious to see more Canadians starring roles and is cutting down on waivers granted to foreign stars. Also, the nation's securities commissions have moved to tighten regulations concerning the public financing of feature films. Their draft of a national film investment policy was published in July and indicates that, in the future, a film's prospectus will have to provide more details, especially concerning the way a producer's past films have performed for investors.

Once again, Héroux and Kemeny will not likely be affected too much. In the late '60s, Héroux produced and directed two of the biggest money-makers in the history of Québecois film: *Valerie* and *L'imitation* returned \$1.7 and \$1.9 million on costs of \$100,000 and \$180,000 respectively. Kemeny produced *The Apprenticeship of Duddy Kravitz* starring

Richard Dreyfuss before moving to Hollywood to produce *White Line Fever* and *Ice Castles*, all financially successful ventures. Nonetheless, the tightening web of regulations rankles Héroux. "It's an attempt to put an intangible, such as cinema, into little boxes," he complains. "But look at what's happened to this summer's films. All the formula films—*Urban Cowboy*, *Bronco Billy*—they died! If governments overregulate, we're in trouble. We'll end up with all the Canadian producers chasing the 100-per-cent Canadian movie, and in two years end up with a lot of unsold movies."

Twenty minutes away from the cobblestones of Old Montreal, another successful Montreal producer echoes Héroux's criticism. John Dunning, a lanky 52-year-old who looks like he'd be more comfortable on a golf course than in a

crap shoot, claims that "nobody wants to gamble, and gambling is the lifeblood of the business." Dunning and his partner in DAL Productions, Andre Link, know a little about gambling. Two years ago they and their investors put \$2 million into a film that Montreal director (and producer of *Animal House*) Ivan Reitman wanted to make, and watched in awe as *Meatballs* grossed over \$50 million in North America. And this is only one of three DAL films in the Canadian box-office top 10, the others being *Rabid* and *Shivers*, the first feature efforts of Canadian horror specialist David Cronenberg. "I think we've gambled on directors more than anyone else in Canada," says Dunning. "Twelve or 13 of our first 20 films were with first-time directors—Bill Fruet, George Kaczender, Jean Beaudin."

Meanwhile, in an office just off St. Denis Street, producer Pierre David is trying to take the gamble out of investing in films. David is blunt on one point: "My job is to protect my investor's ass." David's approach is simple: reassure the investor; present a businesslike image; don't force your investors into an all-or-nothing gamble but let them buy into a package of three. (Detractors point out that spreading the risk also lessens the returns from a hit.) With Filmplan partners Victor Solnicki and Claude Héroux (Denis' brother), David further hedges the bet with sales to network and pay-TV as soon as possible. Based on his extensive background in film distribution and marketing, Filmplan makes movies aimed squarely at the marketplace. "I won't make a film if I can't see the ad campaign," says David. "It has to have



André Lamy: familiar face in Montreal film

a hook, a concept that's saleable." So last year it was the youth comedy *Hog Wild*, a blatant attempt to cash in on the *Meatballs* market. It may be doing well for investors, but took a hiding from many critics. Still to come are *Dirty Tricks*, a romantic caper with Elliot Gould, and *Scanners*, David Cronenberg's sci-fi thriller, both to be distributed by Avco-Embassy, the largest independent distributor in the U.S. This year Filmplan will make an action comedy, *Gas*, a thriller, *The Fright*, and *The Funny Farm* which, explains David, "is

in the tradition of *Breaking Away*... young comics trying to make it."

Another big believer in the corporate structure is Harold Greenberg, president of Astral Bellevue Pathé (ABP). A corpulent 50-year-old with a little-kid grin and genuine enthusiasm for the film business and its glamor, Greenberg came into the film financing and production business through the back door. When film-makers couldn't pay their processing bills at his Bellevue Pathé Laboratories, he helped structure deals that would ensure financing (and pay those lab bills) for the films; eventually film-makers asked him to produce their projects. Now Astral Productions can make the film, Bellevue Pathé Labs will process it, Astral Films will distribute it and Astral Photo will handle the snapshots of the cast party. With gross sales last year of \$38.2 million, ABP is on its way to becoming a mini-major, a fully integrated film company. "I want ABP to be a studio," says Greenberg. "We want to make commercially viable films, films with world entertainment value. And we don't want to make a film unless we have full creative, financial and distribution control."

Despite the fact that Greenberg had seven producer or executive producer credits, it wasn't until *The Little Girl Who Lives Down the Lane*, a 1976 horror film, and *City on Fire*, a 1978 disaster epic with a cluster of Hollywood stars like Henry Fonda and Shelley Winters sprinkled about in cameo roles, that ABP took complete control of its

own projects. *City on Fire* has since become one picture that critics of the Canadian film industry have used to fuel their argument that Hollywood North is turning out nothing but bad 'B' movies, films that have little or nothing to do with Canada. Thoroughly excoriated by critics, the film didn't exactly burn up any box-offices either. Greenberg squirms when asked if he liked it. "No," he admits, "I'd like to do better pictures. But three years ago [when ABP first looked at the project] we thought it would work. CBS thought so too; they paid \$2.8 million for the TV rights. You never know what's going to work in this business. Fox didn't think *Star Wars* would." Although ABP's mini-series for TV, *A Man Called Intrepid* starring David Niven, has since done fairly well with critics, *Death Ship*, one of four ABP films shot last year, has been ranked by some right down there with *City on Fire*. Still, another of last year's productions *Terror Train*, was sold to 20th Century-Fox, a sign that ABP may be learning how to marry marketability with production value.

With remarkable unanimity, these Montreal producers are concerned about the future of the Canadian film industry. All agree the boom is over. The debate is whether it will be followed by a full-fledged bust, or a mere settling-out. Says Guy Fournier, producer of *Fantastica*: "We've killed, or almost killed, public financing. There's been a lot of short-term thinking and a lot of films have been made that won't make their money back." Ron Cohen, who co-produced *Running* and the just-released *Middle Age Crazy* with former

## A game getting too tough to play

Last year's leap to megabuck film productions may have had its harmful effects on the English-language film community, but in Quebec it threatens to crush a smaller, infinitely more fragile industry. "It may be the end of our days," says bitter producer Pierre Lamy. "I'm not sure that I can keep doing the kind of films I've always done." For Lamy—the man responsible for such Québécois classics as *Kamouraska* and *La vraie nature de Bernadette*—as for most francophone film-makers, the death blow may be the skyrocketing costs of business in boomtown. "A cameraman who used to cost \$400 a week is now getting \$800," grumbles Lamy. Where two years ago Claude Godbout produced Francis Mankiewicz's *Les bons débarras* for \$630,000, a production of similar scope

(40 days shooting on location) will cost as much as \$1.2 million this year.

Granted, these problems plague anglophones as well, but Québécois producers have been operating with one major disadvantage: the 100-per-cent tax writeoff, clearly a boon for English production, has been of little help to the French. Until last year, investors in Québécois productions had to wait until both the CFDC and the Institut Québécois du Cinéma (IOC), a funding and development body similar to the CFDC, had recouped their full investment before they saw a cent. Being second in line is even riskier in French-language films—the markets are fewer—so both the CFDC and the IOC agreed to step aside and let private investors collect their money first. Still, this move hasn't exactly sparked a stampede; only *Fantastica* with Carole Laure and *L'Affaire Coffin* were able to get public financing last year.

But the largest problem facing Québécois producers is selling a French-language film, and recouping costs gets



Geneviève Bujold and Philippe Léotard in 'Kamouraska': Québécois turn to English

harder as budgets crawl past the \$1-million mark. Unable to cover even the basic costs with Quebec revenue, the producer must export to France, where even the domestic films have to battle Hollywood and smaller francophone countries with tiny markets. Québécois French is not always easy on buyers' ears. English Canada is of little help. "I have to open in New York and LA

first," says Godbout. "If it does well, then I can take it to Toronto and Vancouver." Finally, television sales, the savior of many a floundering English-language production, are that much harder to find. "We rely heavily on sales to television," explains Godbout's partner, Marcia Couëlle, "and the budgets of European TV networks just aren't that big. So selling our films is a long, slow, market-by-market process which can take two, three, even four years."

For the moment, there seems little hope of costs dropping or, short of a runaway hit, of an increase in revenue. The final resort for many veteran francophone film-makers, tired of banging their heads against a wall of problems, may be to join Denis and Claude Héroux and Pierre David, who have turned to producing largely, if not exclusively, in English. Even such Québécois heavyweights as directors Claude Jutra and Gilles Carle are shooting in English. As 32-year-old producer Robert Ménard says with a grin: "I'll shoot in Chinese if it's a good film." W.C.

TV ombudsman Robert Cooper, feels that public financing will still be available. "It's going to be easier for people with a track record, and they're the people out raising money." Even the optimists admit that bankers and brokers are asking more pointed questions this year.

Investors new to the business have tended to look for what seem to be safe bets, films with American stars and done in a style that has been successful recently. Since money talks, producers have found themselves making films in part to suit the money market. Montreal producers tend to look back on last year's explosion with astonishment and some guilt, some pointing a finger at colleagues who paid artists inflated fees. Veterans tend to blame the Johnny-come-latelies—the promoters, lawyers and accountants who are thought to be more interested in making deals than films. "We're an easy target," admits lawyer-turned-producer Cohen. "But remember, some of the most successful films in the past three years were made by people not previously in the film business. *The Changeling* and *Silent Partner* were made by a lawyer, Garth Drabinsky. Our picture, *Running*, has broken even and will be in a profit position when ABC airs it."

Lessons have been learned. "I've harder, the going rougher, away from Toronto, Hollywood on the Humber? Producing films in Montreal has undeniable drawbacks: the pool of acting and writing talent for English-language films is largely based in Toronto, which is a drain on travel budgets; the national media are Toronto-based, lending Montrealers, on the whole, a lower profile; the industry grapevine is rooted in Toronto's Courtyard Cafe. "I learn more in two hours in the Courtyard than I do in two weeks in Montreal," gripes Lantos. "That's okay," grins Greenberg. "While they're talking, we're getting

made films to that Dec. 31 deadline and I'll never do that again," says Robert (*In Praise of Older Women*) Lantos, referring to a CFDC ruling that principal photography must be completed by that date in order for film investors to receive the 100-per-cent tax writeoff for that year. "You end up doing it with whatever and whoever you can get. That's the wrong way around." Fournier went ahead with *Fantastica* even though he wasn't happy with the screenplay and vows, "I will never, never do that again."

In the end, have these lessons been the work done." Still, according to producer Robert Ménard, there's a spirit to be found in the francophone film community that infects the entire film scene. "We work for the screen here," he explains. "Here, it's a cinema of believers; elsewhere it's *cinéma industriel*." Greenberg is blunter: "Frankly, I think producers here get along better, are more competent. They aren't capital-cost-allowance babies. They were here before the tax writeoffs and they will be here afterwards."

Back in the splendor of the offices of ICC, Denis Héroux echoes a commitment to film-making in Montreal: "I think we combine 'professional' in the English sense and 'amateur' in the French sense." Still, what counts is what shows up on the screen. The atmosphere may be different in the Montreal branch of the Canadian film industry, the roots may go deeper. But Montreal producers, like all Canadian film-makers, are under mounting pressure from critics, and investors (not to mention the paying public) to put something up on the screen worth paying for. As Héroux puts it, "Cinema is like a seduction. You have to deliver." ⇨