

for production, the NFB participated in 79 festivals and received 106 awards for 47 films. This was a close second to the record-breaking achievements of 1977-78, when the board participated in 80 festivals and received 116 awards for 44 of its films. Highlights included the winning of two Oscars in the 1978 Academy Awards for *Sand Castle* as the best animated short film and *I'll Find a Way*, the best documentary short film.

In 1978-79 the NFB released 381 new films. Of these 278 were made by the NFB and 103 were produced under contract in the private sector through a sponsor program.

17.6.2 Canadian Film Development Corp.

The Canadian Film Development Corp. (CFDC) was established in March 1967 to promote the development of a feature film industry in Canada. The CFDC invests in Canadian productions in return for a share of the profits, makes loans to producers and assists financially in the promotion, marketing and distribution of feature films.

Feature film production in Canada reached record levels during the 1978-79 fiscal year. The CFDC participated financially in 27 of the movies produced, 17 in English and 10 in French with combined budgets of almost \$50.0 million, as compared with nearly \$5.5 million for 20 films in 1977-78. The corporation's share was \$5.6 million as against \$1.6 million the previous year. These were part of the total 120 English-language motion pictures and 101 French-language feature films for which the CFDC provided production assistance in its first 11 years of operation.

Of 16 new Canadian feature films shown in Canadian theatres in 1978-79, there were 11 produced with CFDC assistance, eight of them in the English language and three in French. Box-office receipts in Canada for the 16 films totalled almost \$6 million. Two movies in which the CFDC participated led the way. *Murder by Decree* took in \$1.8 million, and *In Praise of Older Women* grossed \$1.5 million. Both these films showed particular strength in the major cities of Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal, where they ran consecutively for three months.

Besides the new movies, films released during the previous year such as *Why Shoot the Teacher*, *Who Has Seen the Wind*, *Outrageous* and *Rabid* continued their careers in the nation's theatres and helped swell total box-office returns for all Canadian features during the 1978-79 year to a record \$6.5 million, up almost 10% from 1977-78.

Investing in films. A capital cost allowance program was introduced in November 1974 to encourage investment in Canadian films. Under the federal income tax regulations, investors could claim 100% capital cost allowance for investments approved by the Canadian film certification office. By March 31, 1979 the office had certified 113 feature film productions and 1,228 short films and videotapes.

The certification process, by which films are judged Canadian and therefore eligible for the tax write-off, is based on a point system. A minimum of six points is required, with two points awarded if the director is Canadian or a naturalized citizen or landed immigrant, two points for a Canadian screenwriter, one point each for a Canadian photography director, music composer, art director, film editor, and the highest and second highest paid actors and actresses. The producer must be Canadian and at least 75% of all the costs for processing and final treatment of the film must be incurred in Canada. In addition, Canadians must receive payment for at least 75% of other services, such as cost, production crew, and post-production expenses.

This system makes Canada an attractive location for film production and particularly for American co-production ventures. Films can be made comparatively inexpensively, in part because of the depressed value of the Canadian dollar. One significant feature of the point certification system is not in what it stipulates but in the leeway it allows. This applies to the stars of the film. Under the present system a film can be certified Canadian and boast as its headliners internationally recognized and acclaimed stars to add to its saleability.

World distribution. The dramatic growth in production has been reflected in a corresponding upsurge in global sales and distribution of Canadian feature films. Prior to the 1979 Cannes Festival, producers reported sales of Canadian movies or co-productions to distributors and television networks around the world in the amount of