The tax shelter’s failure to fit within the critical community’s definition of acceptable Canadian film practice has resulted in their continued obscurity within Canadian film scholarship. Benjamin Wright ‘Canada’s Great Shame: Canada’s Great Shame: Tax Shelters, Nationalism, and Popular Taste in Canadian Cinema’

The above quotation by Benjamin Wright provides a pertinent opening observation through which to consider some of the social, historical and cultural contradictions that governed the national reception of Canadian horror cinema during the 1970s. In a volume dedicated to films that revelled in their ability to shock and offend cultural commentators and cinemagoers alike, the marginalisation of such images may at first seem unsurprising. However, what remains significant about the Canadian horror films surveyed in this chapter is that they have actually suffered from a process of double negation. Here, concerns about nationally produced examples of the extreme merged with wider condemnations around the state subsidies and government funding that motivated an explosion of horror, erotic and exploitation productions during this period. Whether defined by the body horror experimentations of Shivers (1975) and Rabid (1977), the home invasion terror tactics of Black Out (1978), the grisly concentration camp exposés of the Ilsa cycle (1975-7), or the gratuitous excesses of ‘slasher’ film entries such as My Bloody Valentine (1981), Canadian horror films of the seventies became isolated from national and cinematic orthodoxies through their association with the controversial government incentives that became known as the tax shelter scheme.
Indeed, when Wright utilises the concept of ‘Canada’s Great Shame’ as the title of his 2012 study, he is referring less to a clutch of extreme and distasteful films from the likes of David Cronenberg, William Fruet and Ivan Reitman, and more to the introduction of state funded schemes which facilitated their early forays into cinema production. In order to further explore how such criticisms of state funded schemes can be linked to the wider production of marginal horror narratives in 1970s Canada, this chapter will do two things: firstly, I will outline the controversies that surrounded the tax shelter scheme before concluding by profiling the output of Cinépix Inc (AKA Cinépix), the Montreal based company that became closely associated with the scheme, and the excessive films it spawned.

**Situating the Tax Shelter Controversy in Canadian Cinema**

Firstly, it is important to outline key features of tax shelter scheme and how it helped isolate Canada’s culture of cinematic terror during the seventies. For Wright, although ‘the tax shelter’s failure to fit within the critical community’s definition of acceptable Canadian film practice has resulted in their continued obscurity within Canadian film scholarship’², the scheme cannot be divorced from wider attempts to establish a national cinema that could withstand the hegemonic dominance of the Hollywood industry. The author here draws on debates from British film studies, and in particular the work of Andrew Higson, who has predicated the conception of national cinema on a process of distinction from other competitor nation states.³ In the case of Canada, notions of national cinema carried with them a ‘clear sense of urgency’⁴ in relation to its proximity to the USA. As with the UK case studies that Higson and others have discussed, Canada invested in the documentary realist tradition as the basis of a nationally distinct ‘quality’ cinema, with both cultures drawing heavily on the influence of the British documentary film-maker John Grierson in the development of these trends.⁵
Through Grierson’s work at Canada’s National Film Board, Wright argues that he cultivated a documentary tradition that sought to promote the nation’s ‘civic interests’ both domestically and to the wider world, with actuality film-making ‘championed… over narrative features as a means of avoiding the commercial completion with… Hollywood.’

Whilst this realist focus proved pivotal in developing a distinct documentary agenda within the nation, it evolved at the expense of fictional film production, resulting in what Wyndham Wise has defined as the ‘lost generation’ of Canadian feature film-makers who travelled internationally due to limited opportunities. State funded schemes of the 1960s and 1970s therefore sought to prevent a further exodus of creative talent, as witnessed by two waves of investment into cinema production. The first of these government interventions came with the 1967 launch of the Canadian Film Development Corporation (CDFC), which sought to address the chronic under-expansion of feature film production through the provision of a $10 million government fund dedicated to supporting new film-makers with a distinctive national vision. Under the leadership of the Corporation’s original director Michael Spencer, producers could bid for funding with a ceiling of up to $300,000 for productions that demonstrated definable Canadian elements (either through their content, or their creative personnel).

Between 1968 and 1974, the CFDC, as it became known, spearheaded a range of innovative projects from emerging new talents that also spoke to key concerns and aspirations of the Canadian mindset. Writing in the article ‘Canadian Cinema from Boom to Bust’, Wise has identified some of these early CFDC critical successes included Donald Shebib’s melancholic crime fiction *Goin’ Down the Road* (1970). The film charted the downfall of two rural misfits who travel from the Maritimes seeking a new life of opportunity in Toronto. Shebib’s acclaimed production was written by William Fruet, whose own directorial debut of *Wedding*
in White (1972) proved another critical success for its CFDC backers. In this second narrative Donald Pleasance is cast as an overbearing patriarch who forces his own daughter into marriage following a rape that threatens the family’s fragile reputation. The psychological tensions implicit in Wedding in White were themselves matched by another CFDC backed entry: Peter Pearson’s 1973 drama Paperback Hero, which details the psychological decline of a Saskatchewan hockey player who begins to believe that he is in fact a wild west gunfighter. Although these releases generated positive appraisal (with Paperback Hero going on to receive Best Canadian film awards for editing, cinematography and sound), they suffered the fate of poor distribution that beset many other Canadian Film Development Fund projects during this era. Unable to complete with higher budget American products that continued to dominate the domestic exhibition circuit, these releases remained very much state funded minority fare, confirming Wright’s view of the CFDC as having to maintain ‘a precarious position’, by ‘trying to turn a profit and also satisfy the nationalist… mandates of politicians, critics and media scholars.’

Writing in the article ‘Canadian Cinema from Boom to Bust’, Wise has further revealed that only two feature films from a total of a 101 CFDC backed projects managed to gain widespread distribution and Canadian broadcast coverage between 1969 and 1974. As a result, when the government renewed its financial commitment to the Canadian Film Corporation in 1974, it did so with an increased focus on commerciality and the export market as mechanisms to recoup initial production costs. While film-makers were still able to bid for CFDC funding, this could either be supplemented or replaced by a new capital cost allowance (CCA), or system of tax shelter investment schemes derived from private finance. As embodied by the 1974 Capital Cost Allowance Act, finance brokers, lawyers and investment houses were now able to negotiate a patchwork of private investment in film
productions that would result in higher budgets and further export potential. The scheme specifically targeted middle-class and professional investors by offering them the ability to recoup 100% of the costs for their cinema investments, with the ability to defer profit payments on their annual tax returns. The ability to reclaim funds on films deemed unprofitable, or those that failed to proceed from development to final production, provided additional incentive to investors. For Wise, the sanctioning of tax deductions for productions that were never released exposed the scheme to potential financial abuse, which the author sees as being facilitated by the new legion of lawyers, accountants and taxation advisers tasked with the administering the scheme. As he notes:

This tax loophole brought into play a new type of film entrepreneur – the tax lawyers and accountants who could make their way through the complicated tax laws and “lever” such investments on the basis of the original down payment… This new breed of producer … were adept at legally exploiting a grey area over which there was very little regulation and no substantive government policy directive.¹²

The capital cost investment scheme also evidenced a governmental transition from viewing film as a mechanism of cultural expression towards seeing it more as a vehicle for commercial exploitation within a transnational marketplace. This alteration in outlook was very much embodied by the installation of Michael McCabe as the new head of the CFDC in 1978. Although McCabe lacked the cinematic knowledge of predecessor Michael Spencer, his existing skillset within the investment industry perfectly matched the more corporate approach to moviemaking that the tax shelter period came to embody. As Wise reflected:

His knowledge of Canadian film was limited but he understood the investment community very well. He set about to exploit that financial base for the benefit of the new-style producer/entrepreneurs.¹³

Under his reign, it is undeniable that McCabe oversaw a dramatic expansion of Canadian cinema production, which accelerated from four releases in 1974 to 40 releases in 1978, jumping again to 70 film completions in 1979.¹⁴ Not only did 1979-80 mark the peak period
of tax shelter productivity, it also evidenced a dramatic climb in budgets. In order to sustain a wider public interest in these investment opportunities, project development and optioning remained highly populist in orientation, often backed by the participation of minor or fading international stars to bolster the export potential of the projected releases. This increased focus on international markets also led to an over-reliance on pre-existing international (read American) film templates, with the anonymization of Canadian landscapes and other national markers accompanying this commercialisation process. This national anonymization (often referred to as ‘Hollywood North’) confirms Donato Totaro’s assumption that:

Many films made during the CCA period were… genre films (teen films, horror, comedy) and usually camouflaged their Canadian location for a generic “American” sense of place because they were marketed to a North American rather than an exclusively Canadian audience.15

Although it would be reductive to presume that horror films were the only beneficiary of Canada’s tax shelter fund, it is undeniable that under the scheme ‘there were so many genre films made because the “business” investors (in many cases lawyers, doctors, dentists, architects…) knew little about film therefore it was more likely they would invest in films that followed in a tradition that they would be familiar with.’16 Indeed, a cursory glance at some of the key titles released between the peak 1979 to 1980 period does reveal the highly generic orientation to tax shelter funded projects:

<table>
<thead>
<tr>
<th>Title</th>
<th>Director</th>
<th>Key Star(s)</th>
<th>Marketing/Tagline</th>
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<tbody>
<tr>
<td>The Brood (1979)</td>
<td>David Cronenberg (Canadian)</td>
<td>Oliver Reed (British)</td>
<td>“They’re waiting… for you!”</td>
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<tr>
<td></td>
<td></td>
<td>Samantha Eggar (American)</td>
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<td></td>
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<td>George Kennedy (American)</td>
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<tr>
<td>Death Ship (1980)</td>
<td>Alvin Rakoff (Canadian)</td>
<td>George Kennedy (American)</td>
<td>“Those who survive the ghost ship are</td>
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<td></td>
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| Horror                  | Richard Crenna (American) | better off dead.”
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<tr>
<td><strong>Meatballs (1979)</strong></td>
<td>Ivan Reitman (Canadian)</td>
<td>Bill Murray (American)</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td></td>
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<tr>
<td><strong>Prom Night (1980)</strong></td>
<td>Paul Lynch (UK-Canadian)</td>
<td>Jamie Lee Curtis (American)</td>
</tr>
<tr>
<td><strong>Horror</strong></td>
<td></td>
<td>Leslie Neilson (Canadian)</td>
</tr>
<tr>
<td><strong>Terror Train (1980)</strong></td>
<td>Roger Spottiswoode (UK-Canadian)</td>
<td>Jamie Lee Curtis (American)</td>
</tr>
<tr>
<td><strong>Horror</strong></td>
<td></td>
<td>Ben Johnson (American)</td>
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As the above table indicates, key titles released between 1979-80 emphasised a formulaic focus on horror and gross-out comedy whilst also foregrounding the sensationalist styles of marketing and promotion associated with such cycles. Further, the focus on Canadian (or dual-national) directors was often overshadowed or submerged by the multi-national nature of the headline cast, confirming the tactic of disguising the national markers of the production that Donato Totaro has identified.

While the increasingly salacious orientation promoted by such titles alarmed Canada’s cultural elite, it was the unsustainable trend towards over-inflated budgets for films that were either difficult to sell on completion, or never even made it to completion, which began to destabilize faith in the tax shelter scheme. Commenting on the ill-fated CFDC campaign for the 1980 Cannes Film Festival which stated ‘Canada Can and Does’, Wise has argued that the reality was in fact that ‘Canadian films couldn’t and didn’t’17, as was revealed when the festival became dominated by the critical rejection of a number of funded titles in
competition. The poor reception of a clutch of tax shelter titles at this prominent event compounded a raft of unsold pictures that Canada’s banks and public had effectively bankrolled. For Wise, this effectively signalled that ‘after 18 months of intense activity, the bubble had burst.’

Writing in the article ‘From Boom to Bust: The Tax Shelter Years’, Wise notes that following the Cannes debacle, between $40-70 million of film shares on offer to potential investors remained unsold, with the tax shelter scheme eventually being wound down in 1982. The later rebranding of the Canadian Film Development Corporation as Telefilm in 1984 also signalled a cultural shift away from the commercial and back to arthouse production and those projects that spoke more clearly to issues of national heritage. For Wright, Telefilm’s new focus effectively signalled a return to more conventional values associated with state funded projects, namely ‘more Royal Canadian Mounted police, fewer serial killer flicks’ with this move further confirming an end to the generic focus of the tax shelter era.

Although the so-called tax shelter period effectively lasted for only eight years, its ignominious reputation for the production of unpalatable, overtly commercial and economically unsustainably films means that even 40 years after its demise, the scheme is still seen in Wright’s words as a ‘failure… within the critical community’s definition of acceptable Canadian film practice.’ Wright’s observations are confirmed by the negative reception of the scheme amongst not only media commentators and national cinema scholars but even policymakers such as Prime Minister Pierre Trudeau, who in 1980 stated: ‘It is amazing what tax laws can do. There are now many Canadian films. But there aren’t that many good ones, are there?’
For Peter Urquhart, the negative statements by Trudeau and other detractors evidence the ‘repetition of received wisdom’\textsuperscript{23} that passed from one historical review of the tax shelter scheme to another. These circulating critiques initially centre on the figure of the entrepreneur producer who emerged during this period to exploit the fund for purely commercial purposes by constructing narratives that are not deemed as ‘good’ or worthy of national recognition. These condemnations then expand to implicate the CFDC policy makers who supported this initiative, before coming to settle on the productions themselves. Here, titles are clustered together on the basis of their funded/economic origins, rather than possible generic roots or authorial intent, with presumed deficiencies in quality being expanded to critique these works for lacking the conventional markers of Canadian national cinema. Indeed, the absence of sustained critical reviews of the tax shelter appears confirmed by Christopher E. Gittings’s volume \textit{Canadian National Cinema}. This important book devotes less than two pages to the tax shelter era, utilising much of this space to rerun existing objections to the scheme and its productions as outlined above. For Gittings, the only real benefit of the fund can be found at a craft rather than creative level in that it helped ‘to develop a cadre of skilled technicians and crews’\textsuperscript{24} within the wider national film scene.

However, for writers such as Urquhart, the through line of bias against the tax shelter movies has less to do with the entrepreneurial figures that drove the trend, or even the kinds of titles that they perpetuated. Rather, it was the unconventional body of work that the tax shelter scheme created which strained accepted notions of Canadian film, thus ‘rendering films invisible’\textsuperscript{25} from sustained critical reappraisal. Because the tax shelter productions departed from accepted definitions of Canadian national cinema they were deemed ‘insufficiently artsy, angsty, or auteurist’,\textsuperscript{26} and have therefore been ignored in all major critical accounts of cinema following the demise of the scheme.
In his attempts to revaluate the derided tax shelter phenomenon, Urquhart discusses a series of case-studies of previously marginal texts that he argues demonstrate clear authorial intent, an incisive understanding of the historical tensions between the Québécois regions and English-speaking Canada, and even provide a self-reflexive commentary on their contested creation under the derided tax shelter scheme. As the author provides a brief analysis of the Cinépix film *Hot Dogs* (Claude Fournier, 1980) as part of this revaluation of tax shelter productions, the company’s output is worthy of a closer consideration. Not only were Cinépix a noted exponent of the CFDC and tax shelter funding, but they used these schemes to create a sizeable body of controversial work that can be linked to the social and cultural tensions of 1970s Canada.

**A Quiet Revolution: Cinépix and 1970s Canadian Horror**

Canada has its own studio which makes money producing and distributing shock, horror and sex-related features. That studio is called Cinépix and it’s located in Montreal.  
Anthony Maulucci ‘Montreal’s Cinepix Turns a Profit on Torture’

Created in 1962 by Québéco-based exhibitor John Dunning and the Hungarian émigré André Link, Cinépix quickly became a key distributor within the province, and between 1964 and 1968 developed a reputation for importing European films into the region in order to compensate for the lack of feature film production activity in Canada at that time. Based on the seamless synthesis of Link’s business acumen and Dunning’s creative flair, the company came to prominence through its ability to harness the social, economic and gender transitions associated with the so-called Quiet Revolution of the early 1960s.
As a term, the Quiet Revolution became closely associated with the premiership of Jean Lesage (1960-6), who pursued a mandate to liberate the province from the repressive influence of his conservative predecessor Marcel Duplessis. Specifically, the Lesage administration sought to redress the dominance of the Catholic church that Duplessis had helped cultivate, replacing religious dogma with educational reform, cultural interventions and a drive towards industrialisation and independence. As film critic Paul Corupe has noted, such social transitions were well suited to the types of cinematic activity distributed by Cinépix because:

…Québec emerged from the strict morality of Catholicism in the sexually permissive 1960s and early 1970s with a newly discovered sense of self… Nowhere were these insurgent notions of free love and political sovereignty better set to collide than in local movie houses, and Cinépix was just the company to harness the spirit of the Quiet Revolution.28

Cinépix initially responded to the spirit of the Quiet Revolution by importing a range of explicit international film titles into the province which circulated between ‘artistic’ and
‘sensationalist’ content, thus feeding a growing permissiveness associated with the transitions being enacted by the Lesage administration. Using their status as a leading distribution platform in the region, Cinépix then moved into cinema production and between 1969 and 1984 created over 70 feature film releases which were notable for employing both CFDC and tax shelter funding and for exploiting a growing audience fascination with explicit, horrific and unconventional material. These releases circulated across a range of popular film cycles, but focussed on Québécois sex comedies, body horror narratives, unsettling home invasion thrillers, sadistic concentration camp exposés, violent slasher films and ribald teen comedies.

In so doing, Cinépix not only revolutionised the production of horror content (for both local and international audiences), but also helped mentor a new generation of prolific Canadian film-makers that included David Cronenberg, William Fruet, Don Carmody and Ivan Reitman. Although Cinépix became synonymous with ‘exploiting’ Canadian state funding to create horror and sex cinema, their tactics were mirrored by other production outlets such as Quadrant Films (under the guidance of David Perlmutter) as well as Harold Greenberg’s company Astral Films (AKA Astral Bellevue Pathé) and Film Plan International (headed by Pierre David and Victor Solnicki), all of which also used government support to create horror productions. What distinguished Cinepix from other outlets was not only their existing footprint in film distribution, but also their ownership of regional cinema chains, which provided a secure exhibition platform for their titles. In her detailed production-based study of Cinépix, Mary Arnatt has argued that

while other production companies had to depend on government funding and private investments, Dunning and Link were able to produce films using CCA and CFDC funds, private investments, and by investing their own money that they made in distribution and exhibition, ensuring that Cinépix could consistently produce a large number of films that had relatively high production values.29
Although the company’s sizeable body of work has largely been excluded from key theoretical studies of Canadian film (due to both its content and associations with funding controversies), it can be argued that their films did reflect a number of significant factors within Canada between the late 1960s and 1970s.

**Revelling in the Quiet Revolution: Cinépix and Quebec Sex Cinema**

Cinépix’s move from film distribution into cinema production came with *Valerie* (Denis Héroux, 1969), which also coincided with the launch of the Canadian Film Development Fund. Befitting the CFDC’s remit to fund striking new visions of Canadian identity, it seems appropriate that *Valerie* embodies what Bill Marshall has termed as Québec’s emergent cinema of modernization. This term references the ability of cinema narratives from the region to function as direct reflections of the social and cultural transitions that accompanied the Quiet Revolution. Writing in the volume *Québec National Cinema*, Marshall notes that the installation of Lesage’s liberal government in the province effectively displaced dominant Catholic principles in favour of a process of technological modernisation and industrial nationalisation, as well as the expansion of welfare and education for citizens. For Marshall, this collapse of ‘religious belief and practices’ was accompanied by a liberalisation of sexual attitudes, which he argued were often annexed to the new ‘norms of consumption, suburbanisation… and the mass media.’

It is very much within this framework of social and sexual transitions that *Valerie* can be located.

The film charts the sexual evolution of a naïve teenager (Danielle Ouimet), who in the charged opening scene rides out of a convent astride her lover’s motorbike in a clear renunciation of religious restrictions. The heroine’s subsequent odyssey includes encounters with the 1960s counterculture, as well as a period of prostitution, before she finally accepts
the role of maternal substitute to her emancipated male suitor and his son. Despite the film’s salacious reputation, Paul Corupe has identified a paradoxical drive to Valerie whereby the heroine’s ‘final redemption serves primarily as a justification for the film’s uninhibited sexuality, an astute dramatization of the newfound freedom that Québécois audiences felt at the time.’¹³¹

Cashing in on the Quiet Revolution: Valerie (1969)

Cinépix very much mobilised the currency of the Quiet Revolution in the promotion of the film, while its ending (contrasting the couple’s final union with images of Québec’s flags proudly unfurling) reiterates a contemporaneous outlook via references to ongoing debates around independence in the region. Through its narrative concerns William Marshall has argued that Valerie ‘lives in legend’¹³², not only as Québec’s first pornographic film, but also a populist narrative that effectively captured wider social and cultural transitions from the era.
The sustained influence of the production is further confirmed in economic terms: it generated more than $1 million in revenues upon initial release and maintained an unrivalled box office position from 1969 until the mid-1980s.\(^3\)

It was the financial success of *Valerie* that led Dunning and Link to commission further socially reflective erotic releases between 1970 and 1973. These so-called ‘maple syrup porn’\(^3\) titles included *L’Initiation* (1970), which further sought to harness what Bill Marshall defined as ‘the new shocks and stimuli of modernity’ occurring across French Canada. *L’Initiation* reunited director Denis Héroux with actress Danielle Ouimet, using her emergent erotic star status to punctuate a narrative about the complexities of a young heroine’s relationship with an older married writer. In so doing, this film further indicated the company’s interest in challenging the ‘impasses of Québec masculinity’\(^3\) through an exploration of the new value systems confronting female subjectivity in the region.

While *L’Initiation*’s sex and social commentary formula replicated the box office success of *Valerie*, its critical reception also highlighted the company’s divergence from the official Canadian cinematic orthodoxies of the period. Several press reviews questioned the creative merits of *L’Initiation*, (which Marc Gervais dismissed as ‘candy-coated skin trash’\(^3\))\(^3\), or else probed the legitimacy of the Canadian Film Development Corporation’s support for such erotic-themed projects. Indicative of these commentaries was the appropriately titled ‘Wouldn’t you know that the first Canadian to make money making movies would turn out to be the WALT DISNEY OF SEXPLOITATION’, from the *Saturday Night* review of August 1970. Here, Peter Desbarats considers how the economic success of *Valerie* led to CFDC support for subsequent Cinépix erotic productions. However, given that *Valerie* had previously been dismissed for its ‘banal’ plot and ‘undistinguished’\(^3\) camerawork, Desbarats
questioned the cultural value of *L'Initiation*, which he references as being ‘even worse than *Valerie*.’³⁸ The author does, however, then confirm that *L'Initiation* ‘has the distinction of being the first film not only to pay back the Canadian Film Development Corporation, but to start earning money for it.’³⁹ The paradox of state funded sexploitation cinema as a profitable commodity was further explored in the separate article ‘How the taxpayer gets a slice of skin flicks’, published in *The Globe and Mail* on 21 September 1970. This considers another Cinépix film, *Love is a 4 Letter Word* (John Sone, 1970), which depicts countercultural sensibilities as the trigger for sexual disruptions within a bourgeois household.⁴⁰ Betty Lee’s review of the film also focuses on its CFDC funding, whilst also postulating that four future releases will follow in 1971, ‘all of them apparently available as investments for Canadian taxpayers.’⁴¹

While such press coverage reveals Cinépix as operating outside the accepted parameters of Canadian national cinema, it is important to acknowledge how the company’s business structures and market strategies also harnessed such notoriety to further promote the shock value of their releases. Indeed, Mary Arnatt attributes the success of Cinépix to its ‘model of a vertically-integrated adult film company.’⁴² This format challenged the limits of critical acceptability by seeking CFDC funding for softcore sex dramas whilst simultaneously screening more explicit hardcore content through the company’s chain of cinemas in Halifax, Montreal, Toronto, Winnipeg, and Vancouver.⁴³ Through these activities, Arnatt argues, ‘Cinépix fostered a public image of a fun, youthful, and sexy studio, rejecting the conventional discourse of Canadian cinema as dramatic, serious, and documentarian.’⁴⁴
Medical, Military and Militant Fears: From Shivers to Ilsa

If their early sex releases helped position Cinépix as the ‘fun and youthful’ embodiment of the Quiet Revolution, it was their later horror film releases with directors such as David Cronenberg that generated wider exposure and condemnation. When the CFDC’s head Michael Spencer greenlit Cronenberg’s feature film debut Shivers (AKA Orgy of the Blood Parasites/ They Came from Within) as a Cinépix horror title, the resultant production provoked a national media controversy, and even sparked official parliamentary debate upon its release in 1975. The film focused on the activities of Dr Emil Hobbes (Fred Doederlein), an alienated male scientist who impregnates genetically modified venereal parasites into his androgynous teenage lover, leading her to then infect the middle-class dwellers of a plush condominium through a series of illicit sexual liaisons. Shivers’ explicit scenes focussed on the widespread contamination of previously ‘civilized’ apartment residents, whilst outlining the murderous, polymorphous and even incestuous drives associated with Hobbes’s regime of infection. The film’s visceral imagery provoked further outrage when it was revealed that Cronenberg’s extreme visions had effectively been funded by the state.

The most prominent critic of Shivers was film critic Robert Fulford (writing as Marshall Delaney), whose infamous review of the film was published under the title ‘You Should Know How Bad This Film Is. After All you Paid for It.’ Here, the author criticized both the film-makers behind Shivers and also the Canadian Film Development Head Michael Spencer, whom Fulford argued was responsible for financing a production that was ‘a disgrace to everyone connected with it, including the taxpayer.’ While the negative reception of Shivers quickly extended from Fulford’s review to other newspaper outlets (such as the Montreal Gazette and The Globe and Mail), it also attracted theoretical critiques (notably from Canadian academic Robin Wood, who located Shivers in the ‘reactionary wing’ of horror
cinema for its equation of ‘sexual disgust’ with female and queer images of liberation. But the film’s controversy extended far beyond media coverage, provoking governmental discussions on the future funding of Canadian cinema. Some officials even called for Cinépix producers Don Cormody and Ivan Reitman to be deported as non-nationals, whilst Cronenberg was himself evicted from his home for his participation in the film, after his outraged landlady read Fulford’s review. As Arnatt has noted, as a consequence of the backlash against the film:

Cronenberg, Dunning, and Link prepared a pamphlet that contained both sides of the argument and sent it to governmental officials, such as R.W. McDonald, the Director of Film Classification, and Stephen Lewis, the Ontario Leader of the New Democratic Party.

Despite the considerable controversy that Shivers generated, the film actually replicated Cinépix’s earlier ‘maple syrup’ formula of notoriety as a means of ensuring box office success. Equally, as with the company’s earlier sex sagas, it is also possible to read Shivers as directly reflecting social and political concerns in Canada at that time. Specifically, James Burrell has highlighted the film’s focus on Dr Hobbes’s deviant surgical interventions as referencing a long history of Canadian medical abuse which had currency at the time Shivers was released. These infamous cases included ‘2,822 Albertans… subjected – either unknowingly or against their will - to eugenically inspired sterilisation’, with these physical interventions continuing as late as 1972. Other reported malpractices extended to the Québec scandal surrounding the so-called ‘Duplessis Orphans’, namely ‘over 3,000 children in Québec Catholic orphanages… falsely declared to be developmentally disabled: a number of them were put into straightjackets, exposed to electroshock therapy… and even sexually abused by staff members.'
While this theme of culturally specific ‘bad surgery’ was often lost in the negative press coverage that *Shivers* generated, the film retains further Canadian relevance for reflecting the 1970s political tensions that emerged when the Quiet Revolution mutated into violent revolt. Here, terrorist cells such as the Québec Liberation Front (FLQ) waged a long and bloody campaign of bombings, kidnappings and urban insurrection to further a separatist political agenda that departed from the parliamentary tactics advocated by the Lesage administration. Within this context, *Shivers* forms part of a wider Cinépix cycle of medical, military and militant home invasion dramas that reflected these terrorist fears.

![Shivers poster](image)

*The opening montage of Shivers (1975) promotes the Starliner Tower as a safe alternative to Montreal.*

Indeed, when *Shivers* is viewed as a narrative of containment, its opening visual montage advertising the Starliner tower as structurally separate from the disruptions and uncertainties associated with the Montreal sphere takes on a particular significance. This promotional film even references the building as a ‘division of General Structures Incorporated’, with the inference that these ‘structures’ segment and protect the condominium dweller from the chaos
associated with wider city life. (This capacity to limit the inhabitants’ exposure to violence is later confirmed by a Starliner security guard, who boasts that he has never had to remove his security pistol from its holster during his tenure at the complex.) By contrast, it is noticeable that in *Shivers*, radio and TV broadcasts reference the widespread chaos and criminality of the urban sprawl as a backdrop to the security offered by the tower. It is therefore significant that the final shot of the film depicts the now infected middle-class inhabitants leaving the Starliner to travel towards this already-conflicted urban space so as to spread further chaos and ‘infection’ within Montreal territories.

If Cinépix horror films of the 1970s do reflect the wider social and political turmoil that afflicted Quebec society during this era, then the trope of the siege drama narrative was even more evident in Cronenberg’s next collaboration with the company: *Rabid* (1977). This film again utilized CFDC funding towards its completion, generating controversy for its visceral scenes of infection, as well as for Dunning and Link’s insistence on casting the hardcore porn actress Marilyn Chambers in the leading role. As with Cronenberg’s earlier film, it is pertinent that *Rabid* again emphasises the role of medical malpractice as the basis for social decline. Here, the source of contamination is Rose (Marilyn Chambers), a young protagonist who unwittingly infects a range of Montreal city dwellers after being subjected to a botched operation. Her treatment at the hands of the misguided Dr Keloid (Howard Ryshpan) not only confirms James Burrell’s view that ‘many of Cronenberg’s fictional medical procedures are performed on vulnerable members of society’53, but also highlights that ‘it is the devastating results of the doctors’ actions on society… that are of significance.’54

Indeed, Cinépix’s original marketing for the film employed the tagline of a ‘shocking story of a city in panic’55, which extends beyond themes of medical malpractice to bring in wider
conceptions of the violated urban space attributable to contemporaneous FLQ’s activities. The group’s violent manifesto of insurrection culminated in the 1970 October Crisis, which centred on the abduction of British ambassador James Cross on 5th October, and then the kidnapping (and later murder) of employment minister Pierre Laporte on 10 October. These actions prompted the infamous 1970 War Measures Act, enforced by the national Canadian government. As Bill Marshall has noted, this resulted in the ‘Canadian army in control of the province and civil liberties suspended, more than 500 people… were interned without trial as suspected “FLQ sympathizers”.’ Marshall has identified a number of complex consequences of the government’s authoritarian response to the FLQ threat, whereby ‘the main damage of the October Crisis is seen to be a kind of national self-surveillance for Québec.’
This component of state sanctioned repression effectively encased Montreal in a siege scenario, subjecting its citizens to a regime of sustained military containment. *Rabid* perfectly captures the ‘geography of violence’ that Jason R. Burke has identified in his analysis of the October Crisis, with state surveillance being enacted in spatial terms through a military occupation that attempts to contain Rose’s contagious body spreading across the differing zones of the city. Beyond the example of *Rabid*, later Cinépix productions such as *Blackout* (Eddy Matalon, 1978) further annex this geography of violence to enforced containment, detailing how an urban gang headed by a charismatic countercultural mastermind terrorises the inhabitants of an upmarket apartment block during a power cut.

While Cinépix’s work with David Cronenberg highlighted its controversial deployment of state funding, many of the company’s more notorious films of the 1970s relied on private finance, and often eschewed definable Canadian markers in order to disguise their true nationalistic origins. Specifically, the *Ilسا* films (1975-7) represent what Paul Corupe has defined as ‘the illegitimate and unacknowledged daughter of the Canadian film industry.’

The series comprised four releases that detailed the grisly and sexually explicit misadventures of a sadistic female prison camp warden/governess played by Dyanne Thorne. According to Corupe, the cycle was initially inspired by the company’s ‘success distributing *Love Camp 7*, an American sexploitation film that takes place in a Nazi stalag.’ This influence was most evident in the initial Cinépix entry, *Ilسا: She Wolf of the SS* (Don Edmonds, 1975). This film detailed the violent activities undertaken by Thorne’s character at a Nazi medical sex centre before she is herself tortured and executed in the film’s closing scene. Although the film was scripted by a University of Toronto professor, Mary Arnatt has noted that ‘almost the entire production team filmed using pseudonyms, including Dunning and Link, who were not ‘officially’ involved with the film upon its release.’ Despite the controversies that
surrounded the film’s exploitation of concentration camp imagery, the theatrical success of *Ilse: The Wolf of the SS* facilitated further Cinépix sequels that revived and relocated Thorne’s character to the Middle East (*Ilse: Harem Keeper of the Oil Sheiks* [Don Edmonds, 1976]), before her misadventures in contemporary Montreal (*Ilse: The Tigress of Siberia* [Jean Lafleur, 1977]) exposed the genuine Canadian origins of the series.

Despite the ambiguous national markers that accompanied the *Ilse* films, the series still evidenced a component of national trauma through its extreme scenes. For Corupe, these Canadian anxieties are most visibly marked through the fetishization of torture imagery and paraphernalia (such as electric shock treatments) which dominate the cycle. These instruments effectively evoked the medical symbols closely associated with the authoritarian Duplessis regime before they were displaced by the more liberal mood of 1960s Quiet Revolution.\(^\text{62}\) Equally, through Thorne’s construction of Ilse as a libidinally voracious character\(^\text{63}\), Corupe indicates that the series expanded upon the successful ‘sex as freedom’\(^\text{64}\) formula that Dunning and Link had initiated with their early Québécois ‘maple syrup’ releases.

For reviewer Anthony Maulucci, the *Ilse* films represent a Cinépix cycle that ‘the CFDC would definitely not want to finance because their subject matter makes them strictly taboo for the government agency.’\(^\text{65}\) However, the company did return to state subsidies at the end of the decade to create some of the final horror and comedy titles associated with the tax shelter controversy. Firstly, they provided significant entries to the Canadian slasher boom that emerged between 1979 and 1982 as a direct consequence of the Capital Cost Allowance fund. The Canadian slasher cycle entries were frequently dismissed as ‘Hollywood North’ derivations, with these productions seen as seeking to conceal their national origins in an
appeal to a more transnational audience. Indeed, reviewer Andrew Dowler did lambast the Cinépix slasher entry *My Bloody Valentine* (George Mihalka, 1981) as ‘yet another in the seemingly endless stream of murdering-masked-maniac movies and is a typical example of the genre. Which is to say, terrible.’" However, he also conceded that, unlike other Canadian slasher entries, Mihalka’s film did reveal its distinctive Canadian components that included ‘unmistakable Nova Scotian locations’ as well as ‘a Canadian flag flying in one shot.’ However, for Dowler, these national elements, as well as the atypical economic (rather than psychosexual) motivations for the killer’s backstory failed to ‘push *My Bloody Valentine* beyond the level of trite hackwork.’ Dowler’s reservations regarding Mihalka’s film were echoed by other reviewers such as Sid Adilman, who objected to the explicit gore of *My Bloody Valentine*, concluding that ‘Officials at the Canadian Film Development Corporation should wipe the blood of their hands’, rather than invest funds in an ‘exploitive, gruesome and bloody violence flick.’

As Adilman’s comments indicated, the reception of any subversive potential inherent in later Cinépix horror releases was diminished by the convergence of the slasher and Canadian teen comedy cycles with the tail end of a state funded film boom, which was now seen by reviewers as declining in both cultural and economic value. For Benjamin Wright, the Cinépix comedy *Meatballs* (Ivan Reitman, 1979) actually reversed many of the stereotypes of tax evasion that dogged the Capital Cost Allowance scheme, to the extent that investors ‘were actually disappointed that their investments turned into a sizeable profit, which resulted higher capital gains fees.’ However, the fact that *Meatballs* seemed to eschew established Canadian film traditions in favour of a ‘familiarity with Hollywood norms and conventions – particularly those found in comedies’ gives some indication why its status as a legitimate example of national cinema remains disputed.
Following the collapse of the Capital Cost Allowance fund, Dunning Link continued to produce cult and horror titles, albeit with diminishing budgets, before returning to their former careers in distribution. The company was eventually amalgamated into the emergent Canadian production and distribution outlet Lions Gate Entertainment Corporation in 1997, with Dunning eventually leaving the new incarnation of the company prior to his death in 2011. Although the work of Dunning and Link remains largely neglected by key accounts of Canadian cinema, Ben Wright argues that the output of those creators working through the tax shelter scheme should not be rejected as ‘a hiccup in the national discourse on cinema practice.’ By annexing cinema industry trends to the wider social, political and military horrors of the era, these Cinépix releases provide a crucial insight into Canada’s isolated culture of terror during the 1970s.

This chapter employs materials from the Cinepix Inc estate that were utilized for the two documentaries Tax Shelter Terrors (2017) and The Quiet Revolution: State, Society and the Canadian Horror Film (2020). I wish to thank Greg Dunning for his assistance with this project and for facilitating the usage of these resources.

1 Ben Wright, ‘Canada’s great shame: tax shelters, nationalism, and popular taste in Canadian cinema’, in Ioana Uricaru (ed), Spectator, 32/2, (Fall 2012): p. 23.
2 Ibid.
4 Wright, ‘Canada’s great shame’, p. 21.
6 Wright, p. 21.
7 Ibid.
9 Ibid.
10 Wright, p. 20.
12 Ibid., p. 19.
13 Ibid., p. 21.
14 Data cited in ibid., p. 22.
16 Ibid., pp. 4-5.
17 Wise, P. 23.
18 Ibid.
19 Wright, ‘Canadian cinema’, p. 21.
20 Although private finance initiatives continued in Canadian cinema following the demise of the tax shelter scheme, they operated at a greatly reduced levy of financial compensation for the investor, reducing from 100% to 30% reduction levies by 1987. For further information see Michael N.. Bergman, ‘Bye bye tax shelter’, Cinema Canada, (July-August 1987), pp. 6-7.
21 Wright, ‘Canadian cinema’, p. 23.
25 Urquhart, ‘You should know’, p. 66.
26 Ibid., p. 67.
32 Marshall, Québec, p. 65.
34 Ibid., p. 19.
35 Marshall, Québec, p. 65.
38 Ibid.
39 Ibid., p. 30.
41 Ibid.
42 Arnatt, M. ‘We must be burning film like mad’, p. 53.
43 Ibid., P. 8.
44 Ibid, p.79.
47 Robin Wood, cited in Mathijs, Defining Cult Movies, p. 117.
48 Cited in Wright, ‘Canadian cinema’, p. 20.
Arnatt, ‘We must be burning film like mad’, p. 9.


Ibid.

Ibid.

Ibid., p. 143.


Marshall, Quebec; p. 37.

Ibid., p. 42.


Ibid., p. 20.

Arnatt, ‘We must be burning film like mad’, p. 10.


Although few academic studies have been conducted on Cinépix as the creators of the Ilsa films, a number of important accounts on subversive gender constructions in the series have been published. See Rikke Schubart (2004), ‘Hold it! Use it! Abuse it! Ilsa, She-Wolf of the SS and Male Castration’, in Rikke Schubart and Anne Gjelsvik, (eds), Femme Fatalities Representations of Strong Women in the Media (Göteborg: Nordicom), pp. 185-203.


Ibid.


Ibid.

Ibid., p. 22.
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