CINÉ-FORUM

SCREENS STOP HERE! TAX CREDIT THINKING AND THE CONTEMPORARY MEANING OF "LOCAL" FILMMAKING

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I live in Halifax, Nova Scotia, a place, like others, that cultural policy has built and reimagined many times over. Consider Halifax's central landmark, a harbour fortress called the Citadel. Initially conceived as an eighteenth-century British colonial strategy to ward off French, and later American, "intruders," its present day iteration is as a Canadian national historic site and tourist attraction. Now owned by Parks Canada, the site attempts to entice the same "visitors" that it once repelled. After paying an entrance fee, each visitor to the site receives a narrative that strategically situates colonial militarism in the nation's historic past, and that can be delivered in one of Canada's two official languages. Conceptualized as a living artefact of policy, the Citadel is not simply a historic site. Arguably, it remains an active fortress that strategically defends the nation-state's quasi-official discourse about Canada's prehistory. Each day, the explosive sound of the Citadel's noon gun resonates throughout the city and the surrounding municipality. In doing so, the site's policy reverberations continue to assert themselves, literally and figuratively marking the present time in place.[1]

Often, however, policy reverberations produce inadvertent effects. In what follows, I explore the idea that provincial tax credit policies, which have incentivized the development of regional film industries, have also altered the landscape and discourse of regional filmmaking to such an extent that these policies are becoming difficult to defend. I offer this theory as a way of interpreting last year's abrupt and emotionally charged changes to Nova Scotia's film incentive programme as well as the dominant rhetorical position that industry advocates used to protest the changes. Both sides of the debate have employed a discourse to defend their positions that I am calling "tax credit thinking." This is to say that both sides have overwhelmingly aligned the purpose of regional filmmaking with industrial-economic over cultural-artistic goals. With mounting reports from across North America arguing that provincial, state and municipal tax credit programmes do not recuperate their investments, that they create volatile industries and tenuous employment conditions dependent on the continuation and competitiveness of their subsidies, "tax credit thinking" is becoming an increasingly risky line of defense for industry advocates and film workers. It might be the case, in fact, that this line of defense is putting regional film industries in jeopardy. Ironically, one of the most significant effects of regional film incentive policies might turn out to be that they have created the very conditions, discourses and measures of success that are beginning to dismantle them.

NOVA SCOTIA, FOR EXAMPLE

2015 may well be remembered as the year that the screen industries went dormant in Nova Scotia. While some policy decisions have gradual effects, the provincial Liberal government's 9 April announcement that it would be eliminating the Nova Scotia Film Tax Credit (NS FTC) on 1 July had immediate and seismic effects. Right away, the loss of the 20 year-old incentive programme that, at its height, subsidized up to 65% of a film's qualifying labour costs through a refundable tax credit, was held responsible for film projects pulling out of the province.[2] In August, citing a "sharp decline" in production, two of the three major equipment providers announced that they would be closing their Nova Scotia offices. John DeBoer, COO of SIM Group, justified the decision to *Playback* saying, "[t]here hasn't been a slowdown of work . . . there is absolutely no work in the film industry . . . and we see very little coming down the pipeline."[3] In September, a Halifax editorial coinciding with the 40th Atlantic Film Festival argued that the impact of the cancelled programme fundamentally "disrupted a production ecosystem that evolved over decades," a delicate and interrelated tripartite of production incentives, infrastructure, and skilled workers.[4] Having observed an "accelerated" exodus of film labourers in the months following the government's announcement, the writer, himself a film worker and educator, argued that while much of the discourse had been focused on lost "dollars and lost infrastructure," the "greater [loss]" to the industry were the skilled people who were leaving the province for work in other regions that were perceived to be more stable.[5] While the long-term effects remain to be seen, early signs suggest that Nova Scotia's particular film "ecosystem" built up by the FTC has been diminished by both the elimination of the programme and the process of replacing it.

There are at least three contributing reasons for this diminishment. The first has to do with the abruptness of the change. Coinciding with the government's announcement, Film and Creative Industries Nova Scotia, the Crown corporation that served as the liaison for "local" and "guest" production in the province effectively shut down overnight, creating a general sense of confusion about how the administration of funding and services would be provided to current and prospective film projects.[6] While the province's administration of the industry will presumably become more stable once the dust settles, a second, related issue foreshadows longer-term implications. When Film and Creative Industries Nova Scotia closed, the government announced that it would be referring the previous duties of the Crown corporation to Nova Scotia Business, Inc. (NSCI), a "private-sector led business development agency." This move aligns film with business, and shifts it conceptually further away from culture, heritage and the arts. Although there was a previous move in this direction when Film Nova Scotia adopted the language of Creative Industries (not cultural industries) in 2012, one presumes that fully adopting the screen industries within a business development portfolio makes them more susceptible to the use of economic growth models to assess their merits, successes, or failures.

This brings us to the main concern, which is the relative merit of the eliminated programme over the new one to incentivize the Nova Scotia film industry. As a starting point, it is important to understand that film incentive programmes essentially subsidize film industries.[7] A place-based film incentive works by reducing the cost of making a film in a place, so that it becomes a favourable location, relative to others, in which to make a film.[8] Currently, in Canada, there are two federal incentive programmes and 16 provincial incentive programmes that are offered across twelve provinces/territories.[9] Of these, only one federal programme has explicitly cultural goals.[10] All the rest have industrial-economic goals, premised on the basic understanding that incentives function to increase the volume of production in a place. For almost two decades now, the conventional logic has been that increasing the amount of production in a place grows local film industries and benefits local economies.

While increasing indigenous production is often a hoped for by-product of place-based film incentives, their main function is to boost the overall volume of production by luring projects that originate elsewhere. In Nova Scotia, this means attracting "Canadian television production and foreign service production," "the two key labour market segments," that, in the Canadian screen industries, "[account] for almost three-quarters of total production volume."[11] To attract Canadian TV production, Nova Scotia's incentive programme is a "policy instrument" that needs to compete with other provincial/territorial incentive programmes.[12] The foreign-service production sector is even more competitive. While Canada was among the first countries to offer federal and provincial tax-based film incentives in the 1990s, since then, many others have followed. Canadian and provincial incentive programmes that were once the reliable beneficiaries of US "runaway" productions, now find themselves in competition with the programmes of other nations, including the US's own state film incentive programmes that have "exploded [in number] from 4 in 1999 to 28 in 2012."[13] No longer are film incentive programmes considered a novelty. Film studios now have offices dedicated to assessing their relative merits and to facilitate bidding wars for their projects. In Canada, at least two companies are currently pitching themselves as brokers to help foreign projects navigate the production incentives that are on offer throughout the country.

PLACE-BASED INCENTIVE EFFECTS

But aside from the challenge of distinguishing themselves in a competitive market, there is a potentially greater challenge for place-based incentive programmes. In certain cases, there is now evidence that suggests that incentive programmes may result in fewer economic benefits than expected. This is to say that in certain locations, "incentives" are functioning as subsidies to the screen industries without convincingly generating the spill-over economic benefits that were hoped for.[14] This, in combination with the current general climate of fiscal austerity, could result in the reduction or elimination of incentive programmes and have devastating effects on the place-based industries that the incentives were initially intended to benefit.

Last year's reduction in Nova Scotia's film incentive programme, like Saskatchewan's in 2012, might turn out to be another canary in the coalmine.[15] On the charge that the programme was not performing well financially, Nova Scotia cancelled its Film Tax Credit (NS FTC) and replaced it with a less competitive incentive. A brief comparison of the programmes highlights the differences. The NS FTC (1995-2015) was a refundable, labour-based tax credit. This meant that if the amount of labour credit generated by the project exceeded the amount of tax owed by the project, the difference would be refunded. Under this programme, eligible films and screen projects could recuperate a base return of 50% of labour costs paid to workers who were Nova Scotia residents with the possibility of receiving an additional 15% if certain criteria were met.[16] Since labour costs are usually upwards of half of a film's total expenses, this tax-credit functioned as an incentive, by substantially subsidizing the project's use of Nova Scotia labour. The refundable nature of the tax credit also worked as an incentive since a project could leverage financing with a bank by borrowing against the expected return.

As of July 1, 2015 the province's replacement programme is not a tax credit, but an "incentive fund." The NS Film & Television Production Incentive Fund offers eligible projects a base return of only 25-26% on eligible expenses (including Nova Scotia labour) with the possibility of receiving an additional 6% return if certain criteria are met.[17] While the new incentive is funded by taxes, it is not a tax credit and will be capped at a certain amount each year.[18]

While the new fund explicitly names itself an "incentive," there is significant concern about whether the new programme, a perceived reduction, will continue to incentivize the local industry. The main worry is how the elimination of the straightforward labour subsidy diminishes NS as a location that competes to function as a branch-plant service provider for production that originates outside the province. In protesting the government's decision to cut the programme, Screen Nova Scotia, the province's main lobby group for the film, TV, and digital media industries, characterized the incentive as a necessary "tool" that helps Nova Scotia "compete for a piece of [the global screen industry's] 500 billion dollar pie."[19] Halifax reporter Kimber Lubberts, constructed a web-based timeline of film production that convincingly illustrated a spike in the amount of production that occurred in the province after the FTC was introduced. Lubberts asked readers to "[n]otice what happens to the number of productions after 1995" and suggested that it is "by no coincidence at all that's when local filmmaking took off."[20]

While the timeline does demonstrate how industrial screen production as a whole increases after the introduction of NS FTC, it is also instructive to see what projects are included as examples of "local filmmaking." Films that would have previously been considered "runaway," "guest," or "foreign service" productions––largely American films that disguise their production locations (e.g., *The Scarlet Letter* (1995), *Dolores Claiborne* (1995), *Leaving Los Vegas* (1995), and *Titanic* (1997)), are considered here to be examples of "local filmmaking," alongside more quintessentially "local" screen projects that have stories identifiably rooted in NS (e.g., *Margaret's Museum* [1995], *Pit Pony* [1997] and *The Hanging Garden* [1997]). The use of "local filmmaking" as an umbrella term that equally refers to any screen activity that employs workers in a place is worth unpacking, since it marks a clear shift in film discourse that appears to have been informed by "tax credit thinking."

TAX CREDIT THINKING

Tax credit thinking is a term that I am using to refer to a discourse that sees films and filmmaking in industrial-economic over artistic-cultural terms. It is a way of thinking that tends to focus on economic benefits when justifying why films and film industries are important to places and to people. Arguably, this way of thinking about film has, in part, been naturalized by the logic of now two decades worth of place-based film incentives. Success of these programmes is largely measured by the quantity and dollar value of industrial screen production that happens in a place. It is measured by wages paid to local workers and the various ways in which these projects contribute to local economies. As a result, tax credit thinking does not typically distinguish between the types of screen projects that are produced in a place. It does not distinguish between films that disguise their locations and those that do not. It does not particularly privilege films that convey a sense of place, or meaningfully incentivize projects to employ local people in roles in which they can exert creative control.

In anecdotally following the NS FTC protests, I have been struck by how rare it was to hear a defense of film either for its own sake, or as art or culture. The main twitter hashtag for the protest, for example, #NSFilmJobs, accurately reflected the character of the discourse. The main logic used to oppose the cut was that the FTC was necessary to keep as an incentive to attract industrial production to Nova Scotia. In doing so, the "local" industry could be sustained at its current level of production and keep approximately 2,500 film jobs in the province alive.

Nova Scotia's debate about its "local" film industry brings attention to the way that tax credit thinking has invaded the concept of filmmaking. Filmmaking used to refer to the production of films. Now, it is a term that relates to film as an industrial vehicle that produces jobs. "Local filmmaking," in the case of Nova Scotia, is a term that is now used to refer to specialized screen-based labour that a location contributes within the globalized screen industries. As Toby Miller and many others have argued, this segmentation of labour in the screen industries is symptomatic of a "new" international division of labour.[21] Arguably, the slippage of the term "local filmmaking" is an artefact of a legacy of tax credit thinking.

What got us to this place? In a 1972 article for *The North American Review*, Canadian film historian Peter Morris described a completely different cultural landscape, and one in which the autonomy of cultural production in Canada had merit. Offering "Canadian Commentary," he wrote that, "[a] curious mood of economic and cultural nationalism holds sway in the power centres of Canada . . . . Almost daily, the media warn of 'economic imperialism' or announce 'Government to Fight U.S. Takeover.'"[22] Citing reports, policy documents, and journalism, Morris collected evidence of Canada's "new nationalism," a cultural discourse that articulated itself through a series of "Declarations of Independence" from the American cultural industries.[23] "The message is clear," he wrote: "foreign ownership is bad."[24] He summed up the situation by saying that "[m]any Canadians . . . now believe that the USA has designs on their national integrity."[25]

Morris saw this new discourse as indicative of a shift in public opinion that had attendant shifts in cultural policy. "The mood has changed," he wrote. "Where once artists and critics [in Canada] earnestly searched for greatness, now Canadian cultural activity in its own right is a first goal." Among the policy results that Morris mentions were the newly established Canadian Film Development Corporation, "stiff[er]" rules for television and Canadian Content quotas for radio administered by the Canadian Radio and Television Commission (CRTC), and the "extended" range of the Canada Council's "activities."[26]

In 2016, it is striking to consider how much has changed. The "new nationalist" discourse that Morris observed was based on an implicit understanding that creative texts such as films, literature, and music were expressive of located, lived experiences and were therefore "cultural." At the national level, the rhetoric used to justify support for the cultural industries was that they could produce valuable expressions of national identity. Now, national identity or even national culture, terms so often associated with imperialism and essentialism, have all but disappeared as concepts that can meaningfully animate public discourse. In academia, scholars are observing that "Canadian" is increasingly regarded with suspicion as a disciplinary category.[27]

Relationships between locations and cultural identifications can no longer be taken for granted. Globalized cultural flows and mediatized lived experiences have challenged the idea that a person's physical or political location is necessarily their primary mark of identity. In 2015, after a series of public consultations, the CRTC did the reverse of what Morris observed in 1972, relaxing its Canadian content quotas for daytime television, and introducing "pick and play" cable options, which are less prescriptive in enforcing access to Canadian channels.

Concern with the cultural "integrity" of the Canadian cultural industries in public discourse has been replaced with concern about their global economic competitiveness. In this context, autonomy no longer means integrity. For the screen industries, it is well understood that American participation in Canada plays a large role in sustaining Canadian industries. The fear of American encroachment that Morris spoke of has been replaced with a legacy of federal and provincial incentives that have been designed with the express purpose of enticing American, international, and out-of-province projects. It is understood that the benefit of these projects, albeit mainly during their production phase, is to provide jobs for local workers.

In her landmark article from 1978, "The Best Film Policy This Country Never Had," Sandra Gathercole writes with concern that Canadian film policy could turn Canada into a "branch plant" for American film production.[28] "[T]he Canadian industry," at this time, she observes, "is hovering on the edge of becoming . . . a branch plant." She goes on to argue that "The majority of funds invested—and movies made—have nothing to do with this country. Films which disguise their Canadian location by replacing Canadian flags and license plates with American; films which defy the fundamental truth of all great art—that it is uncompromisingly set in its own specific physical and social milieu. Such films amount to international nonsense."[29] She also cautioned that such films "are going to cost us our political and economic independence," going on to predict that "[c]ommercial logic will have triumphed over social logic once again in this country and the government will be hard pressed to explain what its multi-million dollar investment has been all about."[30]

Arguably, this is precisely what is happening in Nova Scotia. Certainly, not all of the out-of-province production here is American, as Gathercole feared, but "tax credit" or "branch plant" thinking has successfully created a type of film industry that is not autonomous within the province, and has, therefore, become difficult for the province and the industry to justify in anything other than economic terms. Arguably again, this is not a problem of economics, but of discourse. "Commercial logic," as Gathercole calls it, requires a cost/benefit analysis to determine its success, and statements of economic benefit tend to vary depending on who is doing the math. One article published by the CBC, for example, states that Screen Nova Scotia claimed that the tax credit "cost the government $24 million in 2013-14, generating $139 million in spending on film and TV productions and supporting 2,700 jobs."[31] The provincial government, by contrast, claimed that "for every dollar it spen[t] on the tax credit, it receive[d] less than 25 cents in taxes."[32] Even if the NS FTC programme was an effective tool, the provincial government was left to wonder why it was in the business of subsidizing out of province productions in order to sustain a "local" industry.

In 2016, the situation in which Nova Scotia finds itself is arguably an extension of an observation that Zoë Druick makes in her chapter, "Continuity and Change in the Discourse of Canada's Cultural Industries" (2012).[33] Among the many useful contributions of this piece, Druick identifies how the cultural dependency discourse that Morris observed and that Gathercole's argument epitomizes was "[re]framed" in the last decades of the twentieth century by the incorporation of neo-liberalism into cultural discourse. "Rather than hold publically funded cultural institutions accountable for fending off American cultural industries," she writes, during this time "the market was itself being proposed as the solution to the problem."[34] This "neoliberal direction," Druick goes on to explain, "offered to collapse cultural policy into the development of the cultural industries themselves."[35] Under this guiding discourse, efforts to "create national culture" were divested into localized and internationalized aspirations.[36] Druick notes that as a result, "responsibility for culture was devolved in two directions: upwards to international agencies… and downwards to provinces and municipalities."[37] Introducing tax credit incentives to attract "creative" "industrial" activity were a key tactic of the later. As in the case of the name change of Film Nova Scotia to Film and Creative Industries in 2012, the term "creative industries," became synonymous with and sometimes replaced the term "cultural industries," signalling a shift in focus from the origin and purpose of the material being produced to the actual labour of production.

After two decades, the imprint that film incentive programmes have left on places is beginning to show. While they have no doubt stimulated labour in the screen industries throughout Canada, they have also, as I have argued, stimulated a particular kind of "tax credit thinking" that has profoundly marked both particular locales and the character of their film industries. Nova Scotia's situation is a prime example of a niche industry that has blossomed as a result of its incentive, and has therefore become reliant on the graces of a rotating provincial government to ensure its survival. Now in its early stages, its replacement programme does not bode well. Taking stock of the industry in April 2016, one year after the incentive was introduced, writer, Michael Lake wrote an article for *The Coast,* Halifax's weekly newspaper, titled, "Quiet on the Set."[38] Citing evidence such as the Directors Guild of Canada's estimate that "business is down fully 50 percent under the new incentive regime," and that "much of the local workforce" has moved out of the province to work elsewhere, Lake concludes that, "the simple reality is that NS is no longer a viable place to make films."[39] While Nova Scotia Business Minister, Mark Furey insists that "there have been some good steps taken by industry and government" over the past year, Marc Almon of Screen Nova Scotia, says that "the incentive fund is working, but not well."[40] According to Lake, Almon's position is that "the fund's relatively small $10 million capacity, along with a lack of confidence in the province's ability to administer it, does not encourage foreign productions to come to the province."[41] As of April, the thirteen productions that were scheduled to shoot in the province were expected to use "less than $3 million of the fund," sounding an alarm about the perceived dramatic reduction in the scale of project the province was attracting.[42]

At $810,000, the highest budget production was expected to be *The Trailer Park Boys*, a series that in its 11th season was already well established in the region.[43] While Nova Scotia's current situation is one example of what happens to film industries when the tax credits that sustained them are taken away, Saskatchewan has also been referred to as a comparative case, where the production activity fell considerably after its tax credit programme was eliminated in 2012.[44] What both of these case studies suggest is that in order to sustain an industry built on location shooting, the incentive to shoot there needs to remain and remain competitive on the national and global marketplace.[45]

Aside from the labour issues, which are profound, what we are seeing at this moment in Nova Scotia, and throughout the rest of Canada, is the effect of "tax credit thinking" more broadly on film discourse. Arguably, its legacy has functioned to empty the film industry of what Gathercole called its "social logic,"[46] and replaced it with an industrial logic. But a social logic is necessary to justify support for filmmaking as a cultural practice and an art form, beyond its industrial effects. Not coincidentally, as Druick observes, the mid-1990s tax credit boom was also the time when cultural economists were actively "debunking" such "unquantifiable rationales for cultural funding."[47] The tax credit discourse that has been built and that justifies the current shape of Nova Scotia's film industry is arguably an artefact of this cultural economic approach. The effects, as we are seeing in Nova Scotia, are profound. A film industry that articulates itself as a branch plant for global, industrial film production, that claims, as Screen Nova Scotia does, that the FTC is necessary as a "tool" for its survival, cannot convincingly posit a "social logic" as a defense.

This presents a serious discursive problem. If a "social logic" is not available to defend the current state of the film industry, and if the industry is not persuasively generating the economic return that is hoped for, then on what grounds can the claim be made that film is worth protecting? The Nova Scotia government has many struggling industrial sectors to contend with. What is it that makes film eligible for special consideration?

In 2010, the Canadian government launched a National Shipbuilding Procurement Strategy and put its federal shipbuilding projects out to tender. As a response to the competition, Nova Scotia launched a campaign with the slogan, "Ships Start Here."[48] Leading up to the bid, signs with the slogan, in the shape of arrows pointing to the ground, were affixed to stores, buildings and the lawns of private residences, suggesting to the federal government that there was a direct correlation between winning the bid and benefits to the lived experience of people in these precise locations. The slogan and campaign suggested that while the province was uniquely suited to the proposed task based on its historic connection with shipbuilding, the federal policy was also needed to kick-start a now dormant industry. This campaign acknowledged the power of policy to both ignite and to subsidize industry in the region. Arguably, the NS FTC programme functioned in much the same way. As a policy decision, it created the type of film industry that was reliant on the programme to continue.

Nova Scotia's screen industry, like others, is an artefact of the policies that have shaped it. In the years after the dust settles on the elimination of the NS FTC, it will be instructive to see what film activity remains. It could be that we will still see the work of filmmakers who are supported by cultural policies and programmes. Administered by Telefilm Canada, the National Film Board, and the Canada Council, these programmes still do, to varying degrees and to the extent that they can in this neo-liberal era, acknowledge the "social logic" of filmmaking. Their accountability to factors other than purely quantitative economic measures makes it possible for them to justify film production in other ways than industrial terms. While these funding bodies are not immune to "tax credit thinking," they are also not entirely beholden to it. Significant films made in Nova Scotia by filmmakers such as William D. MacGillivray, Andrea Dorfman, Thom Fitzgerald, Clement Virgo, and Sylvia Hamilton have been produced as a result.

But while it is possible that the defining character of the industry in Nova Scotia will return to the kind of modest production and infrastructure that existed before the NS FTC, is it likely? The development of what Tom McSorley called the new Atlantic Canadian cinema, a filmmaker-driven cinema in the art-house tradition of the 1980s, was specifically aided by the legacy of Canada's post-centennial policy and funding infrastructure that Peter Morris, for one, observed.[49] McSorley specifically mentions the development of local film cooperatives (e.g., Atlantic Filmmakers Cooperative and the Centre for Art Tapes, both located in Halifax) as driving forces of this type of cinema historically, which has turned out some of the province's most identifiable feature filmmakers, as well artists active in short, animated, and experimental films. But it is a different time now in this place. Two decades worth of "tax credit thinking" has shifted contemporary understandings of "local filmmaking" away from culturally local filmmaking, toward industrially local filmmaking. The devastating effects that we are seeing to the filmmaking industry in Nova Scotia are a reminder of how the pervasive discourses and policies that support the later have come to eclipse the former. Unless we can move beyond the industrial and the economic to justify why place matters with respect to filmmaking, it seems that both meanings may be lost. In Nova Scotia, we can see the effects quite literally playing out on the ground.

NOTES

1. This resonance also extends into digital space. Each day, the noon gun tweets, "#boom #halifax." https://twitter.com/halifaxnoongun.
2. A refundable tax credit means that a "corporation may use the tax credit to reduce taxes payable and any excess portion is refunded." Nova Scotia Department of Finance Taxation and Fiscal Policy Division, *Nova Scotia Film Industry Tax Credit Guidelines* (January 2012), 5. On the pullout of productions, see Haley Ryan, "Jim Henson film first of many to leave Nova Scotia thanks to tax credit cut: John Dunsworth," *Metro News/Halifax* (13 April 2015), http://www.metronews.ca/news/halifax/2015/04/13/jim-henson-film-first-of-many-to-leave-nova-scotia-thanks-to-tax-credit-cut-john-dunsworth.html.
3. Julianna Cummins, "PS Atlantic, SIM Digital close Halifax offices," *Playback* (28 August 2015), http://playbackonline.ca/2015/08/28/ps-atlantic-sim-digital-close-nova-scotia-offices/.
4. Chris Campbell, "The bright film industry future that was," *The Coast* (10 Sept 2015), http://www.thecoast.ca/halifax/the-bright-film-industry-future-that-was/Content?oid=4919728.
5. Campbell.
6. To compensate for the loss of location services previously offered by Film and Creative Industries Nova Scotia, in late August, the Atlantic Council of the Director's Guild of Canada launched a promotional web site "offering location services to Producers and Filmmakers." Reported in Cummins. Quotation from the Guild's web site, Film Nova Scotia: http://filmnovascotia.ca/contact/. On the closing of the office, see Brett Ruskin, "Film and Creative Industries Nova Scotia 'essentially closed for business,'" *CBC News, Nova Scotia*. (17 April 2015), http://www.cbc.ca/news/canada/nova-scotia/film-and-creative-industries-nova-scotia-essentially-closed-for-business-1.3037059.
7. While "incentive" has positive and "subsidy" negative connotations in public discourse, the programmes that are intended to stimulate growth in film industries are usually both.
8. Of course, cost is not the only factor. As previously discussed, the presence of infrastructure and skilled workers work alongside cost to incentivize a location. This more nuanced understanding of service production has largely debunked the idea that competition between locations is always a "race to the bottom." Susan Christopherson and Jennifer Clark, for example, argue that the policies that incentivize locations are broader than just film policies. They argue, for

example, that the "long-term investment" of Canada's health care system could be considered an incentive to film industries since it provides favourable conditions that contribute to the retention of skilled film workers. Susan Christopherson and Jennifer Clark, *Remaking Regional Economies: Power, Labor, and firm strategies in the knowledge economy*, (London: Routledge, 2009), 99.

9. For a comparative overview, see PwC's "The Big Table: Film and video incentives in Canada 2015," http://www.pwc.com/ca/en/industries/entertainment-media/publications/film-video-tax-incentives-canada.html.
10. Analyst John Lester identifies the Canadian Film or Video Production Services Tax credit as "support[ing] the cultural objective of increasing the production of Canadian-content film and videos." "Tax Credits for Foreign Location Shooting of Films: No Net Benefit for Canada," *Canadian Public Policy* 39, no. 3 (Sept 2013), 452. It is ironic that other programmes do not mention culture since, as Christopherson and Clark point out, incentives used to subsidize production have been rationalized under the "cultural exception" clause of international trade law, "that allows governments to provide subsidies to encourage the production of media products that sustain cultural identity," 94.
11. Amanda Coles, "Unintended consequences: examining the impact of tax credit programmes on work in the Canadian independent film and television production sector," *Cultural Trends* 19.1-2 (Mar-June 2010), 112.
12. "Policy instrument" is a term used in Coles, 109.
13. Lester, 460.
14. See Lester, who cites multiple examples of Canadian studies. See also Michael Geist, "Race to the Bottom: Why Government Tax Credits For Film and TV Production Don't Pay," 20 April 2015, http://www.michaelgeist.ca/2015/04/race-to-the-bottom-why-government-tax-credits-for-film-and-tv-production-dont-pay/.
15. For background on Saskatchewan's cancellation of its Film Employment Tax Credit see, for example, Marsha Lederman, "Producers abandoning Saskatchewan as tax credit ends," *The Globe and Mail* (27 June 2012), http://www.theglobeandmail.com/arts/film/producers-abandoning-saskatchewan-as-tax-credit-ends/article4374797/.
16. Under the NS FTC, eligible projects that filmed in Nova Scotia could receive a 50% return on wages that were paid to cast and crew members who lived in Nova Scotia. Projects that filmed in rural Nova Scotia were eligible to receive an extra 10% and projects whose parent companies filmed frequently in NS could receive an additional 5% "frequent user bonus." Nova Scotia Department of Finance Taxation and Fiscal Policy Division, *Nova Scotia Film Industry Tax Credit Guidelines* (January 2012), 4-9.
17. See Nova Scotia Business Inc., "Nova Scotia Film & Television Production Incentive Fund," http://www.novascotiabusiness.com/en/home/businesssupport/resourcesandfunding/filmapplication.aspx. Eligible projects must have a "permanent establishment" in the province and "have a Nova Scotia spend of at least $25,000." A permanent establishment is defined as having "a fixed location where the corporation conducts its business . . . determined in accordance with Regulation 400(2) of the *Income Tax Act* (Canada)." While the establishment must be fixed in NS, it "may be controlled by foreign or Canadian workers." Nova Scotia Business Inc., "Guidelines: Nova Scotia Film & Television Production Incentive Fund," (26 June 2015), 1-6.

18. "Guidelines," 1.
19. For a clear explanation of the how the NS FTC functioned as an industrial "tool," see Screen Nova Scotia's video, "What is a NS Film Tax Credit?" (20 April 2015), https://www.youtube.com/watch?v=9z6mM7z6Sv8.
20. Kimber Lubberts, "A timeline of film production in Nova Scotia," *The Coast* (16 April 2015), http://www.thecoast.ca/halifax/a-timeline-of-film-production-in-nova-scotia/Content?oid=4602256.
21. Toby Miller's *Global Hollywood* is now 14 years old, so no longer is the term or the period that it refers to is "new." Toby Miller, Nitin Govil, John McMurria, and Richard Maxwell, *Global Hollywood* (Berkeley: U of California Press, 2002).
22. Peter Morris, "Canadian Comment: Declarations of Independence," *The North American Review* 257.1 (Spring 1972), 3.
23. Morris, 4.
24. Morris, 3.
25. Morris, 4.
26. Morris, 4.
27. Lynda Jessup, Erin Morton, and Kirsty Robertson make this observation in taking up historian Ian McKay's provocation about whether Canadian history should be considered a category, "disciplinary project," or whether Canada should be considered "more or less just a 'vacant lot'. . . [like] everywhere on the planet," in their introduction to *Negotiations in a Vacant Lot: Studying the Visual Arts in Canada* (Montreal & Kingston: McGill-Queen's University Press, 2015), 3. Original citation, Ian Mckay, "The Liberal Order Framework: A Prospectus for a Reconnaissance of Canadian History," *Canadian Historical Review* 81.4 (2000), 617-18.
28. Sandra Gathercole, "The Best Film Policy This Country Never Had," *Cinema Canada* (June 1978): 28-31.
29. Gathercole, 31.
30. Gathercole, 31.
31. The Canadian Press, "Stephen McNeil says province can't write a 'blank cheque' for film and TV industry," *CBC News* (12 April 2015), http://www.cbc.ca/news/canada/nova-scotia/stephen-mcneil-says-province-can-t-write-a-blank-cheque-for-film-and-tv-industry-1.3029728.
32. Ibid.
33. Zoë Druick, "Continuity and Change in the Discourse of Canada's Cultural Industries," in Ira Wagman and Peter Urquhart, eds. *Cultural Industries: Making Sense of Canadian Media in a Digital Age* (Toronto: Lorimer, 2012), 131-146.
34. Druick, 142.
35. Druick, 142.
36. Druick. 142-43.
37. Druick, 143.
38. Michael Lake, "Quiet on the Set," *The Coast* 23.46 (20 April 2016): 8-9.
39. Lake, 8.
40. Lake, 8.
41. Lake, 8.

42. Lake, 8. This information conflicts with the logic of NS government's announcement of 17 June 2016 that they would be adding an additional $1.5 million to the fund for 2016-17 to "meet demand" for the programme, which, according to the same announcement, had only approved $4.9 in "funding commitments" across 17 projects. NS News Release, "Film Budget Increased in 2016-17 to Meet Demand" (17 June 2016), http://novascotia.ca/news/release/?id=20160617001.
43. Lake 8.
44. The Facebook group, Save the Saskatchewan Film Employment Tax Credit has been an active supporter of the NS protests. Active since March 2012, the group's page has become an inadvertent, informal collection of discourse about cuts to place-based, employment tax credits for film industries.
45. Another case study to watch is the British film industry, which, if "Brexit" comes to pass, now that the referendum has been held, will no longer be eligible for incentives under the EU's media programme. See Shane Barnes, "Brexit Likely to Cause Chaos for British Film Industry," *Flavorwire* (24 June 2016), http://flavorwire.com/581900/brexit-likely-to-cause-chaos-for-british-film-industry.
46. Gathercole, 31.
47. Druick, 142.
48. See Ships Start Here campaign web site, http://shipsstarthere.ca/.
49. Tom McSorley, "The Cinema of Atlantic Canada," Canadian Film Institute, (Fall 2006), http://www.cfi-icf.ca/archive/atlantic.html. For a historical account of the development of art cinema and film cooperatives in Atlantic Canada, see chapters 1 and 2 in Darrell Varga, *Shooting From the East: Filmmaking on the Canadian Atlantic* (Montreal & Kingston: McGill-Queen's University Press, 2015).