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Canadian television broadcasters and national audiovisual production: the attitude of the private sector

Michel Saint-Laurent
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Introduction

This article examines the financial contribution of private television companies to the development and production of authentic Canadian programmes. Until the beginning of the 1980s, all Canadian television stations were under an obligation to produce as well as broadcast the great majority of their programming. This constituted a distinctive feature of Canadian broadcasting when compared to what had always been the case in the United States, not to mention a fundamental aspect of Canadian broadcasting policy since 1958. (It is important to note, however, that for the past several years private US television stations have been obliged to use independent producers so as to conform to FCC (Federal Communities Commission) directives aimed at blocking the total monopoly over programme production and sales by large networks). Needless to say, this approach gave rise to heated, and at times acrimonious, debates between supporters of state intervention fostering national unity and the expression of Canadian culture by way of an indigenous audiovisual sector and advocates of *laissez-faire* economic policies. Thus from 1952 until 1961, the structure of Canadian television was composed of an English-language and French-language public service. In 1961, taking inspiration from Great Britain, the state licenced private stations, obligating them to respect the same regulations governing the public service. Beginning in 1968, distribution of television signals by cable underwent considerable growth, eventually becoming an important component of the Canadian broadcasting system. Finally, in 1982, the first pay television services appeared, to be followed six years later by several speciality channels (see Appendix 1).

The first section of this article will review the major legislative and regulatory stages of Canadian television, stages which testify to the government's firm desire to canadianize the television industry, explain the partial lack of success (close to seventy per cent of English-language air time is given over to American programmes), and, above all, allow for a better understanding of the strategic change in this regard which occurred in the early 1980s.

The second section will analyse the reaction of Canadian broadcasters to this strategic change. It is important to note that at the beginning of the 1980s, the Canadian government modified its main rule of financing for television production: from that point on, private television companies were obliged not only to contract out a portion of their programme production to independent production companies, but also to participate in the financing of this production.

It is precisely the financial participation of these broadcasters that this article will examine. As such, it will depict the main aspects of this new form of financing. Throughout, it will take into account the fact that the Canadian television industry, particularly in recent years, has been beset by structural (small market size and the proximity of the powerful American audiovisual industry) and conjunctural (the recent arrival of new speciality services and a drop in advertising revenues) difficulties which have at times weakened its economic performance.

Act was inscribed in this project: for the government, it was less a matter of innovating than a recall of the political foundations of the Canadian broadcasting system.

In adopting the 1968 Broadcasting Act, Parliament intended to reaffirm its major objectives in the area of radio and television broadcasting while adding important nuances. These can be summarized as follows: the system must be 'single'; it must be '*effectively*' owned and controlled by Canadians' so as to 'safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada'. It was to provide a general and varied programming which offered a 'reasonable, balanced opportunity for the expression of differing views on matters of public concern'. The programming of each broadcaster was to be of 'high standard' and must '[use] predominantly Canadian creative and other resources'.

1. Emphasis added.

The 1991 Broadcasting Act

For the Liberal government, in power since 1968, the early 1980s was a time of disillusion and of taking stock. The disillusion derived from the fact that its cultural and communications policies, while vigorously promoted, had only enjoyed a relative success. While its policies had at least attained Canadian ownership of the major broadcasting media (radio, television and cable), they had quite clearly failed in other areas: these media, now in Canadian hands, broadcast a large proportion of foreign, essentially American, products. Three factors can explain this failure:

- a real absence of political will in securing the interest of the private sector;
- this absence of political will manifested itself in the less than vigorous application of Canadian content norms by the CRTC;
- the resistance of the private sector, English-language for the most part, which preferred low-cost American productions.

In short, in the early 1980s the review of the situation was disappointing: it became necessary to create a Canadian audiovisual industry. But the Canadian state, caught up in a severe economic crisis, no longer had the means to realize its policies and, fortunately in its view, the failure of the 1980 Quebec independence referendum, had forever, it hoped, removed the threat of Quebec nationalism. As such, a new strategy slowly articulated itself, which would be maintained and at times amplified by the Conservative government (1984-1993): the disassociation of the state from the audiovisual sector to the benefit of the private sector or, in other words, a de-politicization of this sector to foster a greater commercialization. Among other things, the 1991 Broadcasting Act confirmed this objective.

This version of the Broadcasting Act adopted in 1991, while not questioning prior legislative gains concerning Canadian ownership and the primacy of Canadian content, nevertheless contains important modifications. For the first time, the government explicitly recognized that the Canadian broadcasting system is composed of three elements: public, private and community. Moreover, the distinct character of French-language television was underlined: 'English and French language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements'. Lastly, and not without interest for the present analysis, great care was taken to indicate that the programming should 'include a significant contribution from the Canadian independent production sector'.

The regulatory agency

At the same time as it adopted its 1958 Broadcasting Act, Parliament created the Bureau of Broadcast Governors (BBG). This agency was given a mandate to oversee the operation and the development of the Canadian broadcasting system while simultaneously regulating the public service and the private radio and television

industries. While the increase of Canadian content was not the Bureau's only objective, its first measures, as well as those which were to follow, were aimed at establishing programming norms. To cite but one example, the BBG, following a process much too complex to describe here², sought to impose a general norm: 55 per cent of programming was to be Canadian in terms of its character and tenor. But, given the avalanche of protests by private broadcasters, the Bureau found itself obliged to adopt a series of modifications that would diminish the reach of this norm.

In 1968, the Canadian Radio and Television Commission (CRTC) — the mandate of which remained unchanged except for the 1976 addition of the telecommunications sector, that is, the regulation and management of the national broadcasting system now included the public service (radio and television) and private radio, television, cable, telephone and satellite broadcasting industries — took over from the BBG, without, however, faring any better than its predecessor. While it succeeded in imposing a general norm of sixty per cent of Canadian content for the public and private sectors as a whole — the rule is, however, fifty per cent during prime time (18:00 to 24:00) for private broadcasters — the CRTC remains an object of passive resistance by private television broadcasters.

Radio and television broadcasters

Composed primarily of owners of private radio and television networks, this group has always been opposed to any form of government intervention in the domain of radio and television broadcasting, and it has never appreciated the various regulatory efforts, particularly with regard to Canadian content. Partisans of a *laissez-faire* philosophy, the owners have always preferred to rely on market forces. For this reason they never cease to advocate values such as the freedom of choice of citizens and the diversity of sources of programming, thereby occluding the low-cost acquisition of largely American programmes. They favour the pursuit of maximum profits and regulations which allow offering viewers what 'they' want. In brief, they will never accept the idea of becoming 'the defenders of the national conscience,' except, obviously, when the CRTC adopts measures and norms that coincide with their own interests.

As for television broadcasters, seduced by the American audiovisual model separating the diverse functions of the production process, they have never entirely accepted the triple responsibility incumbent upon them by law and by regulation: to become producers (invest financially in the creation of Canadian programmes), programmers (conceive a programming fare that allow considerable place for Canadian productions), broadcasters (develop an infrastructure and the technical means to provide high-quality signals to local and regional audiences). For them, culture (a political project) and economics (the obligation to maximize projects) must never be confused.

Thus, since the creation of the CRTC, the private sector³, largely English-language, though its francophone counterpart has not always been beyond criticism in this regard, has never ceased to express many reservations about Canadian content. On the one hand, private broadcasters have employed various means to get around the major obligation imposed upon them by law: minimal investments in the production of Canadian programmes; permanent contestation of CRTC regulations; programming strategies — especially during prime time — which minimally respect the letter and the spirit of Canadian content norms. On the other hand, the CRTC could not remain indifferent to these tactics: it constantly revised its quantitative norms concerning Canadian content; it also issued serious warnings to the private sector and established precise production conditions for licence holders. It must be admitted that these measures did result in a certain level of production of Canadian programmes. The CRTC has perhaps countered its own initiatives by its at times sympathetic, some would say realistic, attitude vis-à-vis the private sector's economic arguments. Others would argue

2. On this subject, see Saint-Laurent, 1986.

3. Note that the public sector, essentially CBC/SRC, has adequately fulfilled its mandate over the years, not without its share of failures which have always been rapidly denounced.

that the regulatory agency has simply been lax in not disciplining broadcasters resistant to policies aimed at canadianizing the airwaves.

In 1979, the CRTC could only note the failure of its policy regarding the canadianization of the airwaves and the preponderant influence of American programmes. This recognition, it needs to be said, is paradoxical in light of the CRTC's simultaneous condemnation of the public and private sectors. In this connection, let us recall, by means of an excerpt from the CRTC decision cited at the beginning of this article, the somewhat surprising assertion 'the relative inability of the public and private elements of the system to produce sufficient distinctive Canadian programming...'

This paradox is not without interest since it contains a euphemism ('the relative inability'), if not an omission: the real causes of the failure. The CRTC's inability to constrain or at least convince private broadcasters to assume fully their responsibilities as well as the latter's reluctance significantly contributed to weakening a distinctive characteristic of Canadian broadcasting vis-à-vis the American system: the producer-programmer-broadcaster. This characteristic, for most of the public sector, did not disappear but was significantly diminished.

This acknowledgement of failure was laden with consequences. To begin with, it led to the CRTC's new strategy: in attempting to occlude its own weaknesses, or to limit their impact, and in not insisting on the private sector's willful inertia, it shifted the blame onto the shoulders of the system as a whole. Because the system failed, there was a need for a global solution: whence the idea of resorting to the independent Canadian audiovisual production sector for certain types of programmes.

The 1980s

The federal government, Liberal until 1984, then assumed by the Conservatives, seized upon the CRTC's severe criticism of the system as an occasion for profoundly rethinking the broadcasting strategy elaborated at the beginning of the 1960s. It needs to be mentioned that, at the time, a neo-liberal ideology infused the national political sphere, and the state — faced with a severe recession — was in serious financial trouble. These two factors influenced the decision to re-examine the state's intervention in the televisual sector. Little by little, by means of policy statements, based on the CRTC's assessment and the recommendations contained in the *Report of the Federal Cultural Policy Review Committee* (1982), a new strategy was developed, one which can be summarized in four main points.

4. See *Report of the Federal Cultural Policy Review Committee*, 1982. Among Communication Canada documents, the reader might consult: *Towards a New National Broadcasting Policy* (1983); *Building for the Future: Towards a Distinctive CBC* (1983); *Culture and Communications; Key Elements of Canada's Economic Future* (1983).

1. Conceiving new objectives

Through a series of policy statements⁴, the following objectives are articulated:

- There is an attempt to specialize the activities of public corporations such as the CBC and the National Film Board (NFB). The CBC is invited to play a role complementing that of the private sector while contributing to the development of the private television production industry by a more frequent recourse to independent producers. And, the NFB is pressed to de-emphasize its production activities in favour of slowly becoming a specialized centre for training and research in the art and technique of film and video.
- Secondly, there is a fostering of the consolidation of the independent production sector into television and cinematographic domains. The private Canadian film and video industry is viewed as the key to growth within the perspective of an economic-technological turn.

The 1984 election of a Conservative government only served to reinforce the trend of directly supporting the private audiovisual production sector.

2. Transformation of the public production sector

For reasons of coherence, this new orientation entailed a progressive disengagement from the production sector. As such, the State substantially reduced its financial support of public undertakings such as the CBC and the NFB, while obliging them to contribute significantly to stimulating and fostering the development of independent production companies. In fact, the State's intervention has increasingly tended to concentrate on the consolidation of the various components of the independent film and video industry. As we shall see below, the 1983 transformation of the Canadian Film Development Corporation (CFDC) into Telefilm Canada, the creation, in 1983, of a Canadian Broadcast Programme Development Fund and the 1986 creation of a Feature Film Fund bear witness of the transformation of the State's role into that of financial backer of independent production.

3. Regulatory constraints

As mentioned above, in 1979, the CRTC drew a sombre portrait of the results obtained by the policy of canadianizing the airwaves which had been in place for several years. Also, when the Canadian government took to the idea of developing an independent audiovisual production sector, adopted an attendant policy, and established financial mechanisms to support its new activities, the CRTC, once again for reasons of coherence, could only support this initiative. Since then, the CRTC's strategy has reposed on two major elements: licence conditions and the granting of new licences. With respect to the former, television broadcasters, whose new role is to invest in independent audiovisual production, are now given investment conditions by the CRTC. This type of constraint has two aspects: for private broadcasters, the CRTC can either determine the global amount they must allocate to independent production during the period of their licence or specify annual spending as well as the categories of programme to be targeted⁵. For the public sector, that is, CBC/SRC, rather than fixing a global sum for the licence period, the CRTC has established a quantitative norm for programme purchases. As for the according of new licences, the CRTC's objective is quite clear: by means of the multiplication of programming niches, particularly the creation of specialized or thematic networks, it attempts to increase as much as possible the supply of Canadian programmes and thus set in motion a momentum favourable to independent production⁶.

Broadcasters were now investors and partners in a government initiative. Their role of broadcasters evolved and was submitted to new rules of the game: it was the State, through the CRTC, which now sanctioned the amount television broadcasters would devote to independent audiovisual production.

4. Establishment of a financial instrument

The federal government's strategy is quite simple: it chose a single agency — Telefilm Canada — to manage the funds earmarked for the development of audiovisual production. In the tradition of Canadian politics, Communications Canada⁷ designated the agency's major objectives in order to control its activities at a distance.

As such, since 1 July, 1983, following an agreement between Communications Canada and CFDC, the latter has overseen a fund — the lion's share of which comprises the Canadian Broadcast Programme Development Fund and the Feature Film Fund — intended to support the growth of a privately owned Canadian independent production industry.

Notwithstanding the fact that CFDC's (since known as Telefilm Canada) mandate has been modified and clarified over the years, it has always pursued, with respect to television, two major objectives. The first⁸ aims at increasing the number of high-quality Canadian programmes with a view to attracting a Canadian audience during prime time

5. In this regard, see CRTC, Decision 87-200.

6. As examples, let us cite CRTC, Decision 87-895; CRTC Decision 87-896; CRTC, Decision 87-898; CRTC, Decision 87-903; CRTC, Decision 87-904.

7. The Federal Department of Communications, known since June 1993 as the Department of Heritage.

8. Telefilm Canada. *Action Plan for the Administration of Telefilm Canada's Funds 1991-92*: 6

9. Telefilm Canada. *Canadian Broadcast Programme Development Fund. Policies 1990-91*: 2.

10. See Dorland, Saint-Laurent, and Tremblay, 1992.

viewing hours — particularly the anglophone audience attracted by American programmes. The second⁹ seeks, by a massive injection of money, to develop a television production industry in the Canadian private sector and to redress the structural problems this sector has always had¹⁰. To this end, Telefilm Canada has always invested money in three major categories of television programming: drama, variety, and children's programming, to which documentaries were added in 1985.

Called upon to play a major role as an investor in and a broadcaster of mainly Canadian programming, have television broadcasters subscribed to this new orientation enshrined in the national broadcasting policy? Have they come up with significant amounts of money in order to support the emergence and maintenance of an independent television industry?

In attempting to answer these questions, we have divided the next section into two parts: in the first, we describe, with the help of statistical data, the behaviour of television broadcasters with regard to the financing of independent television production. In the second part, we attempt to isolate certain factors which explain this behaviour.

Major financing trends

Overview

According to our calculations, based on Telefilm's 1985 to 1991 annual reports¹¹, \$1.5 billion was officially spent for the production of independent Canadian programmes. While Telefilm Canada invested \$472.2 million, television broadcasters collectively came up with \$212.2 million. The balance came from various sources: the NFB, provincial funding agencies (SOGIC, SDICO, B.C. Film Fund, etc), and private investors.

Public sector

The public sector's (francophone as much as anglophone) financial input is far from negligible: more than \$127 million or roughly sixty per cent of television broadcasters' investments. Investments by francophone public broadcasters amounted to \$42.8 million out of more than \$127 million (thirty four per cent), and were made in two phases: a reduction followed by an increase. During the first phase, 1985 – 1990, there was a considerable drop: funds earmarked for independent production went from \$7.5 million to \$2.9 million. In the second phase, 1991 and 1992, the increase was spectacular: respectively \$7.1 million and \$12.3 million in investments.

For anglophone broadcasters, the inverse was the case: sustained growth from 1985 to 1990 (\$10.6 million to \$17.7 million, for a growth rate of sixty seven per cent), followed by successive reductions in 1991 and 1992, which established the budget for independent productions at \$12.9 million.

Private sector

This sector, the francophone component of which accounted for thirty two per cent or \$26.9 million, did not follow the same trends as its public counterpart. From 1985 to 1990, investment is uneven, often increasing, while at times dropping, but displaying an interesting feature: the significant participation by private francophone investors more often than not attenuated reductions by private anglophone investors. Despite this, however, the gap, in 1990, was considerable: anglophone investment (\$13.5 million) is almost six times greater than francophone investment (\$2.3 million). Afterwards, however, a new trend develops: francophone private investors financed so much independent production that, in 1992, in contrast to their \$7.1 million invested, anglophone investments dropped to \$5.6 million. It is worth noting here that Quebec's

11. Exceptionally, data for 1988-89 cannot be included given important modifications to Telefilm Canada's annual report.

population, 80% of which is francophone, accounts for 25.3% of Canada's total population¹².

This overview of public and private investment activity provides an interesting observation — though it is too soon to know whether it represents a new, and perhaps persistent, trend or a purely conjunctural phenomenon: despite its difficult beginnings, investment by francophone television broadcasters seems to be increasing; between 1985 and 1992, there was a considerable increase in sums invested by public broadcasters (a gain of \$4.9 million or sixty five per cent) and a more than sharp increase in private broadcasters' investments (an increase of nearly \$6.3 million or more than 700 per cent). With respect to the latter group, it must be pointed out that their investments at the beginning were practically non-existent. As for anglophone investors, after a promising start, there was a serious slow-down: between 1985 and 1992, public sector investment was reduced by 22 per cent (a loss of nearly \$2.3 million), and cuts in private sector investment were considerable: \$7.9 million or 58 per cent. In sum, despite considerable population differences, francophone broadcasters are now investing more than anglophone broadcasters in independent audiovisual production (\$19.4 million versus \$18.6 million).

12. Source: Statistics Canada, catalogue 91-210.

Causes of the observed trends

While it is true that both public and private investment allowed for an increase in the number of Canadian programmes broadcast on television, this increase did not stem the flow of American products and the attraction they had for English and, at times, French viewers in Canada. However, it is impossible to quantify the cost of purchases of American films, tele-series, variety programmes and video-clips by Canadian broadcasters. Given intense competition and programme strategies, these data are highly confidential. Nevertheless, two serious indices allow for the measuring of the influence of American products on Canadian broadcasting. The first concerns English-language viewers: over the past several years, surveys conducted by Nielsen and the Bureau of Broadcast Measurement (BBM) — two companies specializing in radio and television audience analysis — regularly show that in English Canada, on a weekly basis for the fall and winter seasons, nine out of the ten most popular programmes are produced in the United States. The inverse is true for French Canada, principally Quebec: nine out of the ten most popular programmes are produced locally. From time to time a very successful American programme (e.g. *Dallas*) will find itself in the top ten. Another index, this time economic: CTV, Canada's major private network, has for years respected only the letter of the law requiring fifty per cent Canadian content during prime time viewing hours (18:00 to 23:00). Despite criticisms, CTV insists on showing the better part of its American programming between 20:00 and 22:00. The reasons? Large audiences generate significant advertising revenues.

This being said, several factors can account for the various investment trends that we have analyzed. But the purpose of the present article is not to give an exhaustive account. Rather, it is to give a succinct account of the main causes of these fluctuations.

French-language public sector

This sector consists essentially of the French-language division of the CBC (Société Radio-Canada (SRC)) and Radio-Québec, an educational broadcaster. In 1987, these two organizations proposed important measures intended to foster the development of independent production. The first involved an ambitious project to 'canadianize' television programming in which at least forty per cent of certain programme categories would be filled with purchases of independent Canadian productions¹³. The second proposed that at least twenty per cent of production be given over to independent production companies¹⁴. Despite serious financial efforts to attain these objectives, for a time both projects were cutback. Severe budget cuts imposed by the federal and

13. CRTC, 1987:103.

14. Department of Communications (Québec) 1987:23.

15. Bernatchez, 1989:A-12; Roberge, 1988 : A-11.

16. This at least is the hypothesis advanced by David Ellis, who argues that the CBC has, among other things, distributed the start-up costs of programmes over the series length, or, again, only registered the cost of a series at the moment of its broadcast. See Ellis, 1998:156.

17. Ellis, 1991:160.

18. These data are analysed by Girard-Peters, *The Economic Studies of Canadian Television*, 1991. Note also that the 1991 interdiction in Québec of publicity directed towards children resulted in a loss of interest in children's programming by private broadcasters.

19. Girard-Peters, 1991:41.

provincial governments on their respective broadcasting services, as well as a drop in advertising revenues (a drop which rendered SRC vulnerable because of its increasing reliance on the small French-language advertising market¹⁵), slowed the initial rate of investment.

English-language public sector

The CBC is practically the only agency to invest important sums in Telefilm Canada's programme. The amount invested by educational broadcasters is almost insignificant. Despite the budget cuts mentioned above, CBC managed to see its way clear. With higher advertising revenues than its French-language counterpart and by a series of administrative moves¹⁶, not only did it realize its 'canadianization' objectives and substantially increase its independent production budget, but it now purchases fifty per cent¹⁷ of its programming from independent producers.

French-language private sector

Initially, Télé-Métropole, the major private French-language broadcaster, was reluctant to invest in a development fund, the main objective of which was to aid English-language production, and half of which was reserved for the public broadcaster. Nevertheless, the obtention of a broadcasting licence in 1985 by CFCF — a Montreal corporation which already held a licence for Québec's only English-language television station (affiliated with CTV) — to operate a second French-language network in Montreal, as well as the January 1987 acquisition of Télé-Métropole by the Groupe Vidéotron (also known for its activities in cable and in telephony in the London region) should have resulted in a massive injection of money into independent production. In effect, the promises made by these two organizations to the CRTC amounted to almost \$25 million. And, indeed, for a brief period CFCF and Vidéotron did increase their investments in Telefilm Canada's programme. Afterwards, however, the situation changed. Citing difficult economic times, an important drop in advertising revenues, intense competition among French-language broadcasters — including educational television and specialty services — for advertising dollars¹⁸, not to mention unfair competitive practices by SRC with regard to programming (i.e. an at times similar programming schedule which resulted in a drop in viewers), these two corporations reduced their investments in independent production. However, in 1991, they began anew to invest heavily in independent production, having undoubtedly understood that the Telefilm Canada fund could, from time to time, serve as a financial lever for the production of programmes the costs of which are constantly rising.

English-language private sector

The CTV network, leader of the English-language private sector, has always been very reticent with respect to the production of Canadian programming. In its view, it stands to lose millions of dollars by broadcasting Canadian programmes instead of American productions¹⁹. In spite of this stance, at its March 1987 licence renewal, the CRTC imposed precise conditions regarding investment in Canadian production. The network was obliged to broadcast, in 1991-92, a weekly minimum of 4.5 hours of dramatic programming during prime time viewing hours. However, the network did not comply with this minimum, invoking the reasons given above. Once again, in 1993, in studying CTV's five-year licence renewal application, the CRTC discovered (sic!) CTV's non-compliance of its earlier directives. This time, the CRTC 'demanded' that CTV broadcast, on an annual basis, forty eight hours of dramatic programming, mini-series and series, as well as invest, during 1994-95, \$18 million for Canadian variety programming.

Though not necessarily representative of all English-language broadcasters, CTV's attitude is indicative of a malaise. When it is noted that over a period of six years English-language viewership of programming financed by Telefilm Canada went from

four per cent to twelve per cent (a slight increase of eight per cent²⁰), it is not difficult to understand the reticence of many broadcasters.

Certain factors of varying degrees of importance can explain the behaviour of these broadcasters: the sharp increase, in the English-language sector, of the hourly cost of programmes, which went from \$499 thousand in 1987 to \$711 thousand in 1990²¹; the fact that the GLOBAL network — now owned by Canwest (Winnipeg) — reluctant to pay broadcast rights of 30 per cent in order to gain access to Telefilm Canada funding, opted to negotiate directly with independent producers²²; and, finally, Telefilm Canada's stated objective of backing programmes with wide-audience appeal went against the interest of independent television stations and English-language educational broadcasters with small markets and narrow mandates²³.

Summary

In light of the above, can it be maintained that the CFDC's (Telefilm Canada) objective of involving television broadcasters in the financing of independent national production was successfully achieved?

It cannot be denied that, if only quantitatively, investment in the production of Canadian programmes, public and private, francophone and anglophone, resulted in the growth of the national repertoire of television programmes vis-à-vis the imposing supply of American programming. This growth also resulted in the attraction of more viewers, particularly English-language ones. But this is a limited gain.

Another equally modest gain is to be found in the increased participation of francophone broadcasters in audiovisual production. In 1985-86, the total francophone production budget was close to \$65.5 million. Telefilm Canada contributed \$23.7 million (36.2 per cent), while \$8.3 million (12.7 per cent) came from television broadcasters. Today, the same budget has grown to \$112.4 million, Telefilm Canada's subventions having increased by \$4.3 million — proportionately speaking, however, this sum now only represents 29.7 per cent. Between 1985 and 1992, the share of television broadcasters increased by \$11.1 million, that is, from 12.7 per cent to 20.7 per cent. This increase partially fulfils Telefilm Canada's objective of replacing, while keeping economic realities in mind, State support by a more active participation of the television milieu.

We speak here of a modest gain or a partial success because in the more important anglophone market, this objective has not at all been attained. Between 1985 and 1992, Telefilm Canada reduced its participation from 37.7 per cent to 30.9 per cent, though its aid in absolute terms went from \$42.4 million to \$45.8 million. However, private broadcasters did not support the State's disengagement²⁴: out of a total budget of \$147.9 million, for 1991-92, they only accounted for \$18.6 million or 12.5 per cent. But, in 1985, they contributed \$24.2 million or 21.5 per cent of the total budget for independent production.

To be sure, it is undeniable that the nature of their market influences the behaviour of television broadcasters. Despite a difficult economic situation — drastic budget reductions in the public sector, heightened competition with the arrival of new channels, drops in advertising revenues, etc., francophone broadcasters have little choice²⁵; given that the market has been shaped by local products, if only because of linguistic factors, they are obliged to invest in these types of projects to satisfy the tastes of their audiences. As for anglophone broadcasters, the situation is different: not having experienced a real economic crisis, television broadcasters seem to have lost interest in independent production. Two questions arise: Is the CBC's ambitious project of giving half of its production over to the private audiovisual sector running out of steam? Does the private sector view its investment as unprofitable because of the slow growth of viewers for Canadian English-language programmes and the always preponderant attraction of American programming?²⁶

20. NGL Consultants, 1991:56.

21. Girard-Peters, 1991:123.

22. Ellis, 1991:188.

23. NGL Consultants, 1991:VIII-IX.

24. In speaking of the state's 'disengagement', we are obviously speaking of direct support. 'Indirect' or complementary support, be it federal (CBC/SRC, NFB) or provincial (Société générale des industries culturelles, Radio-Québec, Ontario Film Development Corporation, TV Ontario, British Columbia Film, etc.) remains crucial to national audiovisual production.

25. Note that between 1987 and 1992 Telefilm Canada invested in 1,657.62 hours of original francophone production versus 1,121.41 hours of original English production. Consequently, out of a total of 2,779.03 hours, francophone production accounts for 59.6 per cent. Source: Telefilm Canada annual reports.

26. In this connection see NGL Consultants Ltd., 1991.

Nevertheless, one fact, not the least, is clear: the weak participation of private broadcasters in the financing of programmes produced by independent production firms. We understand that a funding policy and programme aiming at the development of a private Canadian television production industry entails a long and complex process. But after nine years of existence, for six of which we have relatively complete data, Telefilm Canada has hardly generated enthusiasm among private broadcasters, who, it must be admitted, have had to face various problems. These latter have accounted for only six per cent of the total budget for independent production. If we add together State funding, that is, Telefilm Canada's thirty two per cent and the nearly nine per cent furnished by public television, we come up with forty one per cent. And this percentage does not include past and present government largesses in the form of tax shelters and tax credits. While the economic impact of these measures is difficult to measure, according to well-informed sources in the audiovisual milieu it has nevertheless been significant.

All of this indicates just how wide the gap is between State support and investment by private television broadcasters. In other words, the State — primarily the federal government — remains the major player in its own policy. Let us reformulate the CRTC's recognition of the state of affairs in its 1992 version: '...the real ineptitude of the private sector to invest sufficiently in the production of a Canadian programming of excellence and wide appeal'.

Note: English language translation by Richard Ashley.

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Appendix 1

The Canadian Broadcasting System

Public Sector

Public Broadcasters

- CBC (National English-Language Service)
- Société Radio-Canada (National French-Language Service)

Educational Broadcasters

- Radio-Québec (French, mostly in Québec)
- TVOntario/La Chaîne française (French and English, mostly in Ontario)
- Access (English, mostly in Alberta)
- Knowledge (English, mostly in British Columbia)
- Scn (English, mostly in Saskatchewan)

Private Sector

Conventional Broadcasters

- CTV (English, national private network)
- CTV – Affiliates (English)
- Canwest Global (English, mostly in Ontario and Western Canada)
- CBC – Affiliates (French and English)
- Independent Stations (English)
- Télé-Métropole (French, mostly in Québec)
- Télévision Quatre-Saisons (French, mostly in Québec)

Pay Television

- First Choice (English, movies)
- Super Channel (English, movies)
- Super Écran (French, movies)
- Family Channel (English, children and family-oriented programming)

Specialty Services

- Canal Famille (French, children and family-oriented programming)
- TV5 (French, programmes from France, Belgium, etc.)
- Vision TV (English)
- YTV (English, children and family-oriented programming)
- Much Music (English, video clips)
- Musique plus (French, video clips)
- The Sports Network (English, sports)
- Le Réseau des Sports (French, sports)
- Météomédia/Weather Now (French and English, continuous weather reports)
- Newsworld (CBC, national English-language news and information service, 24 hours a day)

Legislative Measures

The 1958 Broadcasting Act

At the close of the 1950s, the Canadian government found itself confronted with a major problem: the 1936 Broadcasting Act, adopted when only radio existed, was outdated. A new and clearly lucrative technology had begun to attract the interest of Canadian business people. Television was assuming an increasingly greater place in the home and was more or less rendering the old Act outmoded. Also, in the strategic spirit summarily described above, the government attempted to respond to an immediate exigency: the recognition of private television while attempting to define its role and, above all, to circumscribe the interest in purchasing American programmes and films — already abundant and inexpensive — by the largely English-language television sector devoted to making profits rather than to the development of Canadian culture. Its plan for a new Canadian broadcasting system, incorporating the private television sector, was articulated around three major themes: the creation of a national public service in both English and French, which was to contribute to the development of Canadian culture and serve as a model for the private sector; the establishment of common obligations in the area of television production for the public service and the private sector; and, lastly, the modification of the Canadian Broadcasting Corporation's (CBC) role with a view to responding to wishes and criticisms formulated by the private sector. It should be noted that, from 1933 to 1958, the CBC had administered the public radio service at the same time as it regulated the development of private radio companies. These latter, as well as later advocates of the private television sector, considered the CBC's role in reconciling the often divergent public objectives and private goals as being one of conflict of interest.

Legislatively, in 1958, parliament adopted the Broadcasting Act, which contained a major change: the Canadian Broadcasting Corporation/Société Radio-Canada (CBC/SRC) no longer regulated national broadcasting, the role which had irritated the private sector. The regulation of national system was turned over to an agency independent of the CBC/SRC, the Bureau of Broadcast Governors (BBG). Nevertheless, the CBC/SRC's preponderant role in the development of Canadian television production was maintained, a role which was intended to stimulate the private sector to do likewise. Moreover, the Act expressed the principle that Canadian radio and television broadcasting constituted a 'single national system' in which private enterprise was supposed to collaborate or at least coexist with the state-run network. To the notion of a 'single national system', was associated the principle of 'balanced programming'. By this was meant a programming variety in which, during a given week, each Canadian could find something of interest. Finally, this 'single national system' was to be 'fundamentally Canadian in its content and its structure [our translation]'.

The 1968 Broadcasting Act

In Canada, the late 1960s were a time of a very active nationalism characterized by an ambitious programme of canadianization of the ownership of cultural industries, with the intention of reinforcing national unity and of employing cultural industries as a fulcrum for the country's economic development. In political terms, for the newly elected (1968) Liberal government, it was above all a means of countering Quebec nationalist demands and of imposing a Canadian presence in the cultural industries — cable and cinema, to name but two — which until then had been dominated by American ownership and products. As well, the government equipped itself with institutional tools (the creation of a Ministry of Communications, the transformation of the Bureau of Broadcast Governors into the Canadian Radio and Television Commission (CRTC), which was controlled by the Secretary of State for Culture and Communication), legislative instruments (e.g. a law pertaining to the canadianization of ownership of cable companies), and financial measures (e.g. a tax deduction for investment in Canadian film production) with a view to realizing its programme. The new Broadcasting