The struggle for Canadian content

By Tanya Ballantyne-Tree

With the Canadian Radio-television and Telecommunications Commission's (CRTC) just-released proposed criteria for recognition of Canadian television programs, a watershed year in the history of the Canadian broadcasting system. The pressing challenge of rapid technological, industrial and cultural change, sometimes referred to as the "information revolution," has prompted the Department of Communications, under the direction of its minister, Francis Fox, to proceed with what looks like a fairly complete overhaul of some of the major Canadian communications institutions. These changes--accompanied by uniformization of the Canadian content definition--are designed to control the threat to Canadian cultural sovereignty from American domination, a threat which can be fought with every advance in communications technology.

That the government's involvement in regulating the Canadian broadcasting system stems from a cultural concern has been evident in every policy paper since 1932. But today, the challenge which Fox has accepted is to see whether these cultural objectives can be reached via the private sector. Given financial backing and proper regulation, can Canadian producers create an industrial base which will create programs, make adequate profits to become self-sustaining, and still satisfy the political/cultural imperative to promote an image which reflects Canadian reality?

In current strategies, the Canadian content question is central--indeed, can be taken as the barometer of the strategies' success. As we measure the quantity and quality of the Canadian content in the programs distributed through the Canadian television system, we will see whether the recent policy initiatives finally add up to a viable "mix" for the production industry or whether the government has once again (as it did with feature film production) created an untenable and ultimately self-destructive system.

On Dec. 31, 1979, the CRTC confirmed "that existing regulations may no longer be adequate to carry out the aims of the Broadcasting Act and cope with the realities of a changed broadcasting environment. In the area of television broadcasting, there is a serious question as to whether the present quantitative approach has achieved the goals intended, both from the perspective of the broadcaster who...

Freelance filmmaker Tanya Ballantyne-Tree is studying for her Master's in educational technology at Concordia University.
continuing expression of Canadian identity.

These general aims were reiterated in the CRTC’s Special Report On Broadcasting In Canada, 1968-78:

The Canadian broadcasting system is a national cultural resource dedicated by statute for the benefit of all Canadians in all regions of Canada to safeguard their identity and unity, to enrich their cultural understanding and to strengthen the fabric of their country. The Commission considers it desirable to move towards having a single definition for Canadian content, for all federal government departments and agencies concerned, consultation with the industry and governmental agencies (is) essential to develop an effective and practical Canadian content definition... (Public Notice 1983-174).

The ultimate result of this consultation process — a new definition of a Canadian program — has been anxiously awaited by all concerned, producers and broadcasters alike.

Coming as it does on the heels of the feature film industry’s boom and bust, producers are anxious. They do not want to repeat the pattern through which, to access funds, they contorted their projects to “fit” the government’s guidelines, only to end up with a product which finds no market whatsoever. Although no one has yet analysed the role of the Certification Bureau in the overall boom and bust, the CRTC’s discussions appear to echo those which took place a decade ago and which resulted in a Canadian definition for films.

It is no accident of course, that the CRTC feels the need to toughen its definition of a Canadian program just at the time the federal government is pumping money into the production of these programs through the CFDC Broadcast Fund. The availability of funds to produce programming is now being fought out at the CRTC, and the crucial battle is the one over Canadian content, its definitions and applications.

A definition for Canadian content

But what is the nature of that elusive definition of a Canadian character? The government and CRTC reports, that identity which the Broadcasting Act has been designed to protect, promote and project?

For without question, the impact of the private sector, with its cable companies, pay-TV stations and national network, had made itself increasingly felt. Still the government, committed to its national responsibilities, continued to regulate the private sector in the hopes that its cultural aims would be met. The war to reconcile a cultural imperative with the equally imperative rules of private sector free enterprise is now being fought out at the CRTC, and the crucial battle is the one over Canadian content, its definitions and applications.

As it does on the heels of the feature film industry’s boom and bust, producers are anxious. They do not want to repeat the pattern through which, to access funds, they contorted their projects to “fit” the government’s guidelines, only to end up with a product which finds no market whatsoever. Although no one has yet analysed the role of the Certification Bureau in the overall boom and bust, the CRTC’s discussions appear to echo those which took place a decade ago and which resulted in a Canadian definition for films.

But, in a nutshell, is the conundrum.

Wanting to insure the cultural content of programs it supports, the government has embarked on an industrial strategy to achieve its ends. Hoping, once again, to reconcile the (perhaps) irreconcilable objectives of Canadian cultural policy and free-enterprise economics, the government has asked the CRTC to settle the differences through its Canadian content regulations and to provide the missing piece of the puzzle that would allow the new Broadcasting policies to fit together as a coherent whole.

The New Broadcasting Policy

With the difficulties was reflected in the publication of the government’s new Broadcasting Policy in 1983 and will be further addressed in the new Film Policy, awaited this April. It is important to recognize the scope of the changes in television and film production and distribution envisaged by the department of Communications, changes which purport to transform the conditions and criteria for Canadian production, and hopefully setting them on the right road for survival into the next century.

New technologies increase greatly the reach and number of broadcast signals which are transmitted both within Canada, and across our borders from abroad. While these innovations promise many benefits, they also hold the potential for undermining Canadian broadcasting and culture. Action must be taken now to ensure that Canadian content is maintained and strengthened in the distribution of new services. Steps must be taken now to help Canadian broadcasters become more...
competitive. With new policies for this technological environment, Canadian viewers will be able to receive greater program choice, including a steady and reliable supply of programming which reflects Canadian cultural values.

There are three fundamental goals for the new broadcasting strategy:

- To maintain the Canadian broadcasting system as an effective vehicle of social and cultural policy in light of a renewed commitment to the spirit of the broadcasting objectives set out in the 1968 Broadcasting Act.
- To make available to all Canadians a solid core of attractive Canadian programming in all program categories, through the development of strong Canadian broadcast and program production industries.
- To provide a significantly increased choice of programming of all kinds in both official languages in all parts of Canada.

As it has been expressed in the declared aims and policies of previous governments and as specified in the 1968 Broadcasting Act, the major goal of achieving a Canadian national service design to reflect our unique cultural identity has changed very little from the days of the 1929 Aird Commission that recommended creating the Canadian Broadcasting Corporation. And while managing to simultaneously protect the burgeoning private communication industries, successive governments have respected and funded the institutions created to effect this goal. Through a very thorough process of self-examination and restructuring, based on continuous assessment of the impact of current technologies on the system, successive Royal Commissions, government-appointed committees and CRTC reports have addressed the issues confronting broadcasting production and distribution over the last 60 years. The current round of investigations initiated in 1978 by the publication of the CRTC's Special Report on Broadcasting and culminating with the publication of the government's new Broadcasting Policy, the forthcoming Film Policy, the CRTC's recent new definition of a Canadian program, all fall well within a well-established tradition of government regulation of film and television in Canada.

The Canadian broadcasting dilemma

One has to admire the effort, time and money expended by these earnest seekers for an answer to the dilemma of Canadian broadcasting; to be able to compete for audiences with more expensive and better-liked American programming and still maintain, through the same system, control of the networks to the extent of ensuring a Canadian presence in programming and production.

The problem is well-summarized in the 1980 CRTC Report, Canadian Broadcasting and Telecommunications: Past Experience, Future Options: The attraction of foreign programming is highest in the entertainment category. Foreign entertainment programs attract over three times as many viewers as the audience for English-language Canadian and U.S. television stations. The attractiveness of foreign entertainment programs is not really a matter of surprise. The population of the United States is about 10 times that of Canada, and, so, presumably, the pool of talent is also 10 times as large. Canada's emergence as a qualitative competitor, and progress towards a better ratio will necessarily be slow.

Of equal or greater importance than this consideration is the economic factor: "It costs $2,000,000 a season to replace a half-hour U.S. show with a Canadian one, even if the Canadian show is a commercial success." 15

But after 50 years of government regulated broadcasting and 15 years of CRTC regulations, it is time to consider whether the Canadian broadcasting system is any closer to fulfilling the national role set for it in 1929 by the Aird Commission. Despite all the best intentions and efforts of those proponents of a Canadian media identity through regulation and tax incentives, Canadians have not lost their fascination for the cultural offerings of the United States. They have yet to vote with their television dials and endorse what is offered to them as their own.

Canadians spend more than one quarter of their leisure time watching television. Although three-quarters of this time is spent tuned to Canadian channels, less than 30% of our viewing is of Canadian programs. Pay-TV, "the last cash crop in Canadian broadcasting," according to The Globe & Mail, March 19, 1982, has experienced serious difficulties. It is questionable at this stage whether the present 50% Canadian content required as a condition of licence, can be maintained, given rising production costs and comparatively few subscriptions. Fred Klinkhammer, who took over March 1, 1984 as president of First Choice, is already on record as saying that a reduction in the Canadian content required on pay-TV is his first priority.

The pay-TV experiences only highlight; once again, the Canadian dilemma. Star Channel and C Channel are out of business, and First Choice has changed hands. All have blamed over-regulation by the CRTC as a crucial element in their difficulties, and furthermore claim that unregulated access to American programming would have bailed them out.

The problems faced by the policymakers are not radically different therefore from those of the past although the odds against success are, if anything, higher than ever. Due to advancing and ever more powerful technology, the potential for American encroachment onto our receivers and into our consciousness increases daily. American (euphemistically referred to as "foreign") programming is available and in demand and Canadians do not want to be deprived of access to it anymore than American stations and producers will abandon their Canadian market. And to compound the insult, Canadian producers themselves seek to emulate, wherever possible, successful U.S. entertainment programs by suppressing any distinctly Canadian characteristics which might detract from their appeal not only for American audiences but for Canadians as well.

In examining the elements of the new broadcasting policy in conjunction with the proposed amendments to the Canadian content regulations, one perceives the familiar theme of broadcasting as the vehicle for Canadian national identity. Faced with the conditions outlined above, Canadian media policy-makers can find no alternative means to influence producers and broadcasters to resist the lure of U.S. programming than through a combination of regulation and financial incentives. Yet these methods have not worked in the past.
there reason to believe they will do so in the future, when the threat, as acknowledged, is greater than ever?

Canadian content: A new definition

Canadian television, in effect since 1976, established the quantitative requirement that 60% of all programming broadcast on television be Canadian. Between the hours of 6 p.m. and 6 a.m., the requirement is raised to 70%. In additional to the area of programming, the definition includes a qualitative standard whereby the programs must be "primarily" Canadian. The system was introduced by the CRTC in order to provide the required amount of Canadian programming, with which to replace those hybrid creations which now qualify as Canadian TV content. The system was based on the Broadcast Standards Committee of the Broadcast Program Development Fund. Once again, with the chronic problem of under-production of Canadian programming, the government has no choice but to subsidize this type of production, hoping, as in the past, for a new renaissance or, at the very least, an end to American cultural domination.

The Canadian Broadcast Program Development Fund

The Canadian content regulations have been designed, in theory, to promote and protect the Canadian identity. This strategy was complemented and reinforced with the recent creation of a new Canadian Broadcast Program Development Fund, administered by the CRTC.

Canadian films and programs designed for television distribution may receive financing from the fund in three forms: (1) equity, (2) grants, or (3) production. Where the production meets the established criteria as presented in the July 1, 1983 Policies On The Management Of The Canadian Broadcast Program Development Fund. As the basis for evaluating Canadian content, the fund would rely on the certification regulation for Canadian feature films, to be found in subsections 1104(2) and 1104(10) of the Income Tax Regulations, and take into consideration the definition now established by the CRTC. Clearly, there is room, once again for interpretation in terms of Canadian content criteria, including the possibility, with the CRTC now falling into step behind the CFDC, that the CFDC, through its Program Development Fund, might finance a program which would not qualify as Canadian before the CRTC.

A distinctive CBC

As yet, no producer in this comprehensive new broadcasting policy which promotes Canadian production, "primarily in the areas of drama, variety and children's programming," has announced a project. It seems a selected version of the CBC and its role in the new broadcasting environment. The main focus of the nine new policies announced for the new CBC are directives, if not directive and predominantly Canadian service," aiming at 80% Canadian content levels and 50% of independent producers within five years.

And a new film policy

As yet, no producer in this comprehensive new policy is the National Film Board whose role in the revised scheme of things will be announced in the upcoming new Film Policy. In terms of film production, it is difficult to anticipate the road the government will take now. One can safely state that by 1976, there was no such thing as a "film industry" in this country. Film production was traditionally in the hands of the public sector and Canadians wishing to involve themselves in the production of private features designed for a mass audience simply emigrated south to realise their Hollywood dreams. The government, in July 1974, introduced the first tax incentives for investors in a private Canadian film industry, it did so with little consideration for the problems of film distribution, permitting the American Majors to continue their domination of the Canadian market. Having failed to create a viable production industry through the tax shelter incentive to feature films, the government is now making a second stab at the problem through the Certification Bureau program. At least this time, the means of distribution - the networks, cables and pay-TV companies - are owned and controlled in Canada. The new policies, strategies, and funding measures are all part of a concerted effort to create a clearly identifiable Canadian production industry.

Conclusion:

For the same reasons that we are undeniably and controlled in other aspects of our national life by the immensely rich and more powerful United States of America, film and television production is inexorably linked to the hard facts of our economic, geographic and political situation. The greatest problem in all of this results from an unwillingness to accept these facts.

As a result, we are undeniably and controlled in other aspects of our national life by the immensely rich and more powerful United States of America, film and television production is inexorably linked to the hard facts of our economic, geographic and political situation. The greatest problem in all of this results from an unwillingness to accept these facts.

As a result, we are undeniably and controlled in other aspects of our national life by the immensely rich and more powerful United States of America, film and television production is inexorably linked to the hard facts of our economic, geographic and political situation. The greatest problem in all of this results from an unwillingness to accept these facts.

As a result, we are undeniably and controlled in other aspects of our national life by the immensely rich and more powerful United States of America, film and television production is inexorably linked to the hard facts of our economic, geographic and political situation. The greatest problem in all of this results from an unwillingness to accept these facts.
at best, programs which resemble American ones. Can tougher regulations reconcile audience choice? The decision of the department of Communications to seek a promising solution to this difficult situation. If we are to endorse the notion of a national cultural identity in need of production protection, the only obvious vehicle for doing so is the national network.

The government’s allocation to CBC has been $165 million. And another $50 million has been earmarked to supply the Canadian Broadcast Development Fund in 1984. With these additional funds, plans for last fall’s summit should see a pronounced increase in Canadian drama produced for television, thereby providing much needed exposure for our “creative” and “industry” workers. This production will, of necessity, meet the definitions of Canadian content. Whether these made-for-TV films and programs will live on to make back their production costs and produce profits which, in turn, may be ploughed back into further production, is measure of the new production strategies.

Ultimately, the films produced in Canada will have to compete with those of other countries if they are to be made with budgets comparable to those in other producing countries. Otherwise, the dream of a unique and individual Canadian identity in drama production may turn into another nightmare like that engendered by the “tax-shelter industry” of the 70s or the fantasy of the first year of pay-TV. Although the tax write-off in films is still in place (100% over two years), only two feature films received tax write-offs last year, even while pay-TV continues the struggle to establish itself as a viable outlet for Canadian programming. The situation, indeed, will serve to remind us that the creation of the Broadcast Fund will serve to bridge the competitive international market?

In the proposed stricter Canadian TV program regulations and in the creation of the Broadcast Fund, the government is trying to create the conditions necessary to achieve this goal. These circumstances are most encouraging. For the first time, the financing and distribution mechanisms are such that qualifications for foreign production are available. Whether in the context of Broadcast Fund-financed Canadian content productions, or as strictly requirements for the international market, producers must seize whatever opportunities exist to define a “real” Canadian media identity.

Such opportunities may be found in the encouragement of local talent in all regions of the country and in the recognition of our cultural and economic particularities as expressed by local writers and directors in low-budget regional productions. Films and television programs do not have to be a formula for merit or even to make money, if well promoted and distributed. Examples of this type of production are such Broadcast Fund-financed features as Unfinished Business (Don Owen) and King of Friday Night (John Gray).

It must be recognized that the production of such genuine Canadian films and programs is only one dimension of the struggle to get our media industries off the ground. A new type of Canadian must be found outside of the country, in Europe and the United States. As has been learned from past experiences, the contribution is an essential component of a viable industry. Without it, this hopeful new trend toward the creation of an identifiable Canadian film and television production situation could still founder.

Like the products of the German and Austrian film industries, those in Canada must be promoted and distributed both at home and abroad. To be appreciated, they must be seen. Only then will they be tested and judged, and it is hoped, accepted. Only then can Canadians and non-Canadians choose their own’accout” to “buy Canadian” we will be safely out of the dangerous waters of our present circumstances.

Notes
2 ibid.
4 See ibid.
5 CRTC, Canadian Broadcasting and Telecommunications: Past Experience, Future Options.