

Despite official speeches, pressure builds to reduce Canadian content

OTTAWA — What is the real impact of Canadian Radio-television and Telecommunications Commission (CRTC) decisions on the \$8 billion Canadian communications industry?

According to CRTC chairman André Bureau in recent speeches, "The communications industry is in the process of undergoing massive change." Speaking to members of the Association of Financial Analysts of Montreal Apr. 3, Bureau stated "that the explosion of technology and pressures for deregulation and reregulation coming from the increasingly competitive environment, both in Canada and abroad, are reshaping the industry." The industry, Bureau said, is internationalizing. As a result, "broadcasting and telecommunications must be seen and treated as industries like any other and not simply as cultural forces and vehicles.

"For Canadian industry, that challenge emerges in the form of competition and the huge investment required to upgrade and enhance existing services, and to create new ones. I think we can be confident about the ability of those industries to

face the challenge squarely, and to emerge as winners."

In this changing competitive environment, Bureau said, Canadian content would increasingly emerge as a way for Canadian businessmen to differentiate themselves. "While Canadian content had its birth as a cultural policy, it will increasingly become a straightforward business decision by Canadian broadcasters."

However, recent applications to the CRTC by broadcasters across the land point to a trend away from Canadian content. Pay-TV, cited by Bureau as a successful example of CRTC "liberalization, is," he said, "moving towards economic viability." Yet on Apr. 25 pay-TV licensee First Choice, in a brief to the Commission, warned that it was facing a massive \$93.6 million deficit by 1989 if it complied with 60% Canadian content levels established by the CRTC.

And pay-TV in Canada was not alone in asking that Canadian content licensing conditions be drastically lowered.

A flurry of recent applications from radio broadcasters have added to the growing chorus for Canadian content reduction, as

well as significant reductions in news coverage. Thus in a group of applications reported by the CRTC Apr. 3 — the same day as Bureau's Montreal speech — Calgary Broadcaster CFCN Communications requested to reduce the current level of Canadian content in the music general category from 30% to 25%. Winnipeg broadcaster Moffat Communications filed an application to reduce weekly news broadcasts from four hours to two hours, 10 minutes and maintain its level of Canadian content in music general at 15%, which is below the norm of 20% established by CRTC policy. CFCN Communications in Edmonton also applied to reduce its news coverage on CJAX-FM by almost 50% and reduce Canadian content in music general from 30% to 20%. CFCW Ltd. Edmonton filed an application to reduce licensee CKRA-FM Edmonton's Canadian content level in music general from 33% to 25%. Selkirk Broadcasting, Edmonton, filed for CIRK-FM to reduce its news coverage from three hours, 22 minutes to two hours, 30 minutes and Canadian content in music general from 30% to

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Task force to study broadcast policy

OTTAWA — The former national director of the New Democratic Party, Gerald Caplan, has been named as co-chair of a Tory task force on the broadcasting industry.

On Apr. 9, minister of Communications Marcel Masse, said in a speech to the cable industry that he would be setting up a task force to undertake an exhaustive review of the broadcasting industry.

At a press conference on May 8, Masse announced the appointees to that task force. Co-chairing with Caplan is Florian Sauvageau, a professor of communications at Laval University in Quebec and a specialist on the role of state in communications. Sauvageau has degrees in journalism and law and has worked as a radio and television journalist. He is also a member of the Canadian Commission for UNESCO's consultative committee on communications.

Task force members are:

Francine Côté, a lawyer with the Montreal firm of Lafleur, Brown, de Grandpré where she specializes in communications law. Her background includes a

six-year stint with Cablevision Nationale Ltée from 1975 to 1981.

Fil Fraser, a producer, consultant and host in Edmonton, Alberta on CKUA, Alberta's public broadcasting station. Fraser has produced three feature films including *Why Shoot the Teacher*. He is a member of the Board of Governors of the Banff Center.

Mimi Fullerton, currently manager, planning and development with Telemedia. Fullerton has served as a communications industry analyst with Burns Fry Limited and vice-president in charge of special projects with Intermart.

Conrad Lavigne, broadcast consultant based in Timmins, Ontario. Lavigne established the first private French-language radio station in Ontario and the first English-language television station in northern Ontario. Lavigne has served as chairman of Northern Telephone and director of among others Ontario Hydro, Intercity Gas, the National Bank of Canada and Le Droit newspaper. He served on the board of directors of Northern and

Central Gas alongside Marcel Masse, then with the engineering firm of Lavalin. In a phone interview Lavigne remembered Masse as "a smart cookie. Very down to earth. Very dedicated. Very likeable fellow."

Finlay MacDonald Jr., of Halifax, formerly president of Star Channel, the ill-fated Atlantic pay-TV service. Most recently MacDonald has served on the Klinge task force on access to television in underserved communities.

Later it was announced that Paul Audley would serve as secretary to the task force. Audley has worked with Masse as consultant on the CBC cut-backs and on changes to Telefilm's mandate.

In making the announcement, Masse reiterated the concern that the broadcasting environment has changed radically in the 17 years since the 1968 Broadcasting Act. Changes must be effected, he said, to deal with the flood of new technology. He noted that those changes must "respect the

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NFB spearheads bid for national youth TV service

TORONTO — National Film Board head François Macerola filed an application with the Canadian Radio-Television and Telecommunications Commission on Apr. 30 for a national youth channel but took great pains in emphasizing NFB was not seeking a back-door route to a pay-TV service. André Bureau, chairman of the CRTC, had last winter rejected an earlier application by the NFB.

The new application notes that Macerola was acting on behalf of non-profit organization Young Canada Television/Tele-jeunesse Canada, headed by former Liberal communications minister Francis Fox.

At press conferences in Montreal and two hours later in Toronto on May 9, Fox paid tribute to the NFB for pursuing the idea of a Canadian youth service. He noted that while the NFB would help in developing the service it would not be a distribution outlet for NFB product. The NFB would only have one voice on the Board of Directors. The application underlines the fact that all the production activities of YCT will be undertaken with the independent production community and the NFB would not qualify as an independent producer. However, the NFB will be able to co-produce productions for YCT. The NFB may also license completed programming to YCT.

Fox told the media that start-up funds of \$10 million have been promised by minister of Communications Marcel Masse and the Mercantile Bank of Canada, provided certain conditions are fulfilled. Masse has indicated that DOC would commit \$5 million, provided that the service is national in French and English with a minimum Canadian content level of 50%; the service be available on the basic or extended basic tier of cable systems; and run by a non-profit corporation which involves young Canadians in management and the programming of the French and English channels.

The Mercantile Bank of Canada has promised a \$5 million line of credit upon the granting of a license. The NFB offered further financial support by underwriting a \$500,000 loan for the research and development costs of the service.

Fox noted that start-up of the service would be contingent upon signing of three million subscribers. There are five million cable homes in Canada but only half a million subscribe to pay channels. Fox empha-

sized that YCT would not be a pay service. Cable companies would offer it as part of their basic package and up their basic rate by about one dollar. YCT would charge the cable companies 75¢ per subscriber for the service. At three million viewers the service would have revenues of \$27 million. By year five, Fox said, the service should be attracting four million subscribers generating \$36 million in revenues. The corporation has yet to open discussions with the major cable services in the country.

Fox said that if YCT is granted a license by the autumn, it would be ready to go on air by the fall of 1986 with over 100 hours of programming a week each for the French and English channel. He said that Canadian content would be 50% in the first year and jump to 70% by the second year.

To ensure the level of Canadian production, Fox would like Masse to designate the new service as being eligible to trigger access to funding from the Broadcast Fund. Masse has said he is prepared to consider the request but has given no indication whether YCT would be eligible.

In his statement to the press, Fox noted that there is no Canadian youth television network. He said it was important to create one because of the importance of television. He quoted figures indicating that by the time a child is 12, he or she will have spent more time in front of a television than in a classroom. He said that YCT would cater to a diverse audience from pre-schoolers to

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CanShow in works

TORONTO — CanShow, the Canadian Film and Television Association's proposed Canadian television market, will have its first meeting June 14 to select a steering committee and decide on a date and location for the market. Isme Benne, CFTA's vice president for distribution, told Cinema Canada that it is fairly certain there will be a market in 1986. "There has been a lot of support from various levels of government particularly from Telefilm Canada. The June 14 meeting will look at practical ways of making it happen." The CFTA is proposing to bring a select group of buyers to a Canadian venue to see Canadian product exclusively.

Youth service

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young adults. He added that YCT would not compete with First Choice/Allarcom's proposed pay Family Channel. YCT has agreed that it will not

acquire any first-run theatrical feature films released during the two years preceeding the date of any proposed acquisition and would not acquire programming from the Disney organization so as not to compete with The Family Channel. YCT and The Family Channel have agreed not to oppose each

other's applications for a license.

When asked how YCT could envision Canadian content of 50%, let alone 70%, when even the CBC could not attain that level, Fox replied "I hope you admire our guts." In an interview with Cinema Canada, Fox said that Masse had welcomed his involvement with YCT. "I

couldn't do it if I was a negative factor in the mind of the government."

President of the English service is Ann Mortifee, the well-known singer and songwriter. Yvon Deschamps, Quebec's most popular humourist, will be president of Télé-jeunesse. Other members of the 29-person

board reflect Canada's regional and multi-cultural diversity: the two official language groups; youth; organizations working with and for young people; and the independent production and distribution sector.

CRTC and CanCon

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20%. Also in Edmonton, Sunwapta Broadcasting applied for a reduction in weekly news broadcasts and maintenance of its music general Canadian content at 15% or 5% below CRTC norms. Fort McMurray broadcaster O.K. Radio Group applied to reduce Canadian content in music general to 20% from 30%. These applications will be heard by the CRTC at a public hearing in Calgary May 28.

On Apr. 22, it was the turn of British Columbia broadcasters. Prince George radio station CKPG which holds the license for CIOI-FM filed to reduce Canadian content to 0% in CRTC musical category six (traditional and special interest) from the 7% presently authorized. In Vancouver licensee Q Broadcasting Ltd. asked that CHQM-FM be authorized to reduce its Canadian content music selection to 10% from the 15% presently required. These and other BC applications will be heard at a public hearing in Vancouver on June 18.

Ontario applicants, to be heard at a public hearing in Toronto also on June 18, joined in as well with Brampton licensee Selkirk Broadcasting (CFNY-FM) asking for a reduction of Canadian content musical selections to 20% from 30%. Guelph broadcaster CJOY Ltd. (CKLA-FM) requested permission to decrease Canadian selections in the category of music traditional and special interest to 3% from 7%. Further reductions in that category were requested by Frontenac Broadcasting, Kingston, (CFMK-FM) and St. Lawrence Broadcasting Co. Ltd. (CKLY-FM). Kitchener broadcaster KEY Radio Ltd. (CKGL-FM) asked for the outright elimination of Canadian recordings in the same category.

And in Windsor - which the CRTC views as a special situation where Commission objectives "will be achieved by programming services that reflect a firm Canadian orientation - applicant Radio Windsor Canadian Ltd. (CJOM-FM) asked to reduce the minimum number of Canadian musical selections from 20% to 6-10%, while Chum Ltd., Toronto, filed for approval to acquire the assets of CKWW and CJOM-FM Windsor, asking for a reduction of the amount of Canadian music broadcast from 20% to 5% in all musical selections.

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