



## A Modest Proposal

by Peter Pearson

Jeanne Sauvé, Moses Znaimer, Susan Crean, Colin Watson, Pierre Juneau, David Perlmutter, Sandra Gathercole, Phil Lind and Harry Boyle all claim adherence to the same doctrine of Pay TV. Which, in itself, is enough to make one suspicious.

Harry Boyle said it best: "It would be inexcusable to miss the opportunity to convert technical systems to a national purpose." And yet, none of the formulations yet devised, the CRTC's, the CCTA's, the CCFM's really seems to answer the needs of that puffed-up mandate. By hook or by crook, we seem determined, one more time, to place ourselves in a minority position, allowing foreign (read American) programming to fill the bulk of the Pay TV schedule, and provide the base of financing for Canadian production. It is just not good enough.

Without putting too fine a point on it, Pay TV has the potential to be the most lucrative delivery system of visual materials yet devised. And as such, it is probable that within the next ten years, it will make a serious dent in commercial film exhibition and distribution, commercial television, and even live performances. Within twenty years, it will probably wipe out all but

the vestigial remains of commercial film and television structures as we presently know them.

Most thinking about Pay TV has been restricted to the immediate future. And most thinking has been based on the American model, the only archetype in operation. As a result, Canada risks, once again, the danger of buying, holus bolus, a delivery system totally unsuited to its needs, cultural or economic; detrimental to its expression, and thoroughly menacing in its power and penetration. It risks repeating the egregious errors of our past, and enshrining the package of compromise in a bureaucracy of unfathomable dimensions. The same old wooden pennies are hitting the floor: Canadian content; private vs. public enterprise; network licensing vs. regional control. Canadians have a flair for the complicated. It's the blood of the technician reappearing. Unfortunately, if we make the wrong decisions this time, we may not have a reprieve, because Pay TV will carry us well into the twenty-first century.

Consider for a moment some of the possibilities. Consider not one Pay TV channel, but ten, twenty, even six hundred. (In St. Hubert, Quebec, an experimental program is already offering 2000 titles on eight separate channels.) Consider not a subscription basis of so much per month, but a pay per programming charge. (In Columbus, Ohio, there's a successful pay-per-programme

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*Peter Pearson, filmmaker, is the former head of the Directors' Guild of Canada and the Council of Canadian Filmmakers.*

system.) Consider not the rinky-dink 21" screen, but the three foot, the five foot... whatever size screen you wish. A wall screen is nothing compared to the 30 x 60ft. TV screen in the Olympic Stadium. Consider the capacity of a television box to retrieve almost any film or television programme upon demand.

Most of the technology for such systems is upon us. The audience is ready, and the market affluent. Unfortunately the technology is more prepared than those it would serve. As I said at the beginning, given the high-minded purpose, we have yet to develop a corresponding intelligence vis a vis Pay TV. We seem to be plunging headlong into a system that we have known for years to be unworkable: one more network operation controlling the programming; predominantly foreign material; centralized control.

## I would like to propose an alternative.

First: **All programming should be 100% Canadian.** We should take all those high-minded regulators, businessmen and producers at their word. If indeed Pay TV is as important as they say, why not? We have for years been pointing out the suffocating control American interests have over our distribution and exhibition film industry; we have lamented the dumping practices that have debilitated our television. Why not, given the high expectations for Pay TV, turn the system over to exclusive Canadian production?

Second: **The network should be only a common carrier.** It should be treated like the telephone, telecommunications, etc., with no power to originate, finance or involve itself in any way in programming, production or scheduling decisions.

Third: **Pay per programming** should be the only revenue generating system. Thus a producer would be responsible for finding independent financing for his programme, would rent the network when he wanted it, and would then collect ALL revenues after the costs of transmission were paid. The production would then be his to market elsewhere: in theatres abroad, to commercial television or in 16mm.

These three premises: 100% Canadian; Network as a common carrier; Pay per programming, would then begin to fill the mandate we have all set out for ourselves.

1. First of all, responsibility for the success or failure of the system would rest squarely on the shoulders of Canadian producers. They would be responsible, from the initial conception of their production to the final transmission, for all aspects. There would be no more exhibitors, distributors, bookers, network executives, programme supervisors, CRTC regulators, or even possibly censors. The producer would have direct access to his market, all of Canada, whether he were transmitting live, on tape or on film. He would have the right to determine the per-home charge for his production. Whether five dollars for an expensive special, or 25 cents for a re-run of famous Canadian silent films. He would be responsible for the marketing, advertising, promotion and publicity of the film before it went on air... and would receive his revenues according to his box office gross.

2. There are about 1100 hours of prime time on a channel in one year, and the question has been raised as to whether we have the capacity within Canada to fill it. The initial response of producers seems to be positive. Think for a moment of the live broadcasts: rock shows, concerts, plays, sports events, that would be only too happy to plug into a revenue-earning system; think of producers like Anne Murray and Gordon Lightfoot who

don't do commercial television because they cannot control all aspects of production. Then think of the tape possibilities, the film possibilities and one starts to sketch out an impressive programming possibility. If in fact the schedule is not full, then let the network go to black. This is not commercial television, nor is wall-to-wall programming mandatory within the system. If the channel is overflowing, there always exists the possibility of a second channel, a third, or whatever.

3. The hardware and installation should not be too complicated. Canada has abundant expertise on network distribution. Whether the common carrier is microwave, satellite or direct broadcasting must be decided by those with sufficient expertise. The home-by-home delivery again seems a simple problem. Cable systems could deliver the Pay TV signal, install the collection box and then return the revenue to the network for a fee, the cost being about a dollar per home per month. Most of this technology is now computerized, and the only initial cost would be the charge box. Thus the subscriber could plug into the system for, say, a dollar a month, twelve dollars a year. Any spending after that would be discretionary.

4. The coaxial cable has the capacity to distribute not only visual transmissions, be they live, videotape or film, but also printed information; the coaxial cable has an information retrieval capacity: so that anything from stock market quotations to the price of steak can be sought. And once a retrieval system is set up and fully installed, the whole nature of programming will have changed. No longer will there be a limited number of networks offering you their choice of programming for the evening, but you will choose your material. Nothing more complicated, really, than dialing a telephone and choosing whom you wish to speak with.

And then at that point, CRTC, with all the best intentions in the world - Canadian content and all - will be but one more obsolete regulatory agency, with little to regulate. That is still very far down the road. But the decisions taken within the next year will point us irrevocably towards a destiny in film and television production. And if we mistake our priorities at this point, it will be next to impossible to retrieve them in the next generation.

## Conclusions

Pay television raises profound questions which have scarcely been touched in the thinking of those who would decide, administer and invest in such a system. At this point in our history, we can surely do better than to give lip-service to Canadian aspirations and then turn around and make Pay TV but one more conduit for foreign production interests.

Thus, 100% Canadian should be the least one could expect. Moreover, producers have little need for paternalistic network structures to guide and determine broadcasting choices. But if they are to succeed or fail, they must do it on terms that will allow them to gain the profit of their work. They must reap returns commensurate with their audiences. Despite ourselves, Canadian producers are big boys and girls, capable of wiping their own noses.

In the months ahead, what we can hope for from the CRTC and its chairman as they formulate their decisions is a degree of vision. We surely must have enough confidence in ourselves and our capacity, not to repeat the failings of our broadcast history.

If as we enter this debate we understand our own priorities, perhaps we can then reach our own objectives. The American model has failed us. This time we need our own. □