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# **The effects of Quebec's legislation prohibiting advertising intended for children**

**Report of the Federal-Provincial Committee  
on Advertising Intended for Children**

**September 1985**

**Canada**

**Québec**

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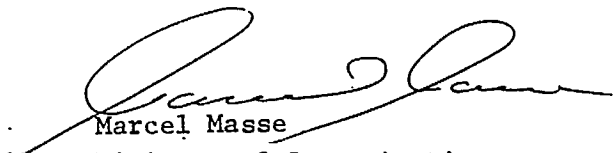
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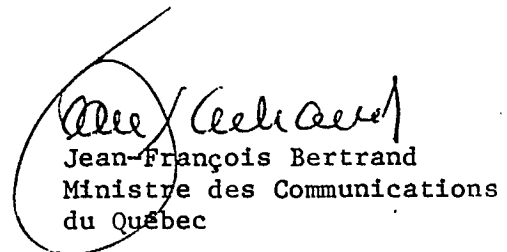
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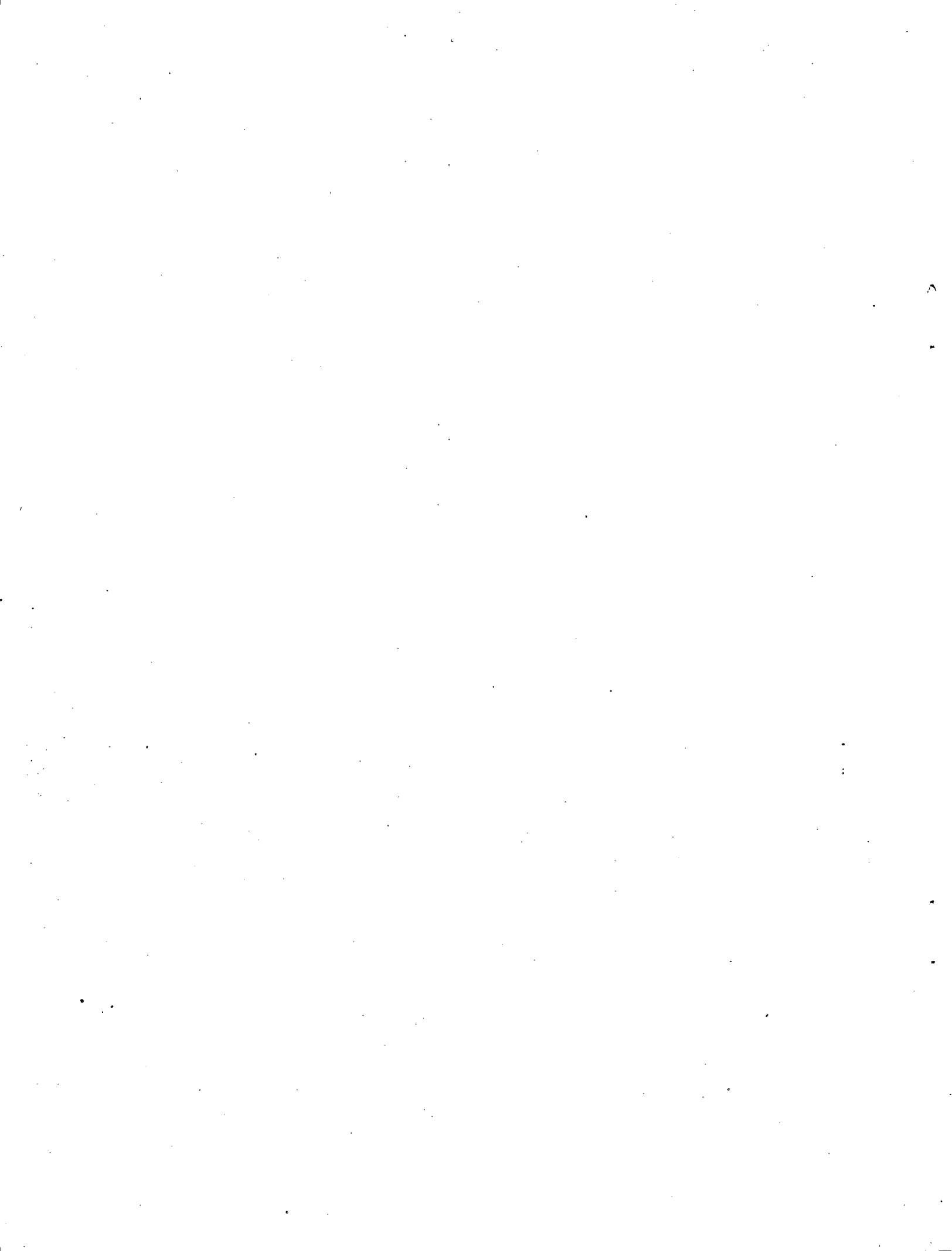
We are pleased to make public this report on the effects of Quebec's legislation prohibiting advertising intended for children.

This document was produced by the federal-provincial committee charged with examining this question. It defines the problem issues created by the prohibition of advertising intended for children, analyzes the possible options and formulates recommendations.

However, in view of the positions of the various interested parties, we consider it advisable to treat this report essentially as a discussion paper, and hope to receive your reactions to it before our governments take a final position on this question.

  
Marcel Masse  
Minister of Communications  
Canada

  
Jean-François Bertrand  
Ministre des Communications  
du Québec



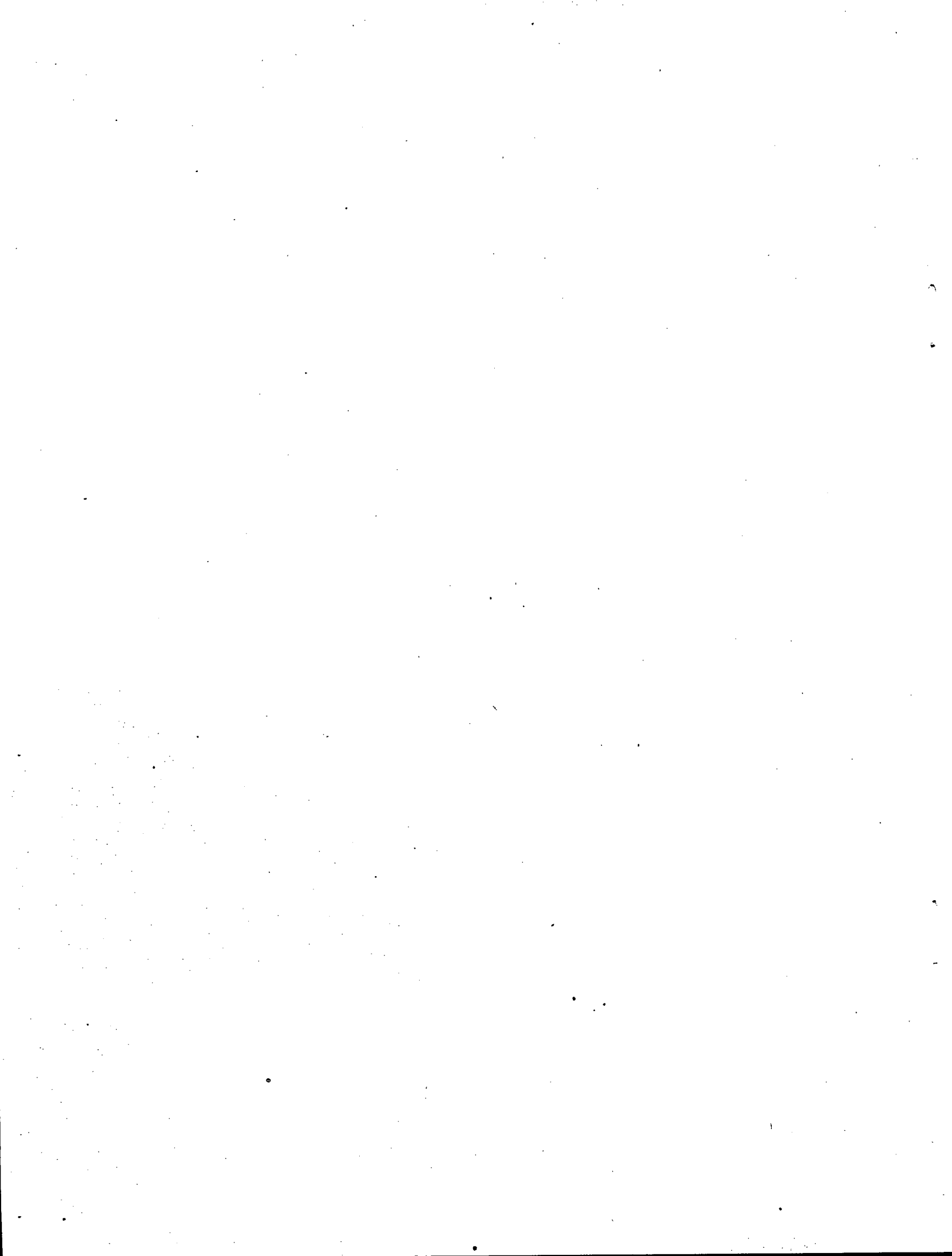
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## INTRODUCTION

The Consumer Protection Act (also known as Bill 72) was passed in Quebec on December 22, 1978 and came into force on April 30, 1980. The Act contains three sections dealing with advertising intended for children. Section 248 stipulates that: "Subject to what is provided in the regulations, no person may make use of commercial advertising directed at persons under thirteen years of age." Section 249 and 250 respectively explain the criteria for determining whether an advertisement is directed at persons under 13 years of age and what is meant by the term "to make use of advertising." Quebec is the only province to have enacted legislation on this issue.

Although the Act applies to all media, only television is truly affected by the prohibition on advertising intended for children. Children do not read newspapers or magazines, and advertisers have never made serious use of radio for advertisements intended for children. Television has always been, and continues to be, the medium primarily used to reach them.

Since Bill 72 came into force its prohibition of television advertising intended for children has elicited a variety of reactions. Television broadcasters and advertisers have complained of a considerable loss of potential earnings; public opinion on the issue seems to be divided; and the Office de la protection du consommateur (OPC) insists that the measure is necessary and must be maintained.

The application of Sections 248, 249 and 250 of the Consumer Protection Act has been accompanied by a gradual decline in the interest of Quebec children in television, coupled with a decline in the number of children's programs offered by private stations in Quebec. Since these trends appear to be directly related to the Act, they raise the need to re-examine the entire range of effects, primary and secondary, of the Quebec legislation.

Within the Canadian and Quebec cultural context, television occupies an undeniably important place in the learning process of children. Locally produced programs for young viewers play a major role in the socialization process, as a reflection of sociocultural values and the culture of the community. A great many studies, mainly from the United States, have demonstrated that television does indeed fulfill this role.<sup>1</sup>

Now that Bill 72 has been in force for five years, it is time to assess its impact on the television industry and to determine whether changes to the legislation are in order.

---

1. See, among others:  
National Institute of Mental Health, "Television and Behavior. Ten Years of Scientific Progress and Implications for the Eighties," in Mass Communication Review Yearbook, vol. 4, New York: Sage Publications, 1983, pp. 23-25.

CHAPTER ONE  
THE REGULATION OF ADVERTISING INTENDED FOR CHILDREN

Well before Bill 72 became law, advertising intended for children was the subject of a great deal of attention.

A) The Code of Ethics of the Canadian Association of Broadcasters (CAB)

In 1973, the CRTC approved the Code of Ethics proposed by the CAB and required radio and television stations to comply with the Code.

The purpose of this Code is to guide advertisers and advertising agencies in the preparation of primarily child-oriented messages. The Code, revised and amended in 1982, contains a series of directives: it sets out the kinds of information that may be included, and those that must be avoided, in advertisements intended for children under 12 years of age. Specifically, it requires the advertiser to give a truthful representation of the quality, performance, safety, speed, size, colour and durability of the product or service being advertised. It recommends that no advertising be directed at preschoolers and prohibits the use of children's program characters in product promotion.

Since December 1973, radio and television stations have been required to adhere to the CAB Code of Ethics as a condition of renewing or obtaining a broadcasting licence.

The Code is the major regulatory instrument in the other Canadian provinces, and was in Quebec as well until 1980.

## B) The CBC's Policy on Children's Programs

It should be pointed out that television programming on the CBC's French and English networks has contained no advertising since September 1975. In response to a request by the CRTC, the CBC eliminated advertising from its children's programs upon renewing its licence in 1974. Nevertheless, the CBC continues to produce and broadcast a large number of children's programs.

## C) The Consumer Protection Act

In 1971, following the Parizeau report, the Government of Quebec passed the Consumer Protection Act and created the Office de la protection du consommateur (OPC), under the Department of Financial Institutions, Companies and Cooperatives. The Act regulated advertising intended for children under 13 years of age. However, one sector of the population, represented mainly by consumers' groups, considered these measures inadequate to ensure the protection of children. A particularly strong advocate of this view was the Mouvement pour l'abolition de la publicité destinée aux enfants (MAPE), founded in Quebec in 1971.

These groups insisted on a total ban on advertising intended for children, arguing that children, especially the younger ones, have neither the ability nor the economic power to be consumers in their own right. A number of briefs developing and substantiating this point of view, including one by the Groupe de recherche en consommation of the Faculty of Law at the University of Montreal, were submitted to National Assembly commissions when the Act was being revised in 1976. Both the Liberal government of the day and the Opposition agreed with this view and, with the adoption of the new Act in 1978, all commercial advertising intended for children under 13 years of age was prohibited.

The OPC is responsible for enforcing the new law, which came into effect in 1980, by relying on the associated regulations.<sup>1</sup>

---

1. See Appendix 1.

The regulations, applicable to all media, provide for a series of exceptions to the Act, mainly with respect to:

- 1) certain magazines and inserts;
- 2) announcements of children's shows;
- 3) certain advertisements consisting of a store window, a display, a container, a wrapping or a label.

Authorized advertisements are in any case subject to a number of restrictions on exaggerating, downplaying or comparing products or situations, advertising a product of service that could be unsafe, the choice of persons used for promotion and the use of cartoons and comics.

All commercial advertising intended for persons under 13 years of age is prohibited in television programs intended for this viewing audience. Neither the regulations nor the Act, however, provide a practical and precise definition of a children's program. Therefore, the OPC has published, in the form of a guide, its criteria for determining whether an advertisement is permissible under the terms of the Act. To determine whether a program is intended for children the OPC takes the following into consideration:

- 1) program content;
- 2) time of broadcast;
- 3) viewing levels, based on Bureau of Broadcast Measurement (BBM) figures.

It should be mentioned that application of the age restriction is made difficult by the fact that BBM reports, the main source of television viewing level data, have categories for viewers aged 2 to 11 and 12 to 17. As a result, children 12 years of age cannot be included in the first group, making it impossible to obtain an accurate picture of the total viewing audience under 13 years of age.

According to the OPC's criteria, advertisements intended primarily for children may not be broadcast in any program whose percentage of viewers aged 2 to 11 is 5 per cent or more of the total viewing audience. Advertisements aimed at both adults and children may only be broadcast in programs whose percentage of viewers aged 2 to 11 represents less than 15 per cent of the total viewing audience.

Any person intending to broadcast an advertisement may ask the OPC committee specially created for this purpose to assess the advertisement according to the criteria in the guide. The committee's mandate is to study all advertisements submitted to it and to give an opinion on how well they comply with Sections 248 and 249 of the Consumer Protection Act and sections 79 to 91 of the regulations. The committee consists of one member from the Direction des communications and three members from the Direction des affaires juridiques, including its director, who is the chairman of the committee.

CHAPTER TWO  
DIRECT EFFECTS OF BILL 72

A) Practical Application

The Act stipulates that when children make up more than 15 per cent of the viewing audience, only advertisements intended for adults are permitted. These advertisements must in no way attract children or arouse their interest in the advertised product. These restrictions exclude, by definition, advertisements for products such as candies, presweetened cereals and toys, as well as complicating the promotion of family products, particularly foods. In fact, a General Foods advertisement for Dream Whip was prohibited because it was too attractive to children.

The Act prohibits all advertising intended for children, regardless of the value, quality or potential benefits of the product. Thus, the Delisle Food Co. Ltd.'s promotional campaign for yogurt was rejected by the OPC because Delisle refused to remove the company name from the containers.

Finally, it should be pointed out that, while the Act permits educational advertising, certain regulatory constraints greatly restrict its potential. In 1984, McDonald's was not allowed to broadcast in Quebec a television advertisement in which Ronald McDonald explained to children the importance of wearing seatbelts in a car, since the advertisement involved a character well known to, and popular with, children. Inconsistencies of this sort are inevitable at present, because the OPC is not concerned with the accuracy or objectivity of the advertisement, but only with whether it is directed at children and departs from the spirit of the Act and the regulations.

It is apparent that the Act leaves advertisers few openings; since 1980, its existence has produced significant economic repercussions.



## B) Economic Effects

The advertisers affected by Bill 72 are mainly in the food and toy industries.

The Association of Canadian Advertisers (ACA) maintains that Bill 72, by prohibiting advertising intended for children, is at least partly responsible for a relative decline in total advertising expenditures in Quebec.

To substantiate its claim, the ACA analysed the Quebec operations of 11 major Canadian advertisers in 1978 and 1983. The ACA's study<sup>1</sup> concluded that Quebec's share of the advertising budget of these companies had dropped from 23.0 per cent to 18.7 per cent between 1978 and 1983, a drop of 18.0 per cent, or \$3.9 million.

A control study conducted by the Quebec Department of Communications<sup>2</sup> indicated that the Consumer Protection Act is responsible for an estimated \$8.2 million of the \$28 million general decline in Quebec's share of the Canadian advertising market since 1979.<sup>3</sup> In 1983, total Quebec advertising expenditures in the traditional media amounted to approximately \$700 million.

This \$8.2 million decline can be explained by the fact that a number of advertisers of children's products have either reduced their advertising expenditures or completely stopped advertising in Quebec since the Act came into effect. This is the case with companies such as Tonka, Hasbro Industries Canada Ltd. and Grand Toys Ltd. in the toy industry, and Wrigley Canada Ltd. in the food industry. In fact, the cost to the advertiser of promoting a product in Quebec has risen considerably, since it must now design and produce advertisements especially for the Quebec market. The use of double-shooting,

- 
1. Special study conducted by the Association of Canadian Advertisers, 1984.
  2. Claude Garon, Impact de l'interdiction à la télévision de la publicité destinée aux enfants, DGD/MCQ, 1985 (see Appendix 2).
  3. Other possible causes of the \$17 million decrease might be a drop in retail sales, a pessimistic view of the Quebec economy on the part of advertisers, cuts in government advertising and a 2 per cent tax on electronic advertising.

common in certain promotional campaigns, is much more difficult because advertisements designed for the rest of Canada need not meet the requirements of Bill 72. Moreover, scheduling limitations (resulting from the 15 per cent rule) appear to reduce the effectiveness and profitability of advertisements.

The \$8.2 million loss of business has primarily affected the media, but other sectors of the Quebec advertising industry have also suffered. Generally speaking, the distribution of advertising expenditures among the parties involved is as follows: 85.0 per cent revenue for the media, 5.6 per cent in commissions and fees for the advertising agencies and 9.4 per cent in advertising production costs.<sup>1</sup>

### C) Achieving its Objectives

Advertisements directed at children present powerful and repetitive temptations to consume. The primary purpose of Sections 248 and 249 of Bill 72 was to avoid subjecting children (who have no purchasing power) to these temptations by prohibiting advertising.

There is no way of determining whether the legislation has actually achieved its objectives. What is certain is that children in Quebec are no longer bombarded with repeated invitations to buy, except on American stations. The ACA report<sup>2</sup> maintains that retail sales have dropped in certain industries affected by the law and provides very fragmentary data for a few of these industries. The following figures are sales indices for Quebec and Canada per 1,000 inhabitants.

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1. CÉGIR, Positionnement de l'industrie de la publicité au Québec. Québec, Éditeur officiel, 1984, p. 17.

2. Op. cit., p. 8.

	1979		1983	
	Canada	Quebec	Canada	Quebec
Soft drinks				
(instant refreshment drinks)	100	100	104	87
Presweetened cereals	100	100	99	117
Chocolate (candy bars)	-	-	100	65
Children's pasta products <sup>1</sup>	-	-	100	53

Although three of the surveyed products performed poorly, presweetened cereals did very well in Quebec in spite of the legislation, something advertisers were unable to explain.

In short, it is extremely difficult to assess the real impact of the Act on children because no in-depth study has been done on changes in their attitudes and consumer behaviour.

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1. The 1979 data are not available for the last two categories.

CHAPTER THREE  
SECONDARY EFFECTS OF BILL 72

By depriving television broadcasters<sup>1</sup> of the advertising revenue from advertisers of children's products, Bill 72 has to a certain extent discouraged these broadcasters from producing and broadcasting children's programs, though this was never the intent of the legislation. At the same time, it has been observed that children have been watching less television in the last few years. While there is no positive proof that these two trends are related, it appears extremely likely.

A) Fewer Programs Intended for Children

Children's programming makes up only one to 10 per cent of conventional television programming schedules.<sup>2</sup> Moreover, two studies dealing with trends in children's programming in Quebec and Ontario<sup>3</sup> both indicate that there are fewer children's programs on private television stations in Quebec since Bill 72 came into effect.

The Stratégem study, conducted in 1984 for the OPC, deals with the Montreal and Toronto markets between 1979 (one year before the Act came into force) and 1983.

The study's program analysis was divided into two types of programming: programs for children, young people and the whole family, called family programs; and programs for children only. These categories were based on program content and broadcast time.

1. Government television networks are not affected by the Act because Radio-Québec and the CBC have no advertising in their children's programs.
2. A rapid calculation based on Statistics Canada's special studies on programming in autumn 1982.
3. Étude de qualité et de quantité sur la programmation d'enfants depuis avril 1980, Stratégem, 1984; and Les effets de l'abolition de la publicité destinée aux enfants dans la province de Québec, Government of Canada, Department of Communications, 1984.

## 1. Family programming

With respect to family programming, Stratégem noted the following:<sup>1</sup>

- On CBFT, the number of hours devoted to family programming has tended to increase every year, from 24.5 hours in 1979 to 29.0 hours in 1983, an increase of 18.3 per cent. Radio-Canada renews about 20 per cent of its programs every year.
- Conversely, Télé-Métropole has registered a drop of about 25 per cent in its family programming since 1979. Few new programs have been broadcast: only one half-hour program since 1982.
- On the CBC's English network, there has been a decrease of 17.4 per cent in family programming, with no new programs for four years.
- CFCF has recorded the most dramatic decrease in family programming: 40 per cent since 1979.

For the total Montreal market, the number of hours of family programming went from 99.25 hours a week to 83.75 hours a week, a decrease of 15.6 hours since the autumn of 1979. It should also be pointed out that new programs are rare, the renewal rate is currently about 11 per cent and it declines each year.

The situation in the Toronto market is very different. Stratégem found a 34 per cent increase in family programming, much of it taking place on private stations.

## 2. Children's Programming<sup>2</sup>

- On Radio-Canada, the number of broadcasting hours for children remained quite stable, with a slight increase of 4.2 per cent.

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1. See Appendix 3.

2. See Appendix 4.

- There was a glaring decline in children's programming on the private networks. The 30.5 hour weekly total for CFTM and CFCF in 1979 had dropped to only 15.5 hours a week by 1983. This represented a decrease of 45.5 per cent on CFTM and of 53.5 per cent on CFCF. Stratégem also noted, in its study of programming schedules, that there was a high proportion of reruns on these two private stations.

The decrease in the number of hours of children's programming on private stations stands out most sharply when comparing trends in Montreal and Toronto. In Montreal, children's programming shrank from 64.25 hours a week in 1979 to 48.0 hours a week in 1983 -- a decline of 25.3 per cent. In Toronto, there was an 18.9 per cent increase, from 50.25 hours a week in 1979 to 59.75 hours a week in 1983.

A study conducted by the federal Department of Communications compared children's programming and the production of programs for children by Montreal private stations CFTM and CFCF with those of two stations not affected by the legislation, CBFT Montreal and CFTO Toronto. The study covered the period from 1977 to 1983.

Once again the same pattern was revealed: between 1977 and 1983, the number of hours of children's programming decreased by 39 per cent on CFTM, by 45 per cent on CFCF and by 28 per cent on CFTO. Only CBFT increased the amount of children's programming, by 10 per cent. Decreases on CFTM and CFCF were spread evenly throughout the weekday schedule. The number of children's programs on Saturday and Sunday mornings remained stable, while afternoon programming on those days declined considerably.

Although these two studies do not define children's programs in exactly the same way and do not deal with the same period, they nevertheless reach the same conclusion: that there is an extremely strong correlation between the considerable decline in children's programming and the application of Bill.72. It appears, as was pointed out in the Department of Communications study, that

broadcasters affected by the law are tending to offer family programming throughout the day in order to reach a varied audience and increase their advertising revenue by avoiding the restrictions. The same trend can also be observed, however, in the weekday afternoon programming of broadcasters not affected by the legislation.

The decline in the number of hours of children's programming goes hand in hand with a very low rate of content renewal, a rate that has been declining yearly. It appears, in fact, that children's programs included a high proportion of reruns, especially on the private networks. While neither of these studies deals with the issue of the quality of children's programming, they do expose the problem, especially since private broadcasters have not only reduced the number of children's programs but have also cut the production of such programs.

### 3. Children's Programs Produced in Quebec

The Department of Communications study on the effect of prohibiting advertising on children's programs in Quebec analyses changes in the number of hours of locally produced children's programs broadcast between 1977 and 1983.

The number of hours of locally produced programs broadcast by each of the Montreal stations has decreased, except at CFCF, which did not produce any children's programs in 1977 and still does not. CFTM broadcast 5.0 hours a week of locally produced children's programs in 1977, and 2.5 hours in 1983 -- a cut of 50 per cent. CBFT broadcast 8.5 hours of such programs in 1977 and 7.0 hours in 1983 -- a decrease of 18 per cent. Finally, CFTO children's broadcasts went from 3.5 to 5.5 hours a week -- an increase of 57 per cent.<sup>1</sup>

The Act seems to have had a powerful effect not only on the programming of private broadcasters but on their production of children's programs as well. In 1983, virtually no production was being done by private networks (2.5 hours at

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1. See Appendix 5.

CFTM and none at CFCF). It should also be pointed out that CIVM (Radio-Québec) does not produce any children's programs either. Although more recent figures suggest that in 1984 children's productions increased at CFTM<sup>1</sup> and decreased at CBFT, the fact remains that, compared with other provinces, where the production and broadcasting of children's programs has remained relatively stable, Quebec has experienced major fluctuations and an overall decline in this area.

#### 4. An Incentive to Children's Program Production: Telefilm Canada

The Telefilm Canada fund was created by the federal government in 1983 to increase the number and quality of Canadian television productions and to stimulate the development of the private television broadcasting and production industry. The \$250 million fund, to be invested over five years, focuses on certain areas of production,<sup>2</sup> including children's programs of all types (documentaries, animations and fiction).

A report entitled What Happened in Year One, released in August 1984, sums up Telefilm Canada's first year of activity. Of the 88 projects funded, 17 were children's programs. Eleven of these were in French but none of the Francophone productions was to be carried out in co-operation with a private broadcaster -- they were all being done in association with Radio-Canada. Among the English-language productions, two programs were being produced with the participation of CFCF.

The same situation applies to the other categories of eligible productions: private Francophone television stations have made little use of the fund. Only 0.5 per cent of the amount invested in Francophone productions supported by Telefilm Canada came from private television broadcasters. It appears that private broadcasters participating in these projects incur higher production costs than if they undertook the productions using their own facilities, and that this has made them reluctant to become involved.

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1. Special study by the Department of Communications to complement the study "Les effets de l'abolition de la publicité destinée aux enfants dans la province de Québec," 1985.

2. The four production categories eligible for Telefilm Canada support are variety programs, dramas, documentaries and children's programs.



In April 1985, however, the federal Minister of Communications announced changes to the Telefilm Canada fund's eligibility criteria. Two of the changes were especially important for the production of children's programs. First, Telefilm Canada's financial contribution may now be as much as 49.0 per cent of the total project budget, rather than the 33.3 per cent maximum permitted in 1984. The purpose of this measure is to encourage private television broadcasters to make greater use of the fund. Second, provincial government television stations, such as Radio-Québec, are now eligible for assistance from this production support fund. It is to be hoped that these measures will revive the production of children's programs.

#### **B) Fewer Children Watching Television**

In Quebec the number of children has diminished considerably in recent years. There were more than 1,343,000 children under the age of 12 in Quebec in 1966 (23 per cent of the total population), whereas in 1983 there were 913,100 (14 per cent of the population). Between 1979 and 1983, the number of children declined by 1.7 per cent in Montreal and 4.9 per cent in Toronto.

Since the proportion of 2- to 11-year-olds who watch television has remained the same -- almost 98 per cent -- the absolute number of youthful television viewers has decreased. Moreover, regardless of the number of children who watch television, the average number of hours that each child in Quebec spends in front of the television set has gone down in real terms: from 21.2 hours a week in 1979 to 18.3 hours in 1983. While the average number of viewing hours continues to be higher in Montreal than in Toronto, there was a 9.1 per cent decrease from 1979 to 1983 in Montreal, compared with a 5.8 per cent decrease in Toronto.<sup>1</sup>

As is the case with adults, Francophone children watch less television than Anglophone children. In 1983, Francophone 2- to 11-year-olds in Montreal watched an average of 17.7 hours, compared with 22.3 hours for Anglophone children of the same age.

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1. Stratégem, op. cit, p. 12.

1. Stations with Fewer Viewers

Not all stations have recorded a decline in the number of viewers. In this respect, the number of hours that all Montreal children (Anglophone and Francophone) spent watching specific stations between 1979 and 1983 is revealing.<sup>1</sup>

- CFTM's market share of children's viewing hours dropped substantially from 34 per cent in 1979 to 18 per cent in 1983. The number of hours children spent watching CFTM dropped by 53.9 per cent in the same four years.
- In the same period, CFCF's viewing hours were also halved, and its market share declined from 21 per cent to 11 per cent. It should be mentioned, however, that CFCF's children's audience appears to have shifted to the American stations that can be picked up in Montreal, which are not subject to the requirements of Bill 72. In fact, whereas 9 per cent of children's viewing hours went to American networks in 1979, the figure had risen to 20 per cent in 1983.
- For its part, CBFT registered a 21.1 per cent increase in viewing hours over the four-year period. Radio-Canada's share of the Francophone children's market rose from 22 per cent to 30 per cent between 1979 and 1983.
- CIVM also enlarged its share of children's viewing hours, from 2 per cent in 1979 to 6 per cent in 1983. The addition of Passe-partout to the station's programming was largely responsible for the increase.

The most dramatic decreases affected the two private networks, TVA and CTV, apparently to the advantage of Radio-Canada and Radio-Québec. There is thus every reason to believe that children did not necessarily shift from French-language to English-language stations. They may, however, have shifted from English-language Canadian stations to American stations.

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1. See Appendix 6.

Among Quebec Francophones, a far greater percentage of those over 15 years of age understand English than those under 15 (35 per cent of the former speak English compared with only 13 per cent of the latter).<sup>1</sup> This may be the reason why, among Francophones, children are the age group least likely to watch English-language stations. In the fall of 1983, 17 per cent of the viewing hours of 2- to 17-year-olds in Montreal went to English-language stations, compared with 25 per cent among 12- to 17-year-olds and 27 per cent among those 18 years of age and over. Nevertheless, children, like other age groups in Quebec, are turning toward English-language stations, and especially American stations. Remember that the American networks abound with advertising intended for children that is not subject to any regulation.

## 2. The Attraction of English-language Television for Francophone Children

The proportion of total viewing time that Montreal Francophones 2 to 11 years old spent watching English-language stations increased from 14 per cent in 1981 to 17 per cent in 1983, but then decreased to 13 per cent in 1984.

	Percentages			
	1981	1982	1983	1984
CBFT	35	40	43	39
CFTM	41	31	26	30
CIVM	7	7	9	9
English-Canadian stations	7	9	8	7
American stations	7	8	9	6
Other stations	3	5	5	9
TOTAL	100	100	100	100 <sup>2</sup>

1. Statistics Canada, Catalogue 92-910.

2. BBM. Television, a special report on the Francophone and Anglophone populations, appearing every year in the autumn.

It appears that Francophone children are most likely to watch English-language programs in the early morning and afternoon on weekdays (Monday to Friday, 6:00 a.m. to 8:00 a.m. and 12:00 noon to 4:30 p.m.).<sup>1</sup>

It would also be incorrect to say that Francophone children are turning predominantly to English-language television on Saturday and Sunday mornings. In fact, in 1982, 87 per cent of Saturday and Sunday morning viewing went to CBFT and CFTM, with the former attracting the lion's share of the viewing hours.

Also noteworthy is the fact that most of the viewing hours of these children were directed at family programs. In 1982, the total viewing hours of 2- to 11-year-old Francophones in Montreal were distributed as follows:

	<u>%</u>
- children's programs	31
- programs for children 12 and over	12
- programs for 18-year-olds and over	2
- programs for all age groups	55

Although BBM samples are small, making their results broadly indicative rather than highly accurate, it appears that the programs being viewed by children -- and this is especially true of the American networks -- are not programs intended specifically for children.

The question remains, therefore, whether children are being provided with good programming. The decline in their rate of television viewing and the percentage of their viewing hours directed at programs intended for a larger audience suggest that children's programming leaves something to be desired.

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1. Special studies by Statistics Canada, Cultural Sub-Division, autumn 1982.

It is worth mentioning that the 1981-83 trend among Francophone children to increase their viewing of English-language stations was not confirmed by the 1984 figures. In fact, the percentage of total viewing hours that Montreal Francophones 2 to 11 years old directed at English-language stations was 13 per cent in 1984, the lowest rate since this data has been recorded. One cannot, however, assume that this indicates a new trend. As the report entitled The Future of French-language Television points out:

The results of the 1983 and 1984 surveys appear to be anomalies. The poor showing of the French-language stations in 1983 can be attributed to the strike at Télé-Métropole and to the fact that English-language stations were presenting a large number of mini-series and special programs at that time. In 1984, Télé-Métropole made efforts to win back its viewers by offering a competitive new selection of programming; English-language television meanwhile was adversely affected by the American elections. The figures for fall 1984 may also have been biased by BBM's change in survey methodology during 1984.<sup>1</sup>

Nevertheless, CFTM's recovery in 1984 clearly reveals the link between children's viewing levels and programming provided for children. In autumn 1984, CFTM added 90 minutes to the 9 hours a week of children's programs broadcast the previous year. At the same time, it doubled its production of local programs, from 2.5 hours in 1983 to 5.0 hours in 1984, a return to its 1977 level of production. The station increased its ratings among Montreal Francophones 2 to 11 years old by four percentage points, rising from 26 per cent to 30 per cent of total viewers. Conversely, CBFT cut its children's programming and its production of children's programs by an hour and a half in 1984, and its share of the children's audience fell from 43 per cent to 39 per cent.

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1. The Future of French-Language Television, Report of the Federal-Provincial Committee on the Future of French-Language Television, Department of Communications of Canada, Ministère des Communications du Québec, May 1985, p. 18.

**CHAPTER FOUR**  
**THE POSITIONS OF THE VARIOUS INTERESTED PARTIES**

**A. Private Television Broadcasters**

Private television broadcasters think that the ban on all commercial advertising intended for children is excessive. They feel that the CAB Code of Ethics adequately protects children against possible abuse, and that the CRTC's insistence on stations adhering to the Code as a condition of licence ensures the compliance of television broadcasters. Because such a regulatory framework is considered sufficient in the other provinces, television broadcasters feel it is unfair for Quebec to have a special statute.

Furthermore, television broadcasters say the Act is ineffective because American signals inundate our homes with children's programs full of commercials for products available in Quebec.

Finally, they see the Act as being harmful. Investment in television advertising in Quebec has dropped by several million dollars since the Act took effect, and this has produced a reduction in the number of hours of children's programming. It is no longer profitable to produce or broadcast children's programs.

However, private television broadcasters have replaced children's programming with family programming. It seems that advertising revenues from such programs are higher and, when all is said and done, there has been no real loss of revenue. Nevertheless, private television stations are aware of the need to broadcast children's programming in order to establish and maintain viewing habits.

1. An Example: Télé-Métropole

Télé-Métropole says that it is interested in producing children's programs but cannot finance them profitably because of the legislative restrictions. Decisions on programming and production are made on the basis of revenue generated rather than target audience. Children's programs generate little revenue because the advertising allowed during such programs is not aimed at the audience watching them.

However, Télé-Métropole is anxious to continue children's and family programming. The "children's" time slot remains important to Télé-Métropole as a means of keeping the family audience and developing viewing habits in spite of increasing audience fragmentation.

With respect to the possibilities offered by prestige advertising, which is allowed by the Act, Télé-Métropole considers such advertising to be too restrictive. As a station considered by advertisers to be profit-oriented rather than educational, Télé-Métropole feels that prestige advertising is not sufficient for production of a series of programs. Indeed, there is no tradition of prestige advertising at Télé-Métropole, and such advertising could only be used, if at all, to produce a special, one-time program.

Télé-Métropole was not associated with any of the applications under the Telefilm Canada Broadcast Program Development Fund in 1984 for the production of children's programs. According to Télé-Métropole management, the fund was not yet profitable last fall for a major private broadcaster, and the station preferred to concentrate its efforts on profiting from the investment in production services made at the request of the CRTC. The changes in the Telefilm Canada criteria announced in April alter the rules of the game. Télé-Métropole has told us that in light of the new criteria it is now interested in looking into the possibility of agreements with independent producers of children's programs. However, the costs of such projects must meet

Télé-Métropole's market standards, and this seems to raise a problem in that the programs proposed by independent producers have been considered too costly. Télé-Métropole says it does not have the financial resources to produce a program like Passe-partout, which costs \$40,000 per half hour, has a limited audience (since children make up only about 15 per cent of the total population) and cannot be sold to advertisers. This is in contrast to a program like Les moineaux et les pinsons, which has the highest rating at Télé-Métropole and generates excellent advertising revenues but costs only about \$20,000 per half hour to produce. Therefore, 49 per cent financial participation does not seem to be enough for a private broadcaster, if it wants to produce a program like Passe-partout, which requires pedagogical support and special scriptwriting.

Private broadcasters have not gone so far as to publicly call for Bill 72 to be repealed, apparently because they do not wish to take a stand that is likely to be unpopular with the public. However, their position is clear: they denounce the excessive and harmful aspects of the Act and are willing to take part in any action that would result in making the legislation less restrictive and thus give them access to advertising revenues to finance the broadcasting and production of children's programming.

#### **B. Advertisers**

Advertisers are the group most affected by Bill 72, because they can no longer promote their products among Quebec children. Like television broadcasters, they regard the Quebec legislation as excessive in the Canadian context where, in their opinion, the CAB Code of Ethics provides effective protection for children without being detrimental to the economy. They are also of the opinion that, in spite of its severity, the Act does not really meet its objectives, since both Francophone and Anglophone children in Quebec watch a lot of American television and are thus subjected to non-regulated advertising of products sold in Quebec.



Advertisers acknowledge that of course their primary concern is to sell their products, but affirm their recognition that children constitute a public that must be protected and given special attention. This is why they fully endorse the CAB Code of Ethics. They do not, however, consider advertising to be harmful by definition; in their opinion, preventing children from being exposed to any form of advertising confines them to a ghetto. Advertising is part of the social and economic fabric; children must learn to deal with it themselves and develop a critical approach to it, which is possible only if they are exposed to commercials.

Bill 72 poses a real problem for advertisers, because the Act and the regulations are not clearly worded and are, in their opinion, far too open to interpretation. This means that they must seek legal advice before launching an advertising campaign to make sure that everything is in conformity with the legislation, which results in longer deadlines and higher costs. Moreover, they deplore the zeal of the OPC in enforcing the regulations. For example, General Foods was refused approval to advertise family products such as Jello and Dream Whip because the OPC considered the commercials to be too appealing to children.

As a result of the current situation, some companies have cut their entire advertising budgets for Quebec, while others have turned toward other forms of advertising even though they are considered more restrictive and less effective. For example, some advertisers have transferred their advertising investments to other media (especially newspapers, periodicals, billboards and posters) or have emphasized direct promotion in stores and at points of purchase.

But television is still the best medium for promoting products intended for children, especially food and toys, and this explains why advertisers have above all tried to convert their advertising directed at children into advertising directed at adults. This solution has proved to be less than satisfactory, because it involves higher costs for the production and broadcasting of commercials and is less effective. This has been confirmed by people in the advertising industry. Mr. Louis-Claude Thibault, president of Productions

F.X. Inc. of Montreal, has said that since the Act took effect, Irwin Toys has seen its advertising costs increase sixfold and the effectiveness of its commercials decrease tenfold. Advertising directed at adults requires more sophisticated, costly production and a more complex media analysis than advertising directed at children during children's programs, as well as higher air-time costs because advertising directed at adults must be broadcast during or close to prime time. And, of course, advertising to parents a product consumed by children is much less effective. Productions F.X. Inc. pointed out that the Act has had a strong negative impact on their business: in 1979 they produced 100 commercials for Irwin Toys, whereas in 1984 they produced only 32. Moreover, Irwin Toys is considering getting out of the Quebec market because of the poor return on its advertising dollar.

In general, advertisers point out that retail sales of products for children have dropped considerably since the Act took effect. Since company investment in advertising is mainly a function of retail sales, it is unrealistic to think that advertisers will finance the production or broadcasting of children's programs if they do not succeed in reaching their target clientele.

In keeping with the CAB Code of Ethics, advertisers do not produce any commercials directed at children up to 6 years of age; they are willing to participate in any form of research or action that would allow them to direct commercials at children between 6 and 11.

In summary, the major advertisers, who are located in Toronto, consider that the ban on advertising directed at children and the 2 per cent tax on electronic advertising make the rules of the game for advertising different in Quebec than in the rest of Canada. The legislation forms an obstacle to economic development by making Quebec an area where it is difficult to carry on business and one that does not attract investment.

### C. The Office de la protection du consommateur

The OPC, which is responsible for enforcing Bill 72, comes under the Quebec Minister of Housing and Consumer Protection, Jacques Rochefort.

Since the Act took effect, the OPC has had to monitor the situation closely to make sure that Sections 248 and 249, banning advertising directed at children, are respected. Legal action has been taken against some advertisers. On application by the OPC, an injunction was issued against Irwin Toys Ltd., which refused to conform to the Act; this case is still before the appeal courts.

Irwin Toys has also challenged the validity of the Act, relying on the argument that it restricts freedom of speech and therefore runs counter to the Canadian Charter of Rights and Freedoms. This fundamental case will determine whether commercial discourse falls under free speech. The case is currently before the Court of Appeal and will certainly, according to Mr. Valois, counsel for the OPC, go to the Supreme Court; this means that a judgement will not be handed down for at least 18 months.

Although the OPC ensures that the Act is enforced in Quebec, the province's children are still able to see commercials directed at them on American networks available via cable. In view of this, the OPC is currently conducting a survey to compare the consumer habits and attitudes of children who live in households with cable against those who do not have access to American stations. The OPC will use the results of the survey to support its plan, undertaken with constitutional experts from the Department of Justice, to ban the broadcasting via cable of advertising directed at children. However, before going ahead with the plan, the OPC and the Department of Justice have decided to wait for the judgement on the constitutionality of the Act.

The OPC considers the ban on advertising directed at children under 13 to be a sign of social progress. While it is aware of and concerned about the drop in the number of programs for children since Bill 72 took effect, the OPC is of the opinion that children should not have to bear the burden of being subjected to television commercials. In passing the Act, Quebec society gave itself a social mandate that it must fulfill, according to the OPC, by finding other solutions to make up for the loss of advertising revenues.

The OPC agrees that the possibilities for advertising during children's programs remain very limited under the Act. Only prestige or corporate advertising or commercials directed exclusively at adults may be broadcast.

As for lessening the restrictiveness of the regulations or their application, the OPC considers that this would amount to opening the door to either drastically amending or repealing the Act, and this does not correspond to the OPC's objectives or mandate.

#### D. Public Opinion

People generally have a negative attitude toward advertising. As the report entitled The Future of French-language Television<sup>1</sup> points out, television audiences consider advertising to be often boring, repetitive, too frequent and interruptive of the pace of programs. Many people would ideally like to see it disappear from their TV screens but acknowledge that it is needed as a means of financing television.

Public opinion is even harsher with respect to advertising directed at children. The arguments put forward in favour of banning advertising directed at children when Bill 72 was passed are just as relevant today:

- advertising directed at children attempts to sell products to a segment of the population that is considered too young and too vulnerable to make truly critical assessments;

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1. Op. cit.

- by trying to promote a product, advertising creates superficial needs among children and tends to convey a picture of a society of abundance that does not correspond to their own experience;
- most of the time advertising directed at children promotes toys with little educational value that do not encourage the child's creativity and food products that are not in keeping with good eating habits;<sup>1</sup>
- by targeting a public with no purchasing power, advertising directed at children manipulates them so they will pressure their parents to buy the product in question -- advertising intended for children is thus an indirect means of reaching parents, who are the ones with purchasing power;
- advertising directed at children has been identified as a source of tension and conflict between children and parents.<sup>2</sup>

In contrast, another segment of public opinion is against the ban on advertising intended for children because, this group says, it is up to parents, not the state, to play the role of censor and educate their children about advertising. This group also feels that denying children access to advertising is no solution because children live in a society in which they will inevitably be exposed to advertising and it is better to help them develop a critical attitude towards commercials.

We have no real statistical data measuring public opinion before the Act was passed; we do know, however, from arguments put forward and comments made, that various consumer associations and journalists were in favour of the measure.

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1. A number of studies report that 50 per cent of television advertisers sell sweet food products and snacks (candies, soft drinks, presweetened cereal) in Pour une nouvelle politique en matière de publicité destinée aux enfants. Brief to the Office de la protection du consommateur du Québec and the Canadian Radio-television and Telecommunications Commission by the Task Force on Consumerism of the Faculty of Law of the University of Montreal, Montreal, 1976.

2. Idem.

The Quebec Department of Communications hired CROP Inc. to conduct an opinion poll on the subject in January 1985. Two significant questions were asked and the results are as follows:<sup>1</sup>

- In your opinion, should the broadcasting of television advertising directed at children be allowed or prohibited?

allowed -	32%
prohibited -	43%
it depends -	22%
don't know -	3%

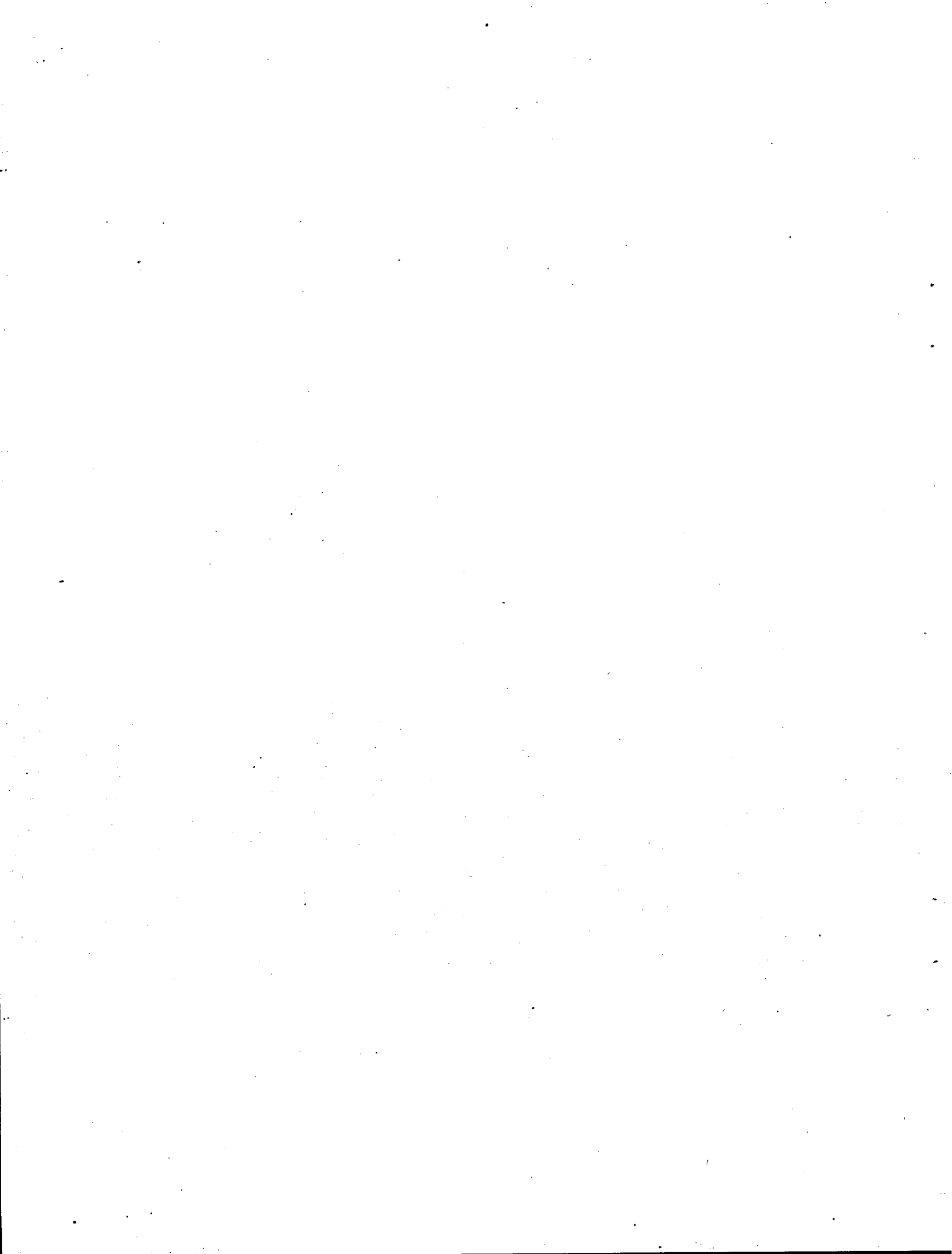
- If the result of the law prohibiting advertising intended for children was to reduce the number of children's programs, would you be in favour of:

maintaining the law -	34%
making the law less restrictive -	40%
repealing the law -	19%
don't know -	7%

These results show that initially the majority of public opinion is in agreement with the ban on such advertising. However, when a link is established between the ban on advertising and a drop in programming, 59 per cent of the people polled are willing to agree to changes in the Act. Of course the cause-and-effect relationship set out in the second question is not made automatically by the majority of the population.

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1. See Appendix 7.



CHAPTER 5  
SCENARIOS

There was some degree of upheaval in the world of children's television when the Consumer Protection Act came into effect. The ban on advertising led to a drop in advertising investment by advertisers of children's products, and this had a significant impact on both the supply of and the demand for children's programs. On the one hand, private television broadcasters significantly reduced their broadcasting and production of children's programs. On the other hand, children showed less interest in television generally and at the same time a greater interest in programs on American stations.

It is recognized that television is an important aspect of the socialization of children in that it reflects the social and cultural values of the community in which they are growing up. Moreover, as pointed out in the report on The Future of French-language Television, in the Anglophone, North American context in which it exists, the Quebec television system must become "a system with audience appeal, that is competitive in both the quality and the diversity of its programs and that is able to offer a multiplicity of choices despite the limited market."<sup>1</sup>

In light of this, the two major objectives of governments with respect to advertising directed to children are, first, to ensure that Quebec children have access to programming that meets their needs both quantitatively and qualitatively and, second, to achieve this goal by seeing that the communications undertakings concerned are in a position to offer such service.

It is useful, therefore, to look at the scenarios that could be developed and to attempt to assess their impact on the various interested parties in relation to these objectives.

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1. Op. cit. p. 68.



**A. The Status Quo: Maintaining Bill 72**

By opting to maintain the Act, the governments would be confirming the social choice made by the Quebec government in 1978 to give itself a mandate to protect children from advertising directed at them, in spite of the economic impact involved.

Supporters of the Act, the OPC and a segment of public opinion, cannot but favour such a position. Yet the government would be maintaining an irritant for the advertising industry, which would confirm the perception of a number of groups in the industry that, for one thing, the government considers advertising to be more or less harmful rather than an important economic sector and, for another, Quebec does not offer much attraction for investors. Special regulatory constraints in Quebec (Bill 72, the 2 per cent tax on electronic advertising and the Act respecting advertising contests) make the business of advertising more costly and complicated in Quebec than in the rest of Canada.

In economic terms, the status quo would mean advertising revenue of approximately \$8 million annually due to reduced investment by advertisers of children's products. In 1984, this \$8 million represented more than 1 per cent of the approximately \$700 million invested in the media in Quebec and 2.5 per cent of the \$215 million of television advertising revenue.<sup>1</sup> This lost revenue affects a number of different groups in the advertising industry in Quebec (advertisers, advertising agencies, production houses and the media, especially television).

Since one of the governments' priorities is to ensure that children have access to adequate programming in terms of both quantity and quality, the question should be asked: What effect would maintaining Bill 72 have on the supply of children's programs?

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1. Source: estimates of the Ministère des Communications du Québec based on Statistics Canada, Broadcasting and Television, 1982, Catalogue 56-204.

For private television broadcasters, advertising revenue is the source of investment in broadcasting and producing programs; it is obvious, therefore, that a lack of advertising revenue would continue to influence children's programming. Nevertheless, and although children make up only 15 per cent of the population, private television broadcasters with a family clientele are aware of their responsibilities to this segment of their public. In spite of a significant drop from 1979 to 1983, 1984 saw a rise in the broadcasting and particularly the production of children's programming on CFTM and to a lesser extent on CFCF. Of course, this rise is not necessarily the beginning of a new trend, but it does indicate that private television broadcasters are concerned about maintaining and increasing their youthful audience. Telefilm Canada's production assistance fund, as recently modified, is an incentive to the private sector that could allow it to consolidate the gains made in 1984.

Maintaining the Act would in no way affect public television broadcasters, because they do not broadcast commercials during children's programs. As a matter of fact, the opinion has been expressed that in view of the Act, children's programs become mainly the responsibility of public broadcasters. This is an interesting position in that, for one thing, children's programming cannot be considered commercially profitable in Quebec and, for another, since public television is generally more concerned with education, its mandate naturally leads it to produce children's programs.

As a public television station, CBFT has been the most active producer and broadcaster of children's programs in Quebec over the past few years. This trend has always been maintained, but it is difficult to measure the effect on this type of programming of the possible changes to the CBC's French-language network as a result of the work of the Sauvageau-Caplan task force on broadcast policies.

Radio-Québec produces no children's programs and broadcasts very few; in fact, this network broadcasts the fewest children's programs in Quebec. Nor does it plan on giving a special place to this type of programming under its new orientation and development plan. It seems to us that Radio-Québec should adjust its policies on children's programming in view of its educational mandate and the situation created by the Quebec legislation prohibiting advertising intended for children. The Quebec Department of Communications could recommend that as an educational television network, Radio-Québec should have its mandate amended to include the obligation to produce and broadcast a certain number of hours of children's programming. Quebec government television has the means necessary to fulfill such a mandate. Since the spring of 1985, Radio-Québec has been eligible for Telefilm Canada's production assistance funds. Moreover, with respect to expertise and technical and pedagogical support, the Department of Education's educational material production and distribution branch, which created Passe-partout, will soon be completely integrated into Radio-Québec.

With regard to the possible creation of a specialty youth channel, maintaining the Act would obviously make such a channel difficult to finance and operate. However, the Young-Canada Television project, submitted to the CRTC in April, targeting young people from 2 to 24, does not intend to use commercial advertising to finance its operations. The format of this proposed chain would be discretionary for cable companies and it would also broadcast prestige, educational and public service advertising. However, two other projects for a youth specialty channel have been submitted to the CRTC, and they do not include any restriction on commercial advertising. If the Act is maintained, it would be impossible to carry out these projects in Quebec.

Public networks, especially if Radio-Québec increases its programming, private networks (although to a lesser extent) and a possible youth specialty channel that does not depend on commercial advertising would be able to offer Quebec children varied programming, even if the Consumer Protection Act is maintained.

Obviously, the shift to American stations would not disappear in any case, and children would continue to watch advertising directed at them. But it is acknowledged that listeners choose a program rather than a station, and an increase in the number and variety of quality programs is the best means of winning children back to Quebec stations.

All the same, the status quo could be improved. As we pointed out earlier, the Quebec Department of Communications could recommend that Radio-Québec broadcast and produce more children's programs and could ask the OPC to relax and broaden its definitions of educational and public service advertising. The latter measure would make it possible to recover some advertising revenues for private and public television broadcasters and a possible youth channel. Although educational and public service advertising does not meet the demands of advertisers, if it is the only type allowed, it could be used more widely by national advertisers.

#### **B. Repealing Bill 72**

A position in favour of repealing Bill 72 would be in line with the current tendency towards deregulation in the industry and would indicate that economic development of communications industries is a greater priority for governments than the social policies adopted by the Quebec government in the past.

Certainly, this position would generate a strong reaction. The OPC is adamant about defending the validity of the Act and would surely come out strongly against repealing it, probably with the support of a significant segment of the population. Although recent polls reveal a divided public opinion, it must be remembered that the Act has been in effect for five years, that it is a given and that advertising directed at children, since it no longer exists, is not a current concern. It is to be expected that if public debate were rekindled, consumer associations would come out against repeal, which would be perceived as a setback, and would attempt to rally public opinion against sacrificing the social progress that they feel has been achieved by the ban on advertising directed at children.

For the advertising industry, the repeal of Bill 72 would mean the removal of an irritant for the industry in Quebec. It would also be a recognition that the industry is capable of regulating itself, since it would mean that the industry, through the CAB Code of Ethics, would itself ensure that the interests of children were respected and protected.

In economic terms, repeal of the Act would certainly make it possible to regain some advertising investment and thus increase revenues for the various sectors of the advertising industry, especially private television broadcasters. However, it is not certain that the millions of dollars recovered would be re-invested massively in production and programming, and it is unlikely that the amount recovered would reach \$8 million in the short term.

The impact of an increase in advertising revenues on children's programming is difficult to measure. Would Télé-Métropole and CFCF, since private television broadcasters would be the main beneficiaries of the additional funds, re-inject these funds into children's programs? As mentioned previously, Télé-Métropole has replaced part of its children's programming with family programming during which it can broadcast commercials, and it already broadcasts, without this additional revenue, a certain number of hours of children's programming. It is probably more realistic to expect that only part of the new revenues would be invested in the production and broadcasting of children's programs and that the supply of such programs offered by private broadcasters would not increase proportionally.

It is equally difficult to assess the impact that Quebec children's exposure to commercial advertising directed at them would have on their eating habits. A number of studies on the impact of advertising on children have been conducted in recent years, and their results both condemn and defend such advertising. Although all studies recognize that advertising has an influence on children, there is no real consensus as to whether the influence is actually negative. It is interesting to note, however, that some American studies have identified an

increase in tooth decay and obesity among children, supposedly due to poor eating habits. It has been established that much advertising directed at children is for products that are not part of a good diet. One may well wonder whether the potential effects of advertising on children's eating habits might generate a long-term increase in health care expenditures for the Government of Quebec, which assumes the costs of both dental and health care for children.

### C. Making Bill 72 Less Restrictive

In this scenario, the Consumer Protection Act would be amended to allow some form of commercial advertising under the control of the OPC.

This scenario would have the advantage of trying to reconcile the social interests of the OPC and a segment of public opinion with the economic interests of the advertising industry. It would also encourage private television broadcasters to increase their children's programming.

Such a compromise would involve amending the Consumer Protection Act, Section 248 of which stipulates that "no person may make use of commercial advertising directed at persons under thirteen years of age," in order to allow advertisers to advertise their products.

However, it would be difficult to find forms of commercial advertising that could be allowed while maintaining the necessity for the existence of the Act. For example, it would be unrealistic to consider allowing the promotion of some products or categories of products considered beneficial to a child's development and to ban the advertising of others. Lessening the restrictions in this way would be discriminatory: it would require the OPC to make value judgements and work on a case-by-case basis, and it would certainly increase bureaucratic red tape. It would be just as complex to deregulate the form of commercial messages because their goal is the same as that of any other type of advertising: to sell a product. Relaxing the regulations to allow the

broadcasting of commercials for children's products when a greater percentage of children are watching television also calls into question the raison d'être of the Act. The 5 per cent and 15 per cent limits were established in relation to the actual percentage of children in the population in such a manner as to prevent children from watching advertising directed at them.

Finally, amending the Act to allow commercial advertising would be tantamount to repealing it, because its raison d'être, based on the legislator's intention to ban commercial advertising directed at children, would no longer exist. Moreover, if commercial advertising were allowed, the CAB Code of Ethics could well be sufficient as a regulatory and monitoring mechanism.

However, some amendments to the Act should be made to broaden the scope of allowed advertising:

- expand the definition of educational advertising and relax the regulations, especially Section 91, which is particularly restrictive, for this type of advertising;
- define and develop policies on public service advertising.

CHAPTER 6  
RECOMMENDATIONS

Whereas:

- although the Consumer Protection Act has entailed a loss of revenue for the advertising industry of approximately \$8 million, private television broadcasters have maintained children's programming and increased their advertising revenues in recent years;
- the drop in broadcasting and production of children's programs by private television broadcasters between 1979 and 1983 seems to have levelled off;
- private television broadcasters with family clientele have a responsibility to serve their child audience;
- Telefilm Canada's assistance fund is mainly an incentive to stimulate production of children's programs by private television broadcasters;
- Radio-Canada has produced and broadcast many hours of children's programs over the past number of years and this trend has been maintained;
- a specialty youth channel that would broadcast no commercial advertising may be set up in Quebec;
- for all these reasons Quebec children will have access to varied programming;
- a link between renewed advertising investment by advertisers, which would be brought about by allowing commercial advertising, and a proportional increase in children's programming is not assured;



- The Consumer Protection Act prohibits the use of commercial advertising to children and has significant public support in doing so. It cannot be considered harmful for children; and while it is a genuine irritant for the advertising industry, especially for advertisers and the media, the Act cannot be considered a major obstacle to the economic development of the communications industry.

The Committee recommends that the governments of Quebec and Canada declare themselves to be in favour of maintaining the Act while recommending the following improvements to the status quo:

- that Radio-Québec, as an educational government television network, have its mandate amended to include the obligation to broadcast and produce a minimum number of children's programs;
- that the OPC broaden the concept of educational advertising and develop policies for public service advertising, with a view to improving advertisers' access to advertising and thus increasing its use in broadcasts intended for children.

APPENDIX 1

THE CONSUMER PROTECTION ACT (EXCERPT),  
REGULATIONS (EXCERPT) AND APPLICATION GUIDE



Advertising for persons under 13.

248. Subject to what is provided in the regulations, no person may make use of commercial advertising directed at persons under thirteen years of age.

Criteria of intent.

249. To determine whether or not an advertisement is directed at persons under thirteen years of age, account must be taken of the context of its presentation, and in particular of

- (a) the nature and intended purpose of the goods advertised;
- (b) the manner of presenting such advertisement;
- (c) the time and place it is shown.

Presumption.

The fact that such advertisement may be contained in printed matter intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over, or that it may be broadcast during air time intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over does not create a presumption that it is not directed at persons under thirteen years of age.

"to advertise" or "to make use of advertising".

252. For the purposes of sections 231, 246, 247, 248 and 250, "to advertise" or "to make use of advertising" means to prepare, utilize, distribute, publish or broadcast an advertisement, or to cause it to be distributed, published or broadcast.

DIVISION II

ADVERTISING DIRECTED AT CHILDREN

87. For the purposes of this Division, the word "child" means a person under 13 years of age.

88. An advertisement directed at children is exempt from the application of section 248 of the Act, under the following conditions:

- (a) it must appear in a magazine or insert directed at children;
- (b) the magazine or insert must be for sale or inserted in a publication which is for sale;
- (c) the magazine or insert must be published at intervals of not more than 3 months; and
- (d) the advertisement must meet the requirements of section 91.

89. An advertisement directed at children is exempted from the application of section 248 of the Act if its purpose is to announce a programme or show directed at them, provided that advertisement is in conformity with the requirements of section 91.

90. An advertisement directed at children is exempt from the application of section 248 of the Act, if it is constituted by a store window, a display, a container, a wrapping or a label or if it appears therein, provided that the requirements of paragraphs a to g,j,k,o and p of section 91 are met.

91. For the purposes of applying sections 88,89 and 90, an advertisement directed at children may not:

- (a) exaggerate the nature, characteristics, performance or duration of goods or services;
- (b) minimize the degree of skill, strength or dexterity or the age necessary to use goods or services;
- (c) use a superlative to describe the characteristics of goods or services or a diminutive to indicate its cost;

(d) use a comparative or establish a comparison with the goods or services advertised;

(e) directly incite a child to buy or to urge another person to buy goods or services or to seek information about it;

(f) portray reprehensible social or family lifestyles;

(g) advertise goods or services that, because of their nature, quality or ordinary use, should not be used by children;

(h) advertise a drug or patent medicine;

(i) advertise a vitamin in liquid, powdered or tablet form;

(j) portray a person acting in an imprudent manner;

(k) portray goods or services in a way that suggests an improper or dangerous use thereof;

(l) portray a person or character known to children to promote goods or services, except:

i. in the case of an artist, actor or professional announcer who does not appear in a publication or programme directed at children;

ii. in the case provided for in section 89 where he is illustrated as a participant in a show directed at children.

For the purposes of this paragraph, a character created expressly to advertise goods or services is not considered a character known to children if it is used for advertising alone;

(m) use an animated cartoon process except to advertise a cartoon show directed at children;

(n) use a comic strip except to advertise a comic book direct at children;

(o) suggest that owning or using a product will develop in a child a physical, social or psychological advantage over other children of his age, or that being without the product will have the opposite effect;

(p) advertise goods in a manner misleading a child into thinking that, for the regular price of those goods, he can obtain goods other than those advertised.



**THE CONSUMER PROTECTION ACT**

**APPLICATION GUIDE  
FOR SECTIONS 248 AND 249  
(ADVERTISING INTENDED FOR CHILDREN UNDER 13 YEARS OF AGE)**



## NOTICE

This English translation reproduces accurately the provisions of the original French version of this guide. However, due to the technical nature of the document, in case of a conflict between the two versions, the French text will prevail.

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## 1. INTRODUCTION

The new Consumer Protection Act (L.Q. 1978, c. 9) came into force on April 30, 1980. As of that date, all commercial advertising intended for persons under thirteen years of age is prohibited under sections 248 and 249 of that Act, although the Regulation allows for certain exceptions to this rule. (1)

The Office de la protection du consommateur was entrusted by the Legislator with seeing to the application of the Act, and its duty is to make sure this prohibition is respected.

However, the terms of the law can lend to different interpretations, thus allowing for some discretion in its application. This discretion is evident, for instance, in the determination of precisely what is meant by intended for children. Therefore, the Office considers it important to make public the standards it has set to determine whether or not a given advertisement is permitted under the Act.

Anyone who wants to advertise may request the Committee, specially set up for that purpose, assess the advertising according to the criteria laid down in this guide. The Committee will then give an opinion whether the advertisement is in keeping with the Act and the Regulation.

Naturally, if a court is ever seized of such a case this kind of opinion can never be binding upon it, and the Office will remain free to prosecute or to recommend prosecution, in spite of an opinion of non conformity.

These standards set by the Office are merely a guide; each case will still be judged on its own merits. If, however, because of the circumstances, the Office ever considers having recourse to other standards to enable the committee to express its opinion, the applicant will be so advised and will have an opportunity to make the appropriate representations before a decision is handed down.

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(1) See sections 79 and following of the General Regulation under the Consumer Protection Act; these exceptions are: advertising in a magazine or insert directed at children and offered for sale, advertisement of a programme or show directed at children, and finally an advertisement constituted by a store window, a display, a container, a wrapping or a label. These exceptions are still subject to section 83 of the Regulation.

Similarly, the standards outlined in this guide can always be changed if necessary, and the Office will see to it that the changes are made public in due course.

Opinions expressed are only valid for the specific advertising plans submitted and cannot be invoked as a precedent in the submission of any other advertisement.

The Committee has agreed that it will not change or withdraw any opinion it has expressed on an advertisement, for a period of one year, unless it is compelled to change its standards in the light of a court interpretation of the Act or the Regulation. The applicant would then be advised and have an opportunity to make the appropriate representations.

## 2. DEFINITIONS

### **TREATMENT WHOSE DESIGN APPEALS PARTICULARLY TO THE INSTINCTUAL NEEDS OF CHILDREN SO AS TO AROUSE THEIR INTEREST**

This type of treatment is judged not only on the literal presentation but by the general impression it creates.

Such treatment relies on procedures which, although not exclusively confined to advertising directed at children, are nonetheless generally recognized as arousing children's interest. Thus particular attention will be given to the following:

1. the use of themes relating to fantasy, magic, mystery, suspense or adventure;
2. the use of persons with whom a child can identify: the undue use of children, the use of children's voices, of heroes, of imaginary or fanciful creatures, and of animals;
3. any particularly emphatic use of the parent-child relationship or of any other relationship involving dependence upon an adult (i.e. a teacher), resulting in an undue exploitation of these bonds;
4. the use of animated cartoons;
5. the use of music which appeals particularly to children;
6. also, at the technical level, the use of such methods as spectacular sound and colour, fast cutting, animation and repetition.

Although the verbal content of a message may be directed at adults, this does not create a presumption that it is not directed at persons under 13 years of age, if the visual content appeals particularly to the instinctual needs of children so as to arouse their interest.

## CHILDREN'S PROGRAMS

Children's programs, as defined by this guide, are programs directed at children under 12 years of age; these include the programs so designated by the broadcasters as well as those which by their nature, content and time of programming, are obviously directed at this audience.

These programs include the time periods immediately preceding and immediately following, which are not part of the preceding or following programs.

## PERCENTAGES

The percentages pertaining to the proportion of viewers aged 2 to 11, and to which this guide refers, are based on the Bureau of Broadcast Measurement (B.B.M.) figures.

For network broadcasting, the Montréal region survey under the "full coverage" listing serves as a reference for the whole of Québec.

For regional Broadcasting, the B.B.M. survey of this region applies.

These percentages are those for the same program aired during the same preceding season.

When a schedule is changed from one season to the next, or a new program is scheduled, the broadcaster will be deemed to have shown reasonable diligence for the first season of this program if, using the criteria below, he could reasonably foresee that the program would not be viewed by an audience in which the percentage of viewers aged 2 to 11 years represented 15% or more of the total, or 5% or more of that audience, depending on the situation. These criteria are: (1) the type of program, (2) the time of broadcasting, (3) competition from other programs at the same time, and (4) the data on viewing levels in Chapter 5 of this guide.

### 3. COMMERCIAL ADVERTISING

#### 3.1 PRODUCTS AND SERVICES INTENDED EXCLUSIVELY FOR CHILDREN

This category mainly includes toys and certain sweets or foods enjoyed almost exclusively by children and which have a marked appeal for them. Given the nature of these products, the principles which follow must be very strictly applied.

According to the treatment, the advertisement may be broadcast as follows:

##### 3.1.1 CHILDREN'S PROGRAMS:

These products or services may not, for all practical purposes, be advertised during children's programs (unless the message is presented so that it cannot, in any way, arouse a child's interest).

##### 3.1.2 ALL PROGRAMS EXCEPT THOSE FOR CHILDREN:

In order to be acceptable in programs other than those intended for children, these messages must not be directed at persons under 13 years of age; nor may they be presented so as to appeal particularly to the instinctual needs of children so as to arouse their interest.

This does not exclude a restrained association of the child with the product or service.

With regard to this type of product or service, particular attention must be given to the restrained nature of the message, and a realistic and objective representation of the product's characteristics and performance.

**3.1.3 PROGRAMS WHOSE PERCENTAGE OF CHILD VIEWERS IS LESS THAN 15%:**

Advertisements aimed partly at adults and partly at children (for example, messages whose verbal content is truly addressed to the adults but whose visual presentation, in whole or in part, appeals particularly to the instinctual needs of children so as to arouse their interest) may not be broadcast except in programs whose percentage of viewers aged 2 to 11 represents less than 15% of the total viewing audience.

**3.1.4 PROGRAMS WHOSE PERCENTAGE OF CHILD VIEWERS IS LESS THAN 5%:**

Advertisements directed mainly at children may not be broadcast in any program whose percentage of viewers aged 2 to 11 is 5% and more of the total viewing audience.

**3.2 PRODUCTS AND SERVICES NOT DIRECTED EXCLUSIVELY AT CHILDREN BUT WHICH HAVE A MARKED APPEAL FOR THEM:**

This category includes some "family" products (i.e. certain sweets, certain cereals, certain cakes and desserts, hamburgers, amusement parks) and some products intended for teenagers (i.e. certain games).

Depending on how it is treated, this advertisement may be broadcast under the rules in paragraph 3.1.1, 3.1.2, 3.1.3, and 3.1.4.

**3.3 PRODUCTS AND SERVICES WITH NO APPEAL FOR CHILDREN:**

This category includes products intended exclusively for adults, some "family" products (i.e. shampoos, toothpaste), some products for teenagers (i.e. certain games, skin cleansers), and some products intended exclusively for children (i.e. health products for babies).



Advertisements concerning these products may be broadcast during any program provided they are directed at adults.

**APPLICATION GUIDE  
FOR SECTIONS 248 ET 249  
COMMERCIAL ADVERTISING**

**Summary of Regulations**

	<b>PRODUCTS AND SERVICES EXCLUSIVELY INTENDED FOR CHILDREN</b>	<b>PRODUCTS AND SERVICES WITH A MARKED APPEAL FOR CHILDREN</b>	<b>PRODUCTS AND SERVICES WITH NO APPEAL FOR CHILDREN</b>
<b>DEFINITION</b>	<b>Includes: toys, some sweets and food products</b>	<b>Includes: "family" products and products for teenagers: some cereals, desserts and games</b>	<b>Includes products for adults, families, teenagers and children</b>
<b>CHILDREN PROGRAMS</b>	<b>NEVER unless treatment not likely to interest children</b>	<b>NEVER unless treatment not likely to interest children</b>	<b>Always, but treated for adults</b>
<b>ALL PROGRAMS OTHER THAN CHILDREN PROGRAMS</b>	<b>Advertisements not designed to appeal particularly to the instinctual needs of children so as to arouse their interest</b>	<b>Advertisements not designed to appeal particularly to the instinctual needs of children so as to arouse their interest</b>	<b>Always, but treated for adults</b>
<b>PROGRAMS WHERE 2 TO 11 YEARS-OLDS MAKE UP LESS THAN 15% OF AUDIENCE</b>	<b>Advertisements partly directed at children</b>	<b>Advertisements partly directed at children</b>	<b>Always, but treated for adults</b>
<b>PROGRAMS WHERE 2 TO 11 YEARS-OLDS MAKE UP LESS THAN 5% OF AUDIENCE</b>	<b>Advertisements directed mainly at children</b>	<b>Advertisements directed mainly at children</b>	<b>Always, but treated for adults</b>

#### 4. EDUCATIONAL ADVERTISING

While the Consumer Protection Act prohibits advertising directed at children, this prohibition applies only to commercial advertising.

One of the most current forms of non-commercial advertising is educational or "public service" advertising.

Any such educational or public service advertising directed at children must meet the following requirements:

1. it must be beneficial to the education and development of the child;
2. considered as a whole, it must not constitute a trick to "get around" the spirit of the Act;
3. the product must not be identifiable other than in its generic form; there must not be a trademark;
4. it must comply with section 83 of the General Regulation;
5. the sponsor must be identified in a "low-key" manner; his name must not be animated and it must not appear for more than five seconds, regardless of the length of the advertisement.

## 5. VIEWING LEVELS

As a guide for broadcasters and advertisers, the Office has reproduced below a grid indicating the times of day when children watch television.

These periods were derived from a study of the trends in viewing habits of children aged 2 to 11, per thirty-minute schedules segment throughout Québec, based on the average of the surveys of autumn 1979 and spring 1980.\*

Taking 15% of all Québec children aged 2 to 11 as the norm of a significant viewing level, (on January 1, 1980, children aged 2 to 11 made up 14.5% of the population of Québec), the periods during which the viewing level of children, converted into the share of the total audience for each thirty-minute segment, were persistently higher than the norm, were as follows:

a) from Monday to Friday:

7:00 a.m. to 8:30 a.m.  
9:00 a.m. to 10:30 a.m.  
11:00 a.m. to 12:30 a.m.  
4:00 a.m. to 6:00 p.m.

b) Saturday:

7:00 a.m. to 1:00 p.m.  
2:00 p.m. to 4:30 p.m.  
5:00 p.m. to 6:00 p.m.

c) Sunday:

7:00 a.m. to 10:00 a.m.  
5:00 p.m. to 5:30 p.m.  
6:30 p.m. to 7:00 p.m.

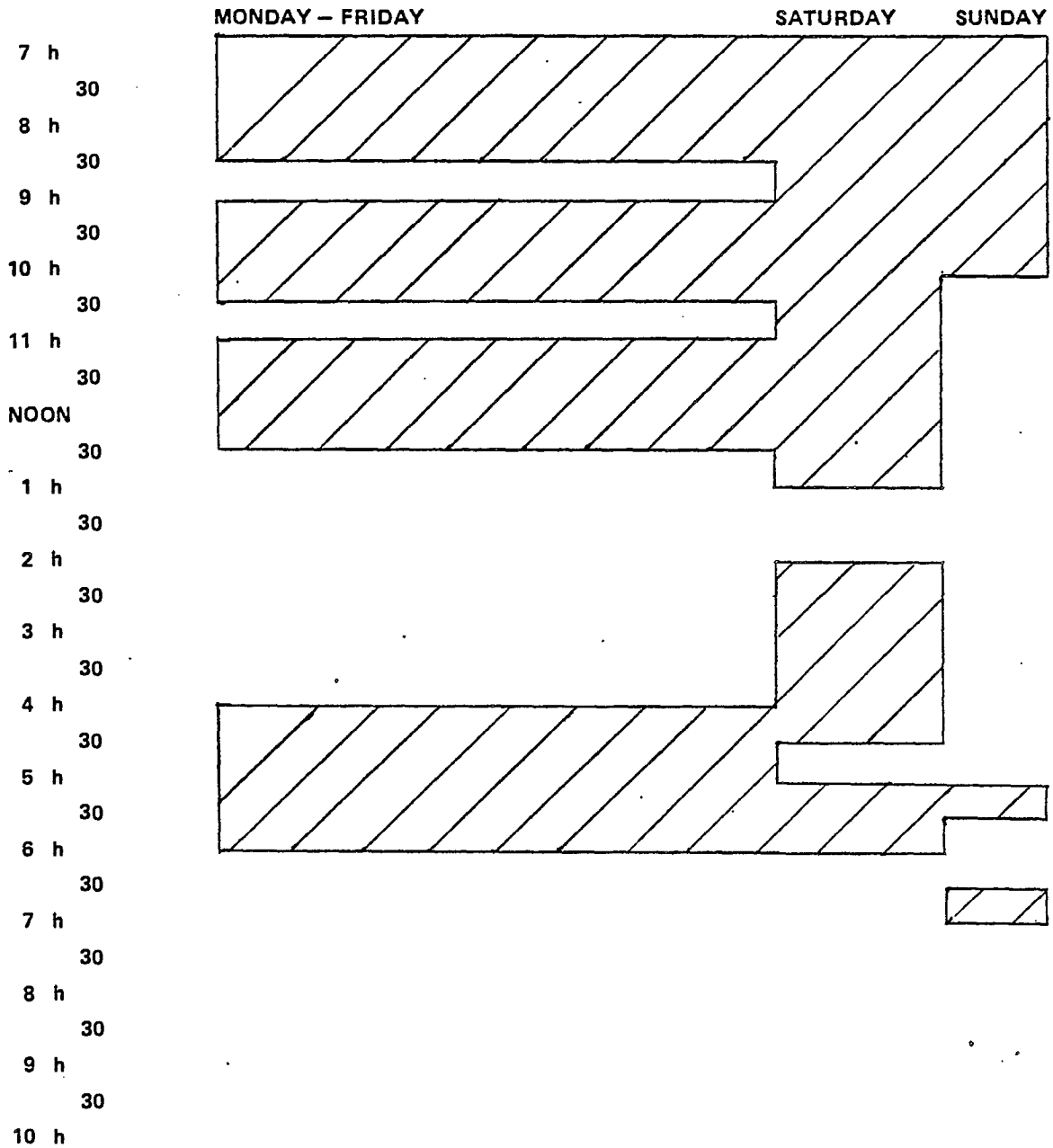
These results are reproduced in graphic form on the following page.

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\* The viewing level is the sum of the ratings of any given group - in this case children aged 2 to 11 - for any thirty-minute segment. This data is based on the surveys of the Bureau of Broadcast Measurement (BBM).

SHARE OF CHILDREN 2 TO 11  
IN THE TOTAL AUDIENCE PER 30-MINUTE SEGMENT

SEASON 1979-1980



\* The streaked portions indicate the periods when the share of children aged 2 to 11 reaches or exceeds 15% of the total audience.

**6. THE COMMITTEE ON THE APPLICATION  
OF SECTIONS 248 AND 249 OF THE  
CONSUMER PROTECTION ACT**

**MODE OF OPERATION**

**1. MANDATE**

The Committee studies all advertisements submitted to it, and gives an opinion as to how well they comply with sections 248 and 249 of the Consumer Protection Act (1978, c. 9) and sections 79 to 83 of the General Regulation.

**2. MEMBERSHIP**

The Committee consists of one member from the direction des communications and three members from the direction des affaires juridiques, including its director, who is the chairman of the Committee.

**3. MEETINGS**

The Committee meets every Thursday at the administrative office of the Office de la protection du consommateur, in Montréal.

**4. DOSSIERS**

**4.1 PROPOSED ADVERTISEMENTS:**

For the purpose of examination, dossiers are submitted in the following manner:

- a) a summary (not more than 2 pages) containing:
  - 1) the objectives of the proposed message or campaign;
  - 2) the target groups;
  - 3) an insight into the general media strategy;
- b) 5 photocopies of scripts, story boards, layouts, etc.;
- c) one copy of all available audio or visual material;
- d) with respect to an advertising campaign using several messages or media, the dossier must mention all advertising documents; these must be submitted as soon as they become available.

#### 4.2 FINISHED COMMERCIALS:

One copy of each completed commercial, in the form of a 3/4 inch video cassette or a 16 mm film, accompanied by the summary document described in 4.1.

#### 4.3 THE SUBMISSION OF DOSSIERS

All dossiers must be sent to the Office at 5199 Sherbrooke Street East, Room 2360, Montréal H1T 3X1, and be received before 4:30 Tuesday afternoon. They must be addressed to Me Pierre Valois.

### 5. OPINIONS

- 5.1 Opinions will be expressed in writing, and justified.

5.2 If the Committee expresses an opinion of non conformity, the interested parties may submit their point of view to the Committee in writing. If these parties request it, they may then meet with the members of the Committee who are appointed for this purpose.

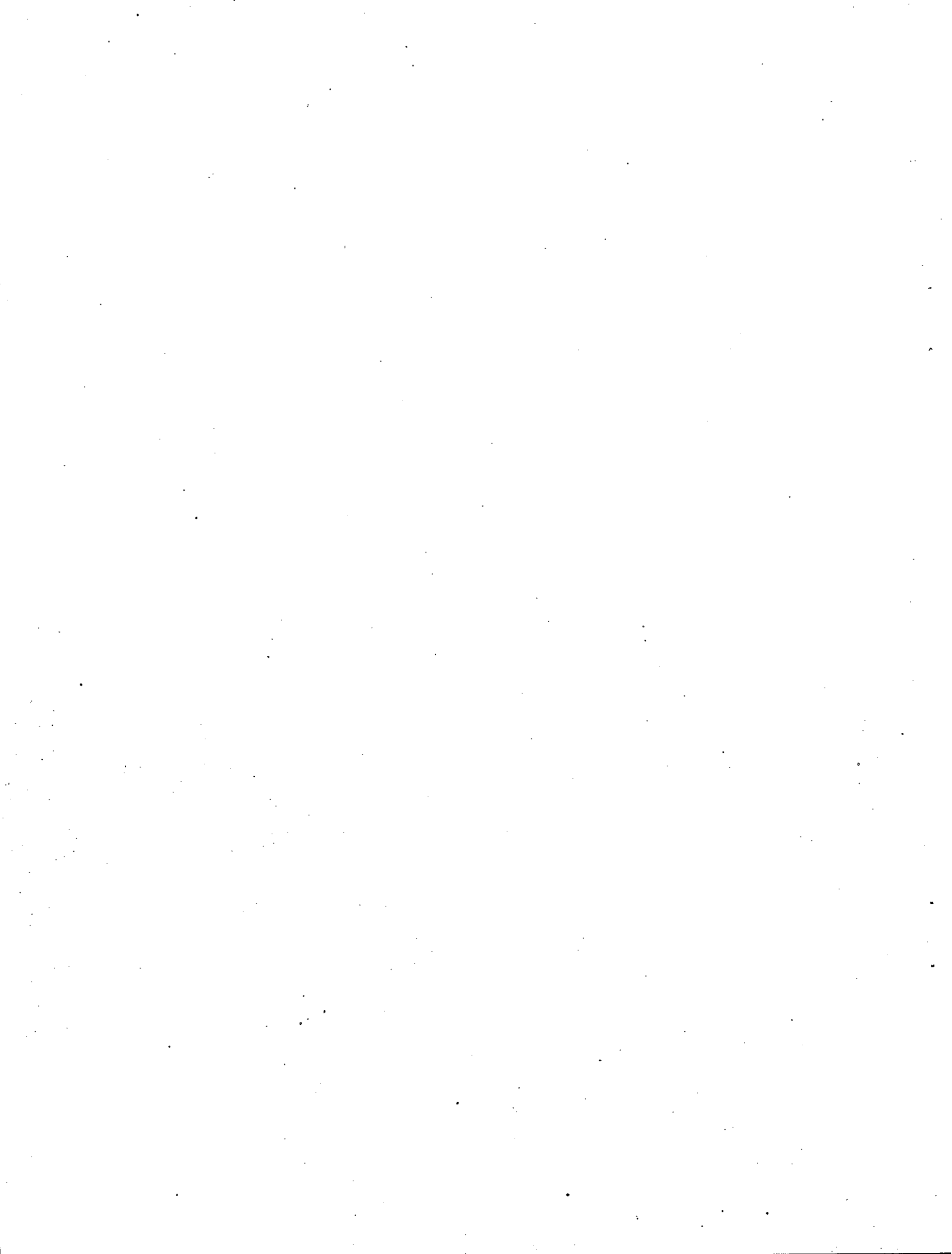
5.3 The opinions do not bind the Committee for more than one year.

## 6. MISCELLANEOUS

Material constituting a dossier submitted under these rules will not be returned.

Octobre, 1980.





**APPENDIX 2**

**IMPACT OF THE PROHIBITION ON TELEVISION ADVERTISING  
INTENDED FOR CHILDREN**



APPENDIX 2

IMPACT OF THE PROHIBITION ON TELEVISION  
ADVERTISING INTENDED FOR CHILDREN

A) Impact of Bill 72 on Advertising Expenditures in Quebec

The Association of Canadian Advertisers (ACA) maintains that Bill 72, which prohibits advertising intended for children, is at least partially to blame for a relative decline in total advertising expenditures in Quebec.

To substantiate its claim, the ACA analysed the Quebec operations of 11 major Canadian advertisers in 1978 and in 1983.

These advertisers accounted for 8.6 per cent of Canadian television advertising expenditures in 1978 and 10.5 per cent in 1983.

Advertising by Eleven Major Advertisers

		1978			1983		
		\$ 000 000	%	%	\$ 000 000	%	%
Children	Quebec	1.9	21.6	22.4	--	--	--
	Canada	8.8	<u>100.0</u>	23.8	21.5	<u>100.0</u>	23.9
Adults and others	Quebec	6.6	23.5	77.6	16.8	24.6	--
	Canada	28.1	<u>100.0</u>	76.2	68.4	<u>100.0</u>	76.1
TOTAL	Quebec	8.5	23.0	<u>100.0</u>	16.8	18.7	--
	Canada	36.9	<u>100.0</u>	<u>100.0</u>	89.9	<u>100.0</u>	<u>100.0</u>

Source: Association of Canadian Advertisers

According to the conclusions of the study, the 11 companies have spent relatively less in Quebec on advertising since the Act came into effect. Quebec's share of the advertising budget of these companies decreased from 25.0 per cent in 1978 to 18.7 per cent in 1983, a drop of 18.0 per cent, or \$3.9 million.

The ACA has asked that Bill 72 be repealed to correct a situation that has caused a loss of business for the Quebec television industry.

To determine the accuracy of the ACA's contention, we will analyse advertising patterns for the entire private television industry in Quebec. If the overall pattern conforms to the ACA's claim, we will examine other possible explanations, such as a relative decline in rental sales, the economic recession in Quebec, provincial government advertising and, finally, government intervention (principally the law prohibiting advertising intended for children).

## ANALYSIS

### Trends in Television Advertising in Quebec

The figures show that Quebec's share of the national advertising market declined by 15 per cent between 1979 and 1983. During the same period, Ontario's share of the Canadian market increased by 2 per cent and Alberta's by 22 per cent, with increases in advertising revenues of \$5 million and \$20 million, respectively.

If Quebec had maintained its 1979 share of the Canadian market, television advertising revenues would have been \$28 million higher than they actually were (\$165 million).

**Private Television Advertising<sup>1</sup>**  
Quebec's Share of the Canadian Market

	1977	1978	1979	1980	1981	1982	1983
% Local advertising 1979=100	33.6 99	34.0 100	33.9 100	32.2 95	31.7 94	31.4 93	31.2 92
% National advertising 1979=100	22.3 91	22.9 94	24.4 100	22.5 92	22.0 90	20.8 85	20.5 84
% Network payments 1979=100	17.3 94	17.8 97	18.4 100	22.8 124	19.6 107	17.8 97	16.5 90
% Total 1979=100	24.8 95	25.2 97	26.1 100	25.3 97	24.2 93	22.9 88	22.3 85

Source: Statistics Canada Catalogue no. 56-204, Radio and television broadcasting.

**POSSIBLE EXPLANATIONS FOR THE DECLINE**

**A) Relative Changes in Retail Sales**

If we begin with the assumption that advertising is directly related to retail sales, this variable would explain a relative decline in advertising of 5 per cent from 1979 to 1983. And indeed, Quebec's share of national retail sales dropped from 25.5 per cent to 24.3 per cent during this period, which represents a decline of 5 per cent.

---

1. Advertising for children was banned at the beginning of 1980.

**Retail Sales**  
**Changes in Quebec's Share of the Canadian Economy**

	1974	1977	1979	1981	1983
% Quebec	25.0	25.2	25.5	24.0	24.3
·1979=100	98	99	100	94	95

Source: Statistics Canada catalogue nos. 63-224 and 11-003F.

The decline in retail sales in Quebec accounts for \$8.4 million, or one third of the \$28 million decline in television advertising revenues: the remaining \$19.6 million has still to be explained.

**B) Economic Recession**

The CÉGIR study on the state of the advertising industry in Quebec points out that advertisers cite the economic recession as one reason for the relatively poor performance of advertising in Quebec.

**Changes in Quebec and Ontario's Share  
of the Canadian GNP**

	1974	1977	1979	1981	1983
Quebec	28.3	26.3	25.7	25.7	25.1
Ontario	48.1	43.8	42.5	42.7	N.D.
TOTAL	76.4	70.1	68.2	68.4	

Source: Statistics Canada catalogue nos. 11-213 and 11-003F.

Analysis of the data covering changes in Quebec's share of the GNP from 1979 to 1983 shows that it was not in decline, but remained stable. Therefore the GNP does not explain the decrease in advertising.

According to this variable, Ontario should also have experienced a decrease in advertising.

The significant relative decline in Quebec and Ontario's share of the GNP from 1974 to 1979 is the result of higher oil prices, which swelled the share of the GNP of the oil-producing provinces.

C) Government of Quebec Advertising<sup>1</sup>

There is no doubt that cuts in government advertising since 1978 are partly to blame for the relative decrease in television advertising and may account for \$2.7 million of this decrease. From 1979 to 1983, the Government of Quebec cut its television advertising budget by more than \$1.2 million, which meant a decline in real terms. Even if the government's advertising budget had remained stable, its share of a growing market would have been reduced.

Television Advertising Expenditures  
Government of Quebec  
(thousands of dollars)

Year	1978	1979	1980	1981	1982	1983
Amount	4,348	3,646	2,406	970	1,153	2,408

Source: DGMC/QDC

Government advertising accounted for 3.1 per cent of television advertising in 1979; this figure had fallen to 1.4 per cent, or by \$2.4 million, by 1983. If the Quebec government had maintained its market share of 3.1 per cent in 1983, government advertising would have risen to \$5.1 million, as compared with the \$2.7 million actually spent that year.

1. Not including advertising by government agencies such as Loto Québec, SAQ, RAAQ, RAMQ, Hydro-Québec and so on.



#### D) Prohibiting Advertising Intended for Children and the 2 Per Cent Tax

Changes in retail sales, the GNP and government advertising explain only a part of the relative decline in television advertising.

The ban on advertising intended for children appears to be one of the major causes of the decline.

In fact, if one is to believe ACA figures, only a very small part of the advertising intended for children has been transferred to adult advertisements. In 1978 and 1983 in Quebec, advertising intended for adults represented 17.9 per cent and 18.7 per cent, respectively, of the advertising budgets of the 11 national companies studied by the Association. These figures indicate that the expected transfer of advertising expenditure from children to adults did not take place.

Therefore, it can be estimated that, if advertising intended for children were permissible in Quebec, total advertising expenditures would increase by at least 5 per cent, which would have amounted to \$8.2 million in 1983.

Five per cent is a relatively conservative figure, considering that the ACA estimated a rate of 8 per cent for 1978.

The ACA also maintains that the 2 per cent tax on electronic advertising is a disincentive to advertisers, but the Association has not estimated the negative impact of the tax on total advertising expenditures (see CÉGIR).

#### CONCLUSION

The Association of Canadian Advertisers claims that the amount spent on advertising intended for children has not been transferred to advertising for adults.

According to the Association, advertising for children represented 8 per cent of all advertising in 1978, for a value of \$8 million. The ACA estimates that, if children's advertising had not been prohibited, it would have accounted for at least 5.2 per cent of all advertising in 1983.

Total television advertising in Quebec declined as a share of the Canadian market from 26.1 per cent in 1979 to 22.3 per cent in 1983. This is a drop of 15 per cent, for a value of \$28 million.

The analysis of trends in retail sales and government advertising budgets may account for declines of \$8.4 million and \$2.7 million, respectively, in total advertising expenditures in Quebec. Nevertheless, a decline of \$17 million remains unaccounted for.

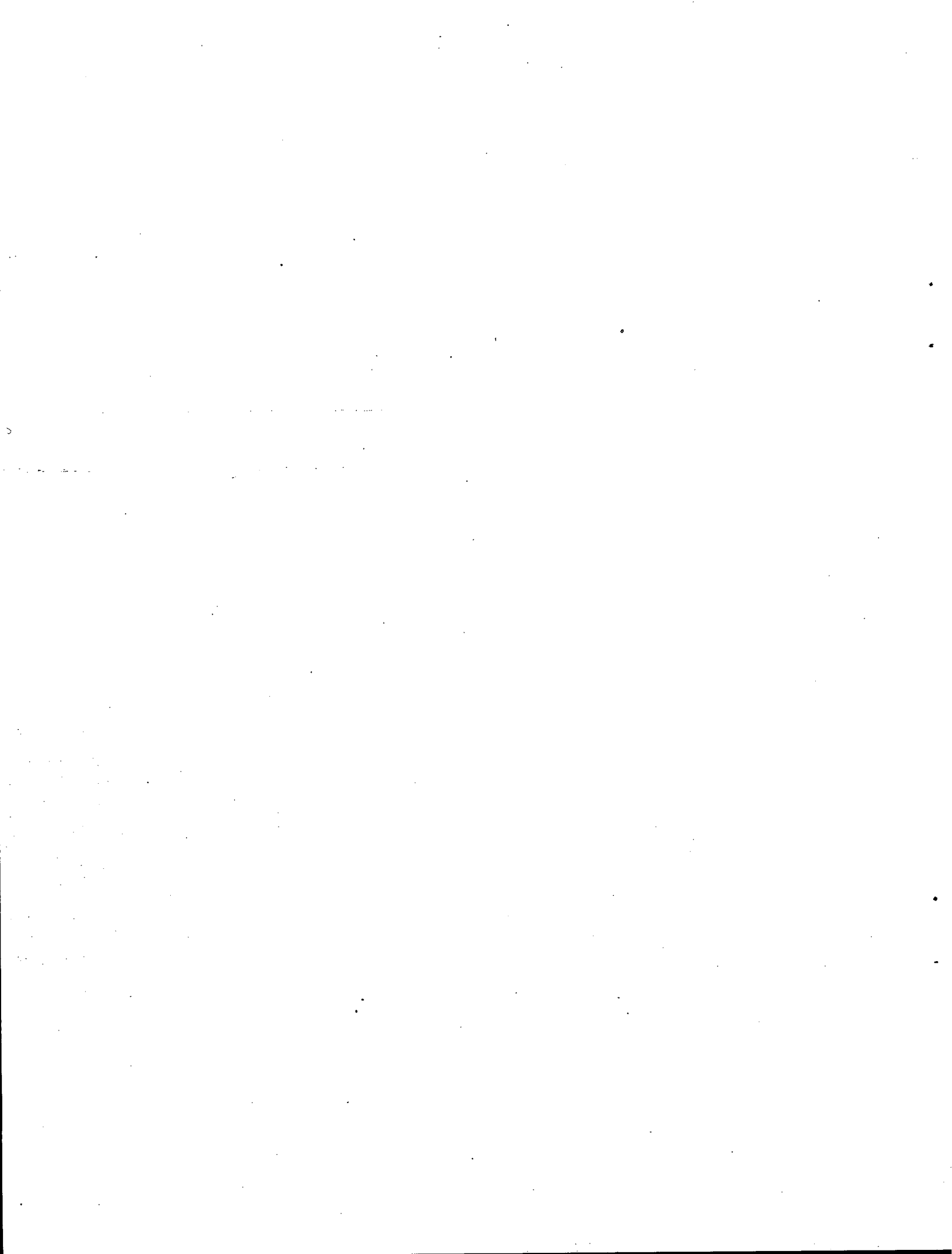
We considered the possibility that Quebec's share of the GNP may have declined, but found that this was not the case, and therefore ruled out this variable as a cause of the decrease.

Finally, we considered the contentions of the Association of Canadian Advertisers and arrived at the conclusion that the legislation prohibiting television advertising intended for children might be responsible for a relative decline in advertising in Quebec of an estimated value of \$8.2 million.

With respect to the remaining \$8 million of the decline still unaccounted for, it is our view that the 2 per cent tax on electronic advertising is partially to blame.

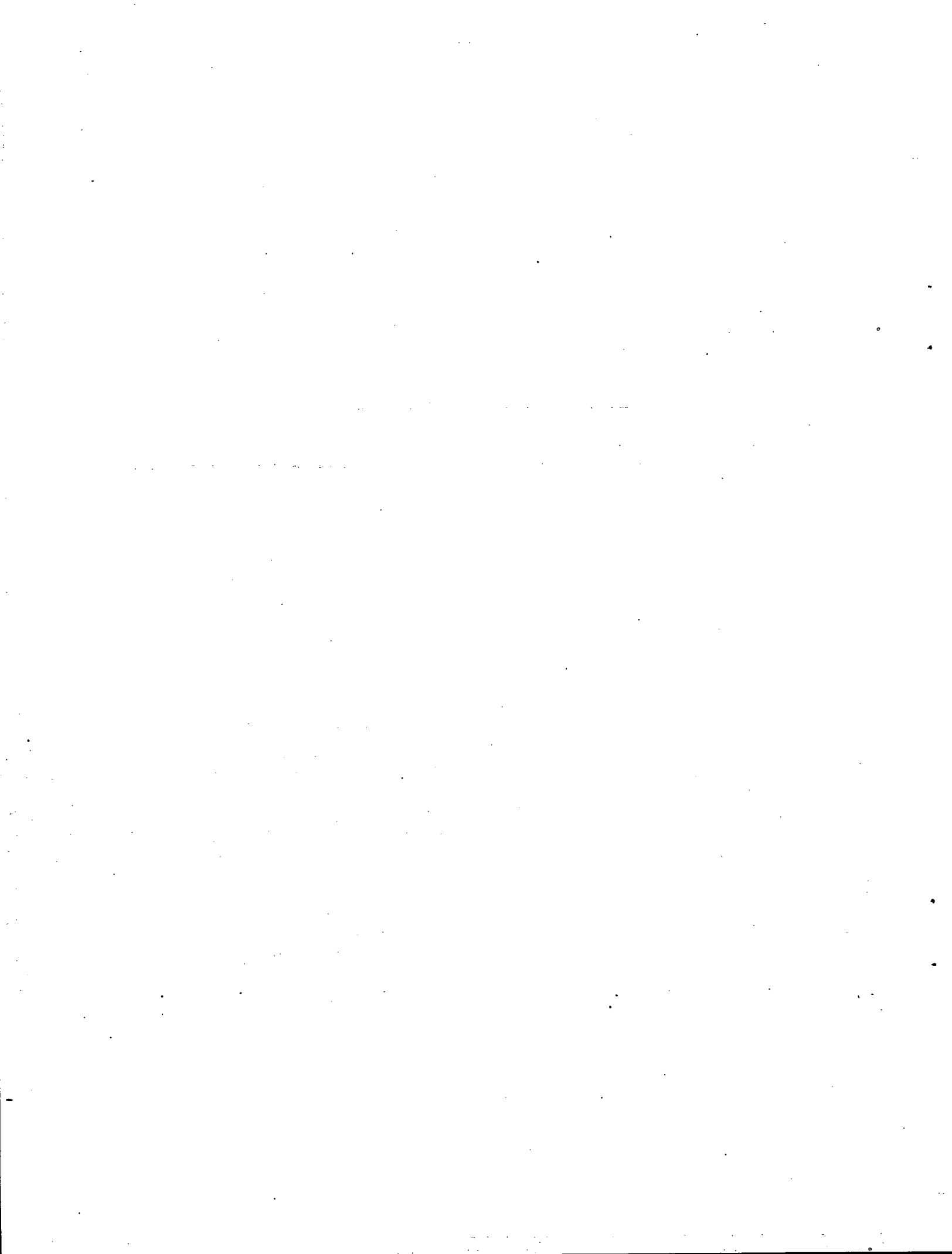
Finally, we believe that advertisers' perception of Quebec as a stagnant market and economy is an important factor, but one whose effect in monetary terms we cannot, unfortunately, determine.

Direction générale du développement  
QDC



**APPENDIX 3**

**CHANGES IN THE NUMBER OF HOURS OF  
FAMILY PROGRAMMING IN THE MONTREAL MARKET**

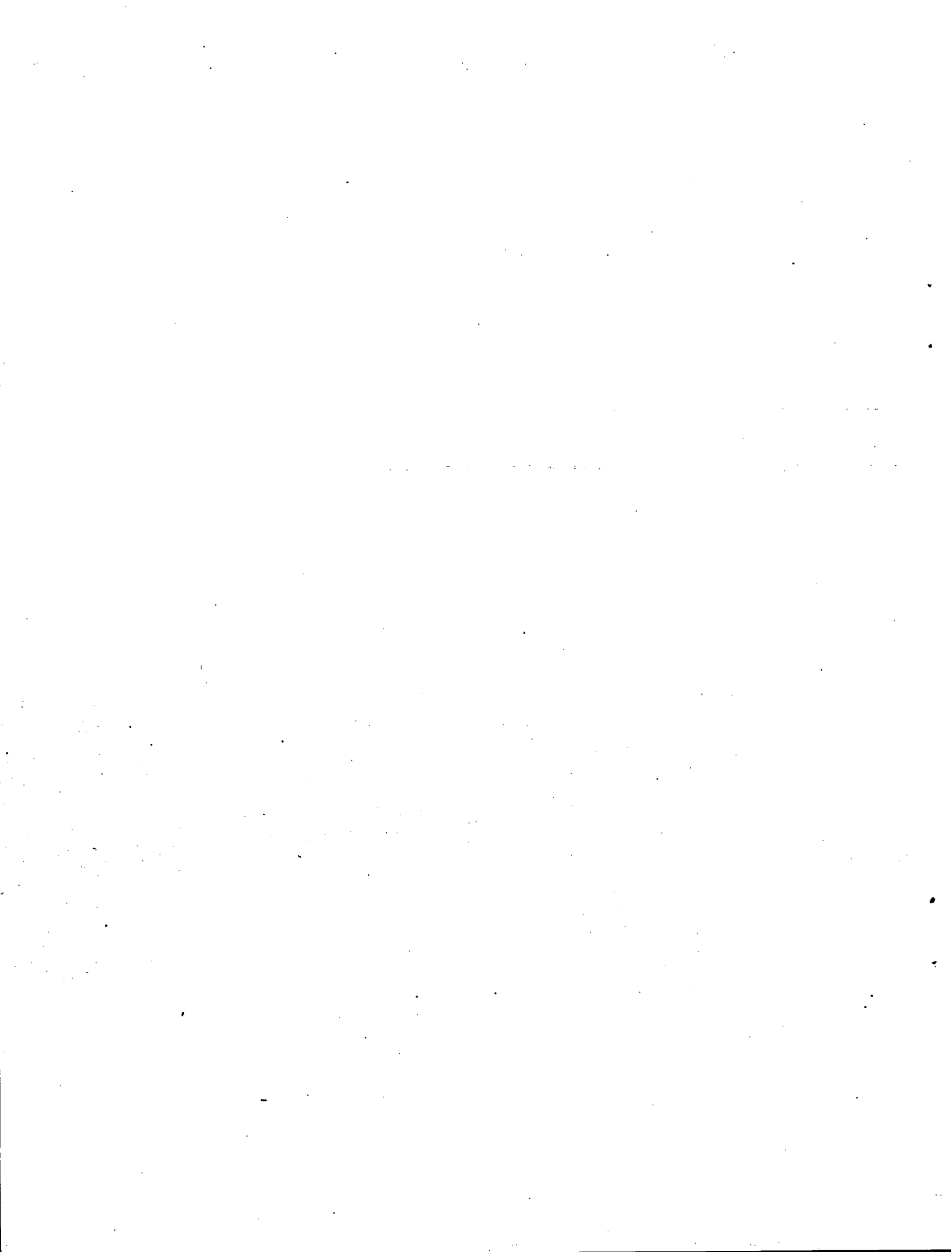


APPENDIX 3

CHANGES IN THE NUMBER OF HOURS OF FAMILY PROGRAMMING IN THE MONTREAL MARKET  
(With the Percentage of Hours of New Programs)

	1979	1980	1981	1982	1983
CBFT	24.5	24.0 (24%)	30.75 (19.5%)	28.25 (17.7%)	29.0 (20.7%)
CFTM	31.0	25.5 (10%)	28.25 (7.1%)	20.25 (-)	23.50 (2.1%)
CFCF	21.5	14.5 (6.1%)	13.5 (25.9%)	13 (34.6%)	13 (23.1%)
CIVM	5.0	5.5 (-)	5.5 (-)	8.5 (-)	4 (-)
CBMT	17.25	16.75 (-)	17.25 (-)	11.75 (-)	14.25 (-)
TOTAL	99.25	86.25 (21.2%)	95.25 (12.1%)	81.75 (11.6%)	83.75 (11.3%)

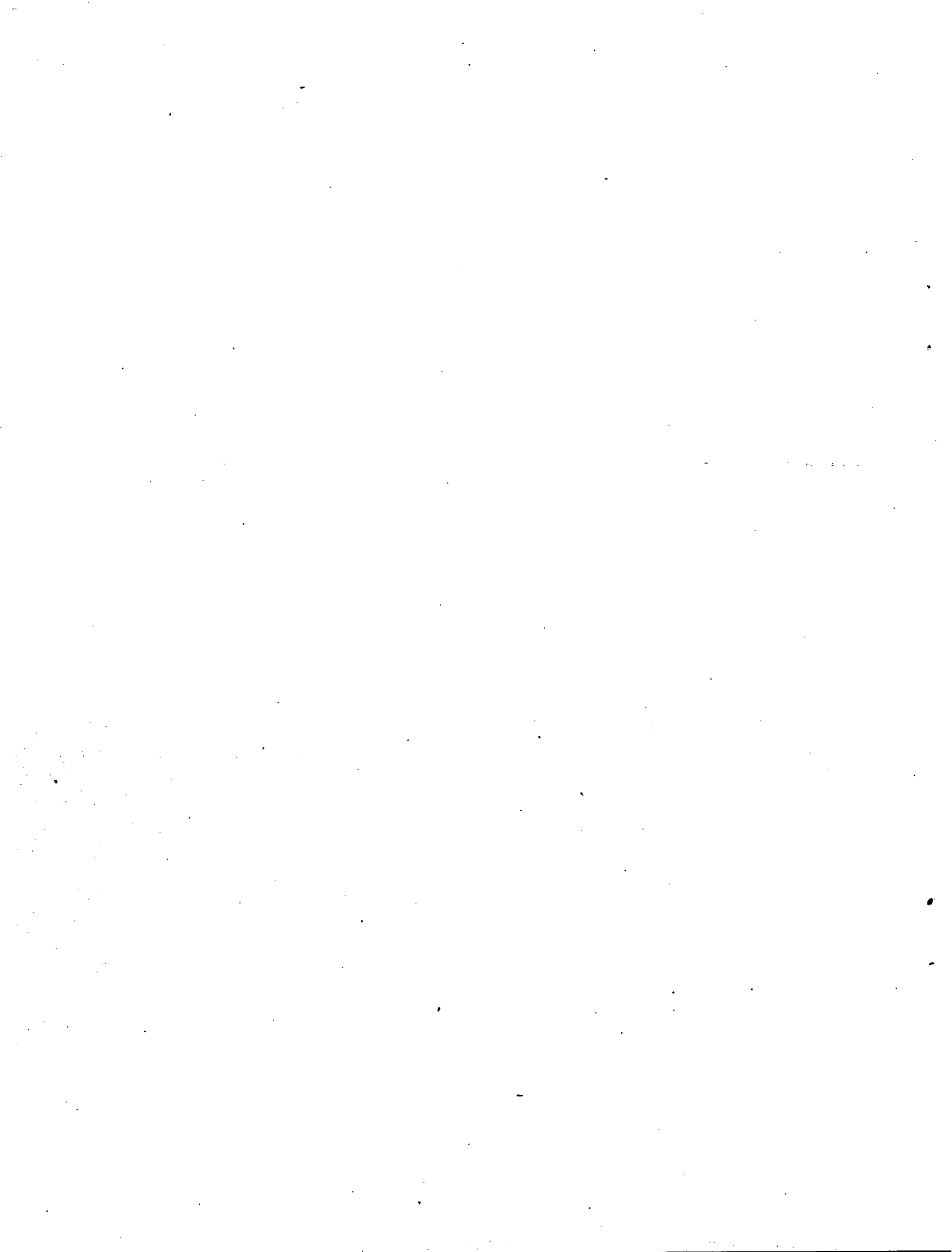
Source: Tables appearing in "Étude de qualité et de quantité sur la programmation d'enfants depuis avril 1980," Stratégem, 1984.



APPENDIX 4

CHANGES IN THE NUMBER OF HOURS OF PROGRAMMING  
FOR CHILDREN AGED 2 TO 11 IN MONTREAL





APPENDIX 4

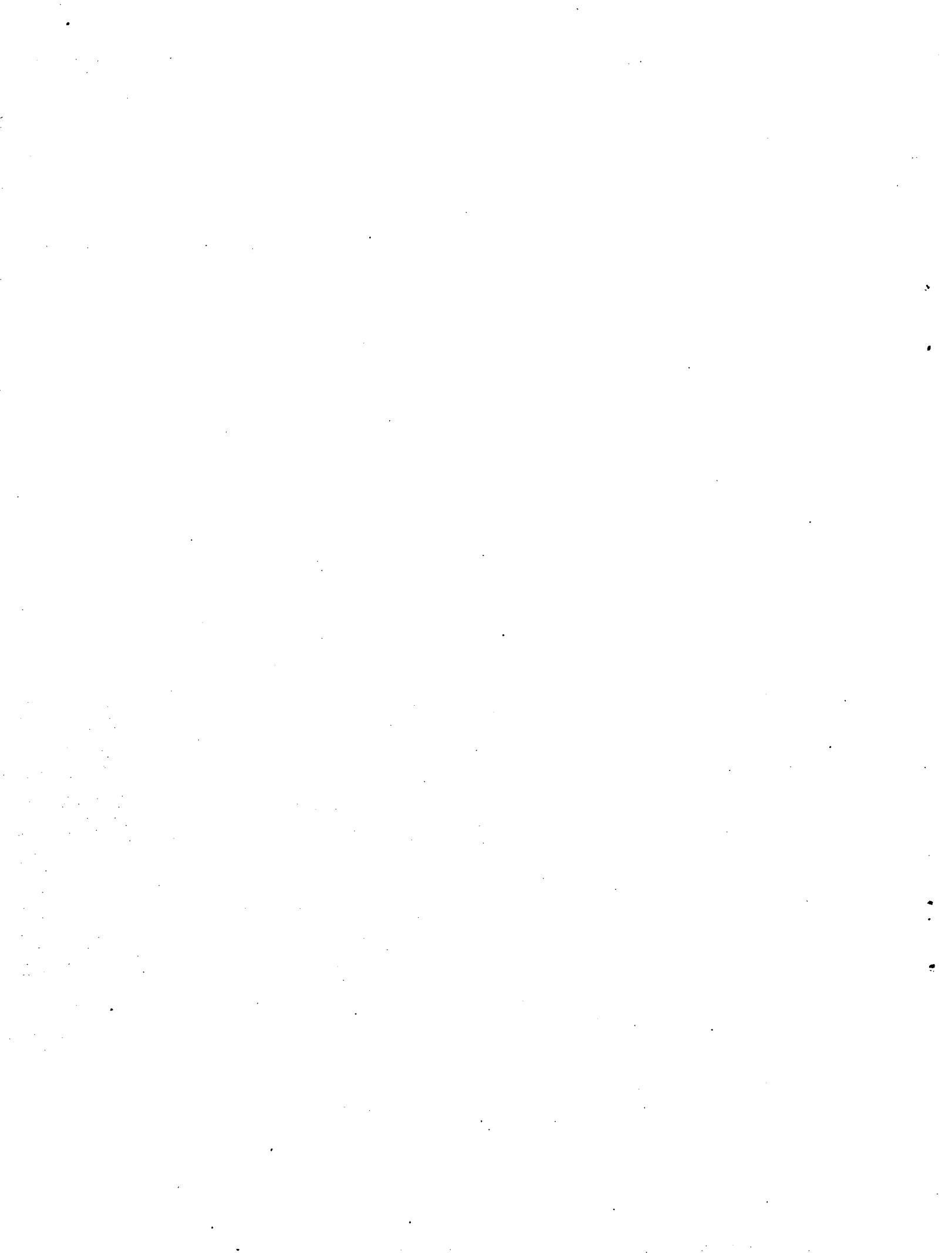
CHANGES IN THE NUMBER OF HOURS OF PROGRAMMING  
FOR CHILDREN AGED 2 TO 11 IN MONTREAL<sup>1</sup>

HOURS/WEEK

	Fall '79	Fall '80	Fall '81	Fall '82	Fall '83	Changes
Radio-Canada	18.0	18.0	19.75	20.5	18.75	+ 4.2
Télé-Métropole	16.5	16.5	17.75	11.75	9.0	- 45.2
CBC	10.25	9.75	10.25	9.75	9.75	- 4.9
CTV	14.0	11.0	8.0	7.0	6.5	- 53.5
Radio-Québec	5.5	5.5	5.5	6.0	4.0	- 27.3
TOTAL	64.25	60.75	61.25	55.0	48.0	- 25.3

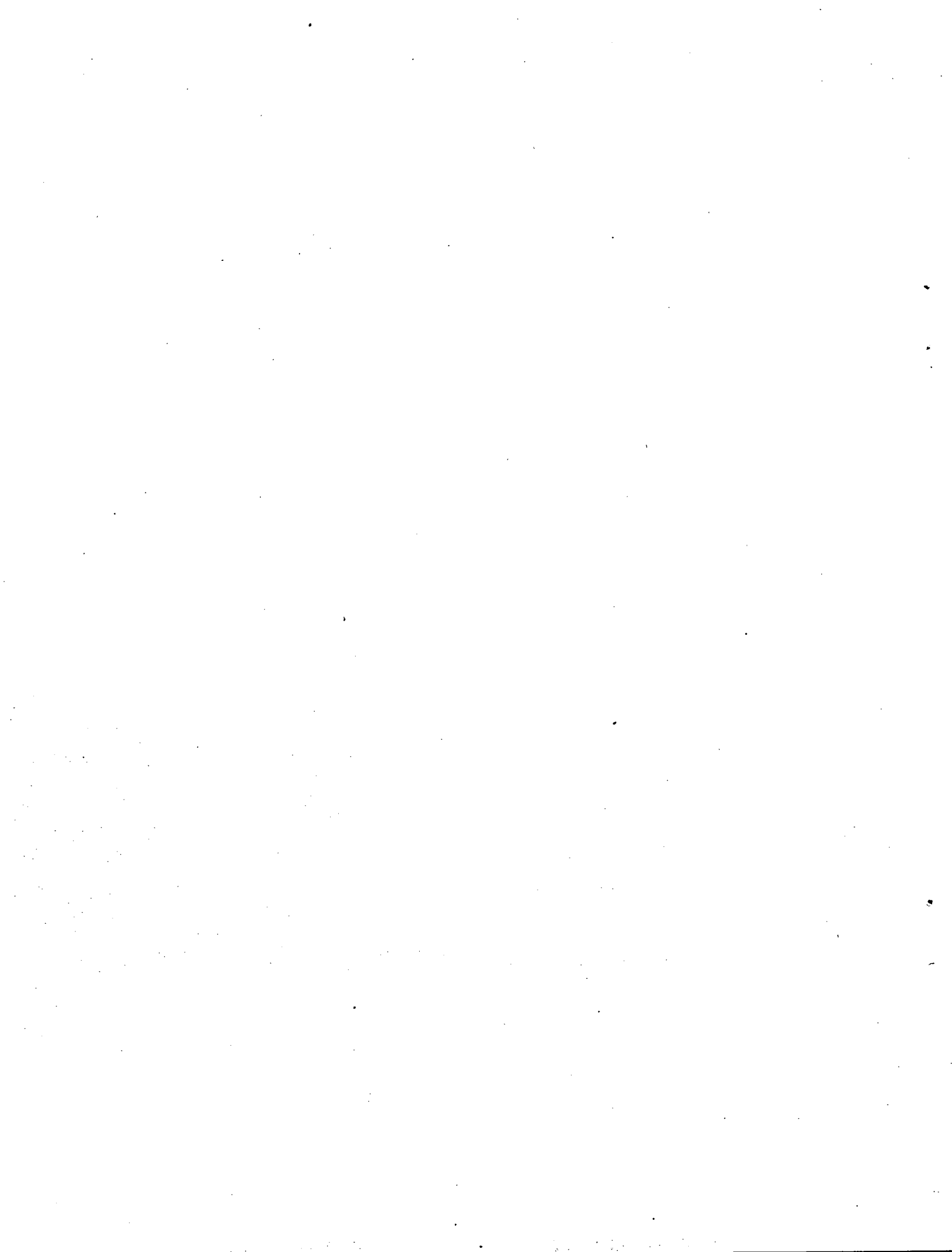
1. Mon-Fri 9:15 - 10:30, Mon-Fri 11:30 - 12:00, Mon-Fri 16:00 - 17:00, Saturday and Sunday 8:00 - 14:00.

Source: Étude de qualité et de quantité sur la programmation d'enfants depuis avril 1980; Stratégem, 1984.



APPENDIX 5

CHANGES IN THE NUMBER OF HOURS OF  
LOCALLY PRODUCED CHILDREN'S PROGRAMS IN THE MONTREAL MARKET



APPENDIX 5

CHANGES IN THE NUMBER OF HOURS OF LOCALLY PRODUCED CHILDREN'S PROGRAMS  
IN THE MONTREAL MARKET

	<u>1977</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
CBFT	8.5	12.4	7.0	5.5
CFTM	5.0	5.5	2.5	5.5
CFCF	0.0	0.0	0.0	0.0
CFTO	3.5	5.5	5.5	0.0

- Programs intended specifically for children and broadcast between the beginning of programming and 6:00 p.m. according to the fall-winter schedule.

Source: Les effets de l'abolition de la publicité destinée aux enfants dans la province de Québec,  
Government of Quebec, Department of Communications, 1984 and 1985 (internal document).



APPENDIX 6

MARKET SHARES OF TELEVISION STATIONS DURING THE VIEWING HOURS OF  
CHILDREN AGED 2 to 11 IN MONTREAL



APPENDIX 6

MARKET SHARES OF TELEVISION STATIONS DURING THE  
VIEWING HOURS OF CHILDREN AGED 2 TO 11 IN MONTREAL

	<u>Fall '79</u> (000)		<u>Fall '80</u> (000)		<u>Fall '81</u> (000)		<u>Fall '82</u> (000)		<u>Fall '83</u> (000)		<u>Changes %</u> <u>83/79</u>
All	7658	100	7447	100	6263	100	6666	100	6787	100	- 11.4
CFTM (TVA)	2612	34	2806	38	2010	32	1512	23	1231	18	- 53.9
CBFT (RC)	1672	22	1574	21	1737	28	2010	30	2025	30	+ 21.1
CFCF (CTV)	1588	21	935	13	605	10	897	13	759	11	- 52.3
CBMT (CBC)	611	8	586	8	381	6	439	7	507	7	- 17.1
WCAX (CBS)	332	4	489	7	389	6	178	3	250	4	- 24.7
WPTZ (NBC)	273	4	332	4	413	7	597	9	711	10	+ 260.4
WEZF (WVNY) (ABC)	108	1	218	3	128	2	330	5	385	6	+ 356.5
Radio-Québec (CIVM)	115	2	238	3	327	5	364	5	408	6	+ 354.8
Others	347	4	269	3	273	4	339	5	511	8	+ 47.3

Source: BBM, Coverage Reports 79 to 83, in Étude de qualité et de quantité sur la programmation d'enfants depuis avril 1980; Stratégem, 1984.

**APPENDIX 7**

**THE CROP REPORT:  
RESULTS OF THE JANUARY 1985 SURVEY**

APPENDIX 7

Q.68 IN YOUR OPINION, SHOULD THE BROADCASTING OF TELEVISION ADVERTISING DIRECTED AT CHILDREN BE ALLOWED OR PROHIBITED?

	SEX		AGE				INCOME (000)				LANGUAGE		GEOGRAPHIC AREA				KEY SUB REGIONS				
	TOTAL	MALE	FEM.	18-29	30-44	45-59	60+	UND. 15	15-25	25-35	35+	ENG.	FRE.	ATL.	QUE.	ONT.	WEST	MTL.	TOR.	ALB.	B.C.
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SAMPLE POPULATION	2021	968	1053	611	572	417	421	524	471	491	526	1413	511	266	595	500	660	294	246	215	225
	17455	8413	9043	5190	4928	3676	3662	4592	3993	4169	4630	12352	4264	1522	4679	6259	4996	2113	2225	1576	2016
ALLOWED	32	37	28	45	33	24	21	29	33	32	36	31	37	26	35	34	30	28	35	28	29
PROHIBITED	43	39	46	33	43	53	45	43	41	42	44	44	39	51	43	39	45	48	36	44	47
IT DEPENDS	22	21	23	20	22	20	27	24	23	23	19	22	22	20	21	24	21	21	24	23	21
DON'T KNOW/NO ANSWER	3	3	3	2	1	3	6	4	4	3	1	3	2	3	2	4	4	3	5	6	3

	EDUCATION			MARITAL STATUS		PRINCIPAL OCCUPATION					WOR-KING	UN-ION	RELIGION			FEDERAL POLIT ORIENTATION			COMMUNITY SIZE			
	0-8	9-13	14+	MAR-RIED	SIN-GLE	HOME MAK-ER	PROF. ADM. LBO	TECH. S.P. SBO	OFF. SALE SERV	SK. S.SK UNSK	WO-MAN	UN-MEM-BER	CATH	PROT	LIB.	P.C.	NDP	A	B	C	D	
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SAMPLE POPULATION	306	1116	594	1336	410	301	197	165	523	396	573	359	957	796	367	971	341	663	653	418	287	
	2744	9652	5024	11719	3430	2545	1561	1279	4519	3808	4991	3099	8139	7167	3328	8383	2968	5303	4922	2757	4474	
ALLOWED	26	36	30	31	44	26	34	31	35	38	32	34	35	30	37	31	34	33	31	34	32	
PROHIBITED	47	40	44	44	33	47	44	48	42	39	44	42	40	45	41	43	44	42	46	39	42	
IT DEPENDS	22	22	22	23	20	22	20	19	22	21	22	21	23	22	19	22	21	21	20	24	23	
DON'T KNOW/NO ANSWER	5	2	3	3	2	5	2	3	1	3	1	2	2	3	2	3	2	4	3	2	3	

Q.85.C IN YOUR OPINION, SHOULD THE QUEBEC LAW PROHIBITING ADVERTISING INTENDED FOR CHILDREN BE:

CONTROL: QUEBEC

	SEX		AGE					INCOME (000)				LANGUAGE		GEOGRAPHIC AREA				KEY SUB REGIONS			
			TOTAL	MALE	FEM.	18-	30-	45-	60+	UND.	15-	25-	35+	ENG.	FRE.	ATL.	QUE.	ONT.	WEST	MIL.	TOR.
	29	44				59	15	25		35	ATL.	QUE.				ONT.	WEST				
SAMPLE	595	283	312	179	169	128	119	153	126	149	166	108	465	0	595	0	0	294	0	0	0
POPULATION	4679	2257	2422	1421	1320	1007	931	1265	1021	1115	1271	771	3751	0	4679	0	0	2113	0	0	0
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
FOR CHILDREN 13 AND -	41	39	44	42	52	37	31	30	42	42	52	49	40	0	41	0	0	46	0	0	0
ONLY CHILDREN 6 AND -	6	8	5	10	4	4	6	3	4	9	9	5	6	0	6	0	0	7	0	0	0
EXT. TO CHILDREN 13 AND +	21	20	21	24	15	23	20	23	25	15	19	23	20	0	21	0	0	18	0	0	0
REPEALED	21	21	21	17	22	24	24	29	18	24	14	13	23	0	21	0	0	20	0	0	0
DON'T KNOW/NO ANSWER	11	12	9	7	7	13	20	14	11	10	7	10	11	0	11	0	0	9	0	0	0

	EDUCATION			MARTIAL STATUS		PRINCIPAL OCCUPATION					WOR- KING MAN	UN- ION MEM- BER	RELIGION		FEDERAL POLIT ORIENTATION			COMMUNITY SIZE			
				MAR- RIED	SIN- GLE	HOME MAK- ER	PROF ADM. LBO	TECH S.P. SBO	OFF. SALE SERV	SK. S.SK UNSK			CATH	PROT	LIB.	P.C.	NDP	A	B	C	D
	0-8	9-13	14+																		
SAMPLE	122	276	197	373	133	105	66	49	137	101	157	101	491	51	140	303	62	294	122	114	65
POPULATION	1058	2244	1377	2973	1019	804	458	344	1079	964	1240	771	3943	360	1104	2425	483	2113	804	645	1118
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
FOR CHILDREN 13 AND -	30	42	48	43	36	47	56	38	38	36	43	43	40	58	36	43	51	46	34	46	35
ONLY CHILDREN 6 AND -	6	5	9	6	11	6	4	8	9	3	5	9	7	6	8	5	13	7	10	4	5
EXT. TO CHILDREN 13 AND +	20	22	18	21	21	16	18	23	18	28	22	20	21	12	20	20	21	18	14	23	29
REPEALED	23	23	18	19	22	23	16	22	22	24	23	12	22	12	27	21	11	20	28	15	22
DON'T KNOW/NO ANSWER	20	8	7	11	10	9	6	8	13	8	7	15	11	12	8	11	4	9	14	13	9

Q.86.C WHICH OF THE FOLLOWING PRODUCTS SHOULD BE AFFECTED BY THE QUEBEC LAW PROHIBITTING ADVERTISING INTENDED FOR CHILDREN?

CONTROL: QUEBEC, LAW SHOULD NOT BE REPEALED

	SEX		AGE				INCOME (000)				LANGUAGE		GEOGRAPHIC AREA				KEY SUB REGIONS				
	TOTAL	MALE	FEM.	18-29	30-44	45-59	60+	UND. 15	15-25	25-35	35+	ENG.	FRE.	ATL.	QUE.	ONT.	WEST	MIL.	TOR.	ALB.	B.C.
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SAMPLE	470	222	248	148	133	96	93	108	103	116	142	94	358	0	470	0	0	234	0	0	0
POPULATION	3687	1777	1910	1183	1027	768	709	897	834	850	1098	670	2889	0	3687	0	0	1682	0	0	0
TOYS ONLY	18	22	14	20	17	18	17	20	24	12	18	17	19	0	18	0	0	15	0	0	0
FOOD PRODUCTS ONLY	3	3	2	2	3	4	2	2	3	4	2	1	3	0	3	0	0	2	0	0	0
FAST-FOOD RESTAURANTS	4	4	4	7	1	2	4	4	4	6	2	3	4	0	4	0	0	3	0	0	0
TOYS AND FOOD PRODUCTS	25	20	29	30	22	27	18	22	22	30	26	25	25	0	25	0	0	28	0	0	0
THESE AND OTHER PRODUCTS	8	5	11	11	9	8	1	7	6	8	11	9	8	0	8	0	0	9	0	0	0
ALL PRODUCTS	30	30	30	22	40	28	29	24	34	28	32	35	29	0	30	0	0	33	0	0	0
NO PRODUCTS	6	10	3	5	6	5	10	8	5	8	5	5	7	0	6	0	0	4	0	0	0
DON'T KNOW/NO ANSWER	7	6	7	3	2	7	19	14	3	6	4	5	7	0	7	0	0	5	0	0	0

	EDUCATION			MARITAL STATUS		PRINCIPAL OCCUPATION						WOR-KING MAN	UN-ION MEM-BER	RELIGION		FEDERAL POLIT ORIENTATION			COMMUNITY SIZE			
	0-8	9-13	14+	MAR-RIED	SIN-GLE	HOME-MAK-ER	PROF-ADM. LBO	TECH S.P. SBO	OFF. SALE SERV	SK. S.SK UNSK	CATH			PROT	LIB.	P.C.	NDP	A	B	C	D	
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
SAMPLE	93	214	163	305	102	82	57	39	106	74	122	88	386	45	106	236	56	234	88	97	51	
POPULATION	819	1734	1133	2396	791	621	386	267	840	734	954	675	3093	317	802	1909	432	1682	580	549	877	
TOYS ONLY	20	19	16	16	23	14	12	18	15	29	14	21	20	11	17	18	17	15	22	16	24	
FOOD PRODUCTS	4	4	0	2	3	2	0	0	2	5	1	1	3	2	1	4	3	2	2	2	4	
FAST-FOOD RESTAURANTS	3	6	2	3	8	2	0	0	5	3	6	2	4	5	4	3	3	3	7	0	6	
TOYS AND FOOD PRODUCTS	22	26	26	25	21	28	28	28	24	18	29	18	25	22	35	22	28	28	23	24	22	
THESE AND OTHER PRODUCTS	4	10	8	9	9	11	5	8	13	5	14	7	8	9	4	9	9	9	6	9	6	
ALL PRODUCTS	23	26	40	31	21	29	54	42	28	24	31	43	27	35	29	29	35	33	27	34	22	
NO PRODUCTS	8	6	6	6	11	2	0	2	7	12	3	1	7	9	6	6	3	4	6	4	12	
DON'T KNOW/NO ANSWER	15	5	3	7	4	11	0	3	6	2	2	7	7	7	4	8	2	5	8	10	6	

Q.87.C IF THE RESULT OF THE LAW PROHIBITING ADVERTISING INTENDED FOR CHILDREN WAS TO REDUCE THE NUMBER OF CHILDREN'S PROGRAMS,  
WOULD YOU BE IN FAVOUR OF:

CONTROL: QUEBEC

	TOTAL	SEX		AGE				INCOME (000)				LANGUAGE		GEOGRAPHIC AREA				KEY SUB REGIONS			
		MALE	FEM.	18-29	30-44	45-59	60+	UND. 15	15-25	25-35	35+	ENG.	FRE.	ATL.	QUE.	ONT.	WEST	MTL.	TOR.	ALB.	B.C.
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
SAMPLE POPULATION	595	283	312	179	169	128	119	153	126	149	166	108	465	0	595	0	0	294	0	0	0
POPULATION	4679	2257	2422	1421	1320	1007	931	1265	1021	1115	1271	771	3751	0	4679	0	0	2113	0	0	0
MAINTAINING THE LAW	34	38	30	26	36	43	32	35	29	30	39	46	30	0	34	0	0	39	0	0	0
MAKE LAW LESS RESTRICTIVE	40	37	43	50	37	32	37	35	50	39	38	33	42	0	40	0	0	33	0	0	0
REPEALING THE LAW	19	20	18	19	21	20	16	18	15	24	19	14	20	0	19	0	0	18	0	0	0
DON'T KNOW/NO ANSWER	7	5	10	6	6	6	15	12	6	7	4	7	8	0	7	0	0	10	0	0	0

	EDUCATION			MARRITAL STATUS		PRINCIPAL OCCUPATION					WOR-ION	UN-ION	RELIGION			FEDERAL POLIT ORIENTATION			COMMUNITY SIZE			
	0-8	9-13	14+	MAR-RIED	SIN-GLE	HOME-MAK-ER	PROF-ADM. LBO	TECH S.P. SBO	OFF. SALE SERV	SK. S.SK UNSK	KING WO-MAN	MEM-BER	CATH	PROT	LIB.	P.C.	NDP	A	B	C	D	
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
SAMPLE POPULATION	122	276	197	373	133	105	66	49	137	101	157	101	491	51	140	303	62	294	122	114	65	
POPULATION	1058	2244	1377	2973	1019	804	458	344	1079	964	1240	771	3943	360	1104	2425	483	2113	804	645	1118	
MAINTAINING THE LAW	27	30	45	36	27	30	56	44	28	29	31	36	31	48	35	30	45	39	24	38	28	
MAKE LAW LESS RESTRICTIVE	39	44	34	38	46	40	32	33	39	42	42	39	42	28	40	42	34	33	48	32	51	
REPEALING THE LAW	22	20	15	19	19	15	12	17	25	24	21	21	19	16	17	20	18	18	22	15	22	
DON'T KNOW/NO ANSWER	11	7	6	7	7	15	0	6	8	4	6	4	8	8	7	8	3	10	6	15	0	

