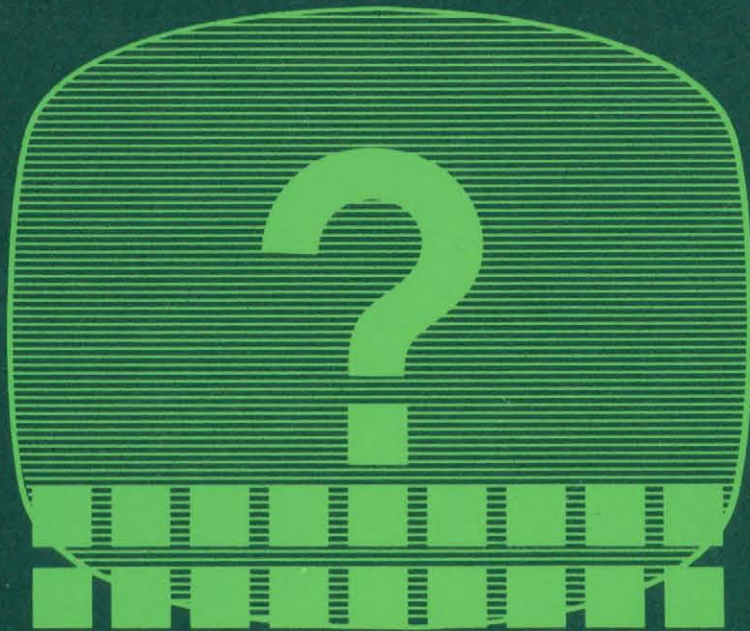


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THE FUTURE OF FRENCH-LANGUAGE TELEVISION

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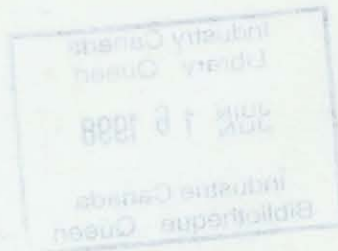
OF FRENCH-LANGUAGE TELEVISION

Report of the Federal-Provincial Committee
on the Future of French-Language Television

May 1985

Government of Canada
Department of Communications

Ministère des Communications
du Québec



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We are pleased to make public this report on the future of French-language television.

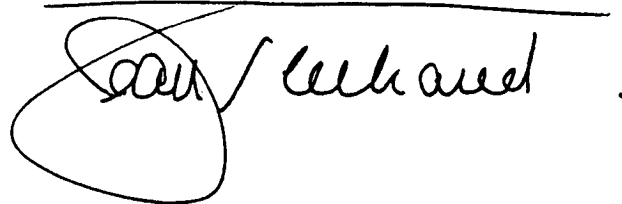
The report describes the special nature of French-language television and makes recommendations for its future development.

We hope that this detailed report, produced by officials of the Canadian and Quebec governments in co-operation with representatives of the television community, will mark the beginning of fruitful consultations.

We trust that these consultations will lead to consensus so that both our governments can take immediate action on the issues identified.



Marcel Masse
Minister of Communications
Canada



Jean-François Bertrand
Minister of Communications
Quebec

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SUMMARY

The Federal-Provincial Committee on the Future of French-Language Television was created in December 1984 with a mandate to examine the problems facing French-language television and submit to the Communications Ministers of Canada and Quebec an outline of future options, with recommendations for concerted actions the governments could take in the short and medium term.

The Committee found that two major features characterize the French-language television system today.

1. The French-language television system has a number of positive achievements to its credit. It is important to build on these and not lose the ground that has already been won. These achievements include:

- a relatively well-developed and profitable private sector that enjoys excellent audience ratings;
- a diversified public television network (Radio-Canada) aiming at high standards of quality and reaching a large audience;
- a growing and healthy competition between Radio-Canada and the private networks;
- a large percentage of Canadian French-language programs at the top of the ratings (comparing favourably with the ratings achieved by Canadian English-language television);
- a third television network (Radio-Québec) that is slowly building up a following by offering more cultural content than the other two networks;
- an active group of community television organizations in Quebec concerned with meeting local needs that the major networks are largely unable to satisfy.

2. The relative success of the present system is threatened by a number of increasingly severe problems:

- the erosion of the Francophone audience by English-language television (Francophones now spend more than 20 per cent of their viewing time watching English television, which suggests that French-language programming is losing its appeal, especially for the growing number of bilingual Quebec residents);

- the possibility of further audience erosion due to the proliferation of English-language specialty services available on cable (music, sports, news, etc.) if French-language television does not offer competitive programming;
- the inability of the small French-language market to support fragmentation of the audience for specialty cable services;
- the reluctance of the governments to exceed current levels of spending on public television, due to the present state of the economy;
- the limited access of the independent production industry to the television market, which seriously impedes creative innovation and revitalization;
- the lack of French-language television services outside Quebec and in many small communities in Quebec.

The Committee has taken these features of the French-language television system into account in formulating its recommendations on ways to consolidate past achievements and overcome future problems.

Firstly, the Committee recommends that the special nature of the French-language television system be recognized within the Canadian broadcasting system, and that government policies and regulations be adapted accordingly.

- Radio-Canada (French) should be allowed to evolve separately from the CBC (English), given its importance and its impact on the Francophone public.
- Ongoing consultation should take place between the governments of Canada and Quebec to achieve as broad a consensus as possible on the roles that public and private networks are to play in the evolution of the French-language television system.
- A policy on French-language cable television should be developed to protect emerging French-language specialty services against the massive influx of services in English and to foster their introduction by ensuring more favourable financing arrangements.
- Private television stations should increase their investment in French programming.

- Public television networks should make greater use of independent production houses and government funding agencies should increase their support for program creation outside the system.
- Public and private television networks, while still remaining competitive, should work together to obtain maximum audience penetration and combat the erosion of their audiences by English-language stations.
- The status of Quebec community television organizations should be clarified, their sources of financing increased, and their experience used to promote the development of community television outside Quebec.
- The Canadian and Quebec governments should work together to promote the delivery of French-language signals to underserved areas.

Secondly, the Committee recommends that, within the context of a formal agreement to co-operate and to harmonize their policies, the Canadian and Quebec governments continue the work initiated by the Committee, by addressing a number of problems that the Committee identified but for which it outlined only the elements of solutions. The Committee recommends that the two governments do this with the help of the parties involved, through an ongoing consultative process.

- The two governments should work together to encourage exporting and dubbing of television programs.
- Both governments should urge writers and broadcasters to negotiate better copyright agreements that take export possibilities into account.
- Both governments should make better use of the parliamentary channels on television, with the help of public and private broadcasters and producers.
- They should co-ordinate their activities to promote the continued extension of French-language television service to underserved areas.

- They should develop concrete mechanisms to assist the creation of community television organizations outside Quebec.
- They should ensure that their production funding agencies co-operate so their activities are complementary.
- They should develop a process for continuing consultation that would not only enable television viewers, broadcasters, producers and performers to share their problems and suggestions but that would also provide a channel through which they could make known the policy directions they would like to follow in the coming years.

INTRODUCTION



INTRODUCTION

The French-language television system in Canada faces severe problems due, in large measure, to the fact that it operates in the context of an English-speaking continent and new technologies are inundating the market in response to the laws of supply and demand. Recognizing the gravity of the situation, the Communications Ministers of Canada and Quebec, Marcel Masse and Jean-François Bertrand, decided in December 1984 to set up a Federal-Provincial Committee to study the problems facing French-language television and to make recommendations about its future.

This Committee, chaired by the two respective deputy ministers, and consisting of officials from both levels of government and outside consultants, was given the following mandate:

- to analyze the status of French-language television in Quebec and Canada as a whole;
- to examine and review the relevant policies, regulations and legislative frameworks of the two governments;
- to provide Ministers with an overview of the situation, to outline feasible and desirable future options and, where necessary, to recommend a means for short- and medium-term co-operation, taking into account the role of the private and public sectors.

In carrying out this mandate, the Committee not only reviewed previous studies on various aspects of French-language television in Canada, but also sponsored some 30 studies of its own on specific pertinent subjects (audience erosion, exports, advertising, cable television, French-language television outside Quebec, evaluation of the short- and medium-term prospects for advertising revenue, etc.). In addition, it consulted many television experts and a select group of viewers both in Quebec and in the rest of Canada. The results of these studies and consultations will be made available at a later date.

During the last four months, the members of the Committee met at least once a week, sometimes by means of satellite conferences.

While acknowledging the imperfections, omissions and shortcomings likely to be found in a rapidly produced report on a vast subject with such complex linguistic, social, cultural, geographic, economic, technological and legislative implications, the members of the Committee hope it will contribute to the strengthening and development of the present French-language television system.

The report contains four chapters dealing with:

- the present status of French-language television;
- consultations undertaken by the Committee;
- future options and orientations;
- recommendations.

Finally, the members of the Committee wish to thank the many individuals, companies, agencies, associations, and departments of the Canadian and Quebec governments that contributed to the production of this report directly or indirectly and made possible its presentation within the allotted time.

CHAPTER I
THE PRESENT SITUATION



CHAPTER I - THE PRESENT SITUATION

1. Importance of French-language television in Canada

French-language television plays an essential social, economic and cultural role for Canada's Francophone population. Television occupies an important part of the leisure time of French-speaking Canadians: 98 per cent of Canadian and Quebec households are equipped with television sets, and the average Francophone spends over 20 hours a week watching television. For Quebec Francophones, viewing time is divided between Radio-Canada (the French CBC network) and the TVA and Radio-Québec networks. Twenty-eight television stations produce programs in French in Quebec, as do seven stations outside Quebec.¹ Eighty-nine per cent of French-language programming is produced in Quebec while 7 per cent of the viewers of French-language television live outside Quebec.

Francophones outside Quebec can generally receive Radio-Canada but not TVA or Radio-Québec unless they live close to the Quebec border. However, they do have access theoretically to TVA and Radio-Québec programming offered by CANCOM (Canadian Satellite Communications Inc.) providing their local cable licensee makes it available or they set up individual or community satellite dishes (an expensive proposition in either case). In fact, few people subscribe to this service. Recently the CRTC has urged a Manitoban cable operator to offer CANCOM's French-language channel to its subscribers, who are mainly Francophone, and to produce French-language community programs.

The French-language television industry is also economically significant. It directly accounts for more than 6,000 jobs in Canada and provides a substantial proportion of performers' income: in 1983, television-related activities accounted for 70 per cent of the fees paid to members of the Union des artistes (40 per cent of those fees came from commercials and 30 per cent

¹ The stations outside Quebec are the seven basic Radio-Canada stations: Vancouver, Edmonton, Regina, Winnipeg, Toronto, Ottawa and Moncton which produce 38 hours a week. In addition, there is TVOntario, which produces 17 per cent of its programs in French.

from TV programs). Radio-Canada alone, through the 50 or so drama serials (téléromans) it has created since 1953, has given more than a thousand francophone actors and actresses and a hundred authors the opportunity to make a living from their art. Add to this the other networks and all the programs utilizing the services of performers or freelancer writers, and the vital importance of French-language television to the creative segment of the population is obvious. Outside Quebec, the artistic community complains about the low level of regional production which might help to create jobs for performers or technicians.

Because financial data concerning the CBC French network are not available, there is no way of estimating the overall economic impact of French-language television. However, in 1983 the private television industry in Quebec (including CFCF and CKMI) is known to have created 1,600 jobs directly and another 840 indirectly, to have paid a total of \$67 million in salaries and to have had an annual revenue of \$181 million, with profits of \$27 million and expenditures of \$154 million.

French-language television is also important as a producer and distributor of cultural programs. In 1983-84, the three Montreal French-language stations (CBFT, CFTM and CIVM) produced 300 hours of original drama programming. This was equivalent to 40 per cent of the drama produced by the Quebec theatre community in the same year.¹ Moreover, each of the one-hour drama programs was seen, on average, by 1,651,000 viewers, whereas theatrical performances attracted an average of 270 spectators, or 5,670 spectators after some 20 performances per play.

In 1980, the only year for which comprehensive statistics are available, French-language stations in Quebec presented 4,108 feature films in a total of nearly 16,000 television screenings (some of these films were televised simultaneously by several stations). It is estimated that the potential viewing audience for each of these programs was at least 100 times larger than the audience in a motion picture theatre.

¹ Nearly 710 hours of live theatre was produced in 1983-84 (355 different productions lasting about two hours each). Summer theatre productions are not included in this figure.

Although many other subjects are shown on television, it is estimated that more than 40 per cent of French-language programming consists of cultural material: dramatic productions, feature films, variety shows, scientific and cultural information.

2. Limited choice in French-language viewing

a) A limited number of French-language services

In 1985, nearly all Quebecers have access to the three French-language television networks in Quebec: 98 per cent of Canada's French-speaking population can receive Radio-Canada while 98 per cent of the Quebec population can receive TVA and Radio-Québec. The choice of Francophones receiving off-air television in Quebec is limited to these three networks.

Cable television offers new opportunities for Quebec television, yet Quebecers have not been lured by cable as quickly as other Canadians, partly because of the language barriers inherent in English-language fare. In 1984, 48 per cent of Quebec households subscribed to cable television, compared to 64 per cent in the rest of Canada. The situation has been changing rapidly however, especially during the last few years, and viewers are now making up for lost time. Since 90 per cent of Quebec subscribers are served by companies offering from 15 to 35 channels, cable operators have had to add channels likely to interest their customers. It is much harder to expand the service offering with French-language services than it would be with English-language services.

Since September 1979, most cable operators have been offering TVFQ-99, a channel which presents original programs from the three television networks in France. TVFQ's share of the Quebec audience had been slowly increasing, but in 1984 the ratings dropped 24 per cent compared to the previous year. Although nearly half the Quebec population has access to TVFQ, only six per cent of Francophones watched TVFQ for about an hour and a half a week, which makes it a very marginal channel.

The CRTC requires all cable operators to set aside one channel for community programming. Although each of the 149 cable television systems in Quebec provides a community channel, some towns have also set up community television organizations (TVC).

In 1984, the Ministère des Communications du Québec identified 37 community television organizations. Found only in Quebec, these organizations are situated mainly in small localities that are often poorly served by the television networks. They offer nearly 200,000 households an average of 16 hours a week of local programming. Once again, however, this is a marginal part of Quebec television.

French-language pay-TV has been available in Canada since 1983. The two companies first licensed by the CRTC to provide French pay-TV service, Premier Choix and TVEC, have since merged as a result of financial difficulties, forming a single company (Super Ecran) which covers only Eastern Canada. The number of subscribers remains at about the same level as in December 1984 -- 86,000.

There are also two French-language parliamentary channels, one broadcasting the debates of the National Assembly, the other carrying the House of Commons debates. The first is controlled by the National Assembly and the second by Radio-Canada. They are on the air only when members are sitting.

It should be noted that all the channels mentioned above (TVFQ, TVC, Super Ecran and the parliamentary channels) are partly or totally dependent on public funds.¹

These channels did not have sufficient appeal to attract a mass Francophone audience to cable television. In an effort to increase their appeal while diversifying their services and distributing them at lower cost, some cable systems have formed regional consortiums, under the name Inter-Vision. There are now three such consortiums, in Montreal, Quebec City and Mauricie; together they serve more than half of the cable subscribers in Quebec. A fourth Inter-Vision network is now being set up in the Eastern Townships.² Each of these networks provides member cable companies with 30-channel service; the members remain autonomous and continue to broadcast local programming (on the community channel, for example).

1 We shall return to this point in Section 4 of this chapter.

2 A similar but independent network is located in Grands-Fonds.

The Vidéotron Group, which is a majority shareholder in the two largest Inter-Vision networks (Montreal and Quebec City), provides the programming for a dozen French-language specialty channels exclusively distributed through the Inter-Vision networks: a general information channel, a weather channel, a want ads channel, a teleguide channel (television listings), Edimédia (a teletext channel), an ethnic channel (in Montreal only), a channel for public servants (in Quebec City only), an educational channel (in co-operation with the universities), a youth channel (TVJQ), a sports channel (TVSQ), a teleshopping channel for books and records, and a video games channel. Despite their number, the entire group of Inter-Vision channels attracts only 0.3 per cent of the Francophone viewing audience in Quebec.

Overall, the Quebec cable operators manage to provide between 60 and 70 per cent of their services in French. In Montreal, Videotron subscribers (of whom 88 per cent are Francophones) have access to 19 French-language channels out of a total of 31 while subscribers to Cable TV (of whom 50 per cent are Francophones) have access to 16 out of 28. In Quebec City, Câblevision Nationale offers 21 French-language stations out of 31. In Trois-Rivières, 17 of the 26 stations are French and in Rivière-du-Loup 14 out of 23.

The French-language channels, however, offer services that are for the most part complementary, community or narrowcast services. They also include many alphanumeric channels (weather, information, etc.) which cannot be compared to the English-language services offered.

b) Stiffer competition

The main competition faced by French-language television comes from English-language channels, which are constantly increasing in number and influence.

Both English networks, CBC and CTV, have been available in Montreal since they began broadcasting through the respective network stations CBMT and CFCF-TV. Elsewhere in Quebec, these networks (especially CTV) have been able to reach new audiences primarily through cable carriage.

A few other English-language channels (Global, TVOntario) are carried by cable in accordance with the CRTC's priority-carriage

regulations and agreements between cable operators and broadcasters. The CRTC's Cable Television Regulations oblige cable licencees to respect certain priorities in signals they retransmit to their subscribers. These priorities are based not on language but on the point of origin of the signals -- local, regional or distant (from outside the region).

Recently, the CRTC has authorized cable operators to expand their basic and discretionary services to include signals of Canadian stations located in markets that are genuinely distant from the area they serve. The objective of this "open skies policy" is to improve access to Canadian televised signals; however, it does nothing to increase the supply of signals in French, which are far less numerous than English-language signals.

The French-language pay-TV service, Super Ecran, also faces English-language competition. This competition is provided by First Choice, which serves the same area, Eastern Canada. Although a small proportion of Francophones choose to subscribe to First Choice rather than Super Ecran,¹ the two pay-TV channels serve essentially different publics.

Since September 1984, two English-Canadian specialty channels, MuchMusic and The Sports Network (TSN), have been available either separately or packaged with one of the pay-TV channels (Super Ecran or First Choice) or with American specialty channels. The content of these two channels is basically English, despite the arrangement negotiated by Vidéotron with TSN to broadcast five hours a month in French for the benefit of its primarily Francophone subscribers and with MuchMusic to eventually broadcast two hours a day in English.

Not all competition comes from English Canada. It also comes from the United States. Because of the proximity of the United States, American television has always spilled over the air-waves

¹ Among Francophones in Montreal, nine per cent of pay-TV viewing in December 1984 was devoted to First Choice rather than Super Ecran. Moreover, 22 per cent of Quebecers (Anglophones included) who subscribed to pay-TV selected First Choice.

into Canadian territory. However, it is now accessible to almost all French-language viewers. In areas where service is available, cable television now carries the four main American networks (NBC, CBS, ABC and PBS), the formula known as 3 + 1. Those networks are also available in remote and underserved regions of Quebec, through Cancom.

Sixteen American specialty services including Cable News Network (CNN), which is already offered in Quebec, have been authorized by the CRTC for distribution on a discretionary basis to cable subscribers in Canada. Cable operators, however, must not use more than five channels to deliver them and must package them with at least one Canadian service.

In summary, cable provides Francophones in Quebec with access to at least two English-Canadian stations and four United States stations. Other services provided by cable on a discretionary basis are English pay-TV, two English-Canadian specialty services and, in some cases, American specialty services as well. Certain distant English-Canadian stations will soon also be available.

Advances in signal delivery techniques have greatly increased the number of signals that can be received. The main function of satellites today is to feed local cable TV systems. The Canadian government's decision to deregulate the ownership of satellite dishes has made possible direct reception of satellite-transmitted signals by individuals and certain categories of commercial establishments. But 19 of the 25 services distributed by Canadian satellites in the eastern part of the country in March 1985 were English. Furthermore, satellite dishes also bring in many American signals. Some American distributors of specialty services are, however, beginning to scramble their satellite feed to prevent viewing by non-subscribers.

Generally there has been less extensive penetration of English-language signals in Quebec than in the rest of Canada. This fact combined with the language barrier has meant that French-speaking Quebec was, until recently, considered as completely resistant to English-language television. However, with the upswing in bilingualism in Quebec (from 25 per cent in 1961 to 34 per cent in 1981) and the growth in the proportion of cable subscribers (from 37 per cent in 1979 to 48 per cent in 1984), English-language viewing has increased substantially.

The proportion of time Montreal Francophones spent viewing English-language stations rose from 14 per cent of total viewing time in 1976 to 28 per cent in 1983. The corresponding figure in 1984 was 20 per cent, reflecting a drop in the popularity of English-language stations. Viewing of English-language stations elsewhere in the province increased from six per cent in 1976 to 11 per cent in 1983, then fell to seven per cent in 1984.¹ However, in Montreal, Francophone viewing of English-language stations increased again during the winter of 1985 to reach 23 per cent and remained at 22 per cent during the following spring. Studies predict this figure will continue to rise to about 30 per cent by 1990.

There is also a seasonal increase in viewing of English-language stations by French-speaking Montrealers. During the summer season, when regular French-language programs are off the air and re-runs are being shown, English-language viewing reaches even higher levels than at other survey periods: 23 per cent in 1981, 27 per cent in 1982, 31 per cent in 1983 and 36 per cent in 1984.

Quite apart from linguistic competition, viewing patterns are also affected by the popularity of foreign television programs (mainly American), even when they are broadcast in French.

A certain proportion of Canadian content is required under CRTC regulations. The private television stations must broadcast 60 per cent Canadian content between 6 a.m. and midnight and 50 per cent between 6 p.m. and midnight, while the CBC's French and English television networks must both carry 60 per cent Canadian content in all time-slots.

¹ 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.

French-language stations have been more successful than English-language stations in presenting Canadian programming with popular appeal: information and public affairs programs, variety shows and drama series produced in Quebec attract 40 per cent of Quebec Francophone viewers while equivalent programming attracts only 15 per cent of Anglophone viewers in Ontario.

By the same token, Quebec Francophones watch less foreign programming than other Canadian television viewers. In fall 1983, for example, only 45 per cent of their viewing time was devoted to programs produced outside Canada. These were mostly works of fiction: feature films, series and mini-series.

Cost is an important ~~factor~~ affecting programming decisions. It is cheaper for a French-language television station to broadcast an American series dubbed into French at \$12,000 an hour than to broadcast a television serial or a mini-series produced in Quebec at a cost of \$50,000 or \$120,000 an hour respectively,¹ yet they may all attract the same audience share. Thus, in the fall of 1984, Dynastie, Monsieur le Ministre and Bonheur d'occasion all had equally high ratings. Under these circumstances, it seems important to ensure that our television networks are motivated to continue producing expensive Canadian programs.

Even though the top priority must be to maintain audiences for Canadian French-language productions, French-language stations must also broadcast recent foreign productions if they want to remain competitive in a North American environment. But a study carried out for the federal Department of Communications shows that the lengthening delays (from 2 to 6 years) in presenting the French-language versions of series, mini-series and feature films produced abroad -- mainly in the United States -- are yet another obstacle to development of the market for French-language television. Not that the delays are caused by the process of dubbing this primarily English-language material. Apparently it takes only 4 or 5 months to dub a series of 39 half-hour programs, and less than half that time in the case of films made for television. Rather, the cause of the delays is to be found in

¹ These are all average costs.

legislative factors, in industry practices and consumer habits developed over the years without protest, and in the competitive behaviour of certain Anglophone Canadian broadcasters towards their Francophone colleagues.

The problems can be summarized as follows:

- Unavoidable but still tolerable delays caused by the dubbing process.
- In France, which is the main customer for French versions of American productions, protectionist legislation and agreements between unions require films and videotapes shown in that country to have been dubbed inside the European Economic Community. This makes it very expensive to dub French versions elsewhere, such as in Quebec, where the market is particularly limited.
- The structure of the American domestic market. Strangely enough, the whole of Canada is part of this market but there is no recognition of the special nature of the Francophone component of the market. Exclusive rights for first and second runs are sold to the highest bidder, usually one of the English-language networks, and France, considered a foreign market, is automatically given first choice on the French versions.
- Consumer habits developed by Canadians who speak French but live in the predominantly Anglo-Saxon environment of North America and who often prefer "to see soon rather than see in French."
- Lastly, the pressures occasionally exerted by Quebec's English-language stations on their negotiating networks to turn this socio-cultural phenomenon to their advantage, and increase their audience of bilingual Francophones.

There is one last aspect of the competition facing French-language television that deserves mention, and that is the growing popularity of video cassette recorders.

VCRs are used by 58 per cent of people who own them to play either purchased or rented cassettes. Moreover, there are now

over 700 video clubs in Quebec. These figures suggest that VCRs are serious competition, especially to pay-TV, to the extent they are used for viewing feature films.

Another use of VCRs is to record programs for later viewing -- 77 per cent of VCR-owners use them for this purpose. When playing back the recorded program, 60 per cent apparently skip the commercials, thus reducing the impact of television advertising. Interestingly, 20 per cent of the recorded programs are apparently never played back.

In the medium term, providing their popularity continues its rapid increase,¹ VCRs could be in serious competition with both conventional television and pay-TV.

3. A limited and restrictive market

The small size of the market, domestic as well as foreign, is a constant limitation to the development of French-language television.

a) Constraints of the domestic market

The Canadian market comprises a little over six million Francophones, concentrated in Eastern Canada; 85 per cent are in Quebec, eight per cent in Ontario and four per cent in the Maritimes.

As already noted, the cable television market is comparatively less developed in Quebec than in the rest of Canada. There are now 1,075,300 Quebec households subscribing to cable television; a further 716,966 households in areas served by cable chose not to subscribe in 1984. As of 1985, 20 per cent of Quebec households (448,000 households) still do not have access to cable television, either because they live in outlying, low-density areas, or because, for topographical reasons, television signals cannot be relayed to them by cable.

¹ The time spent using VCRs by Francophones in Quebec rose 150 per cent from 1983 to 1984.

As a result, any French-language discretionary service offered (or that might be offered) has a limited number of potential subscribers to begin with.

This is particularly significant in the case of pay-TV operations, since the CRTC does not permit them to carry advertising and their income derives entirely from subscriptions. Even the English-language pay-TV ventures, which have a wider population base to draw on, are experiencing difficulty in becoming established,¹ so the extent of the challenge confronting Super Ecran is not hard to imagine. In fact, the 86,000 people now subscribing to Super Ecran (83,000 of whom are Quebecers) do not constitute an adequate base: the company apparently needs 120,000 subscribers to reach a level of profitability.

Furthermore, the licensing conditions set by the CRTC for Super Ecran require the company to devote 30 per cent of its schedule to Canadian programs until January 1986 when the Canadian content requirement increases to 50 per cent. Super Ecran must also invest 45 per cent of its total income and 60 per cent of its total expenditures in the production or purchase of Canadian programs. Since the pay-TV companies mainly present feature films and there are few Canadian productions of this type in French, Super Ecran finds it hard to meet the Canadian content requirements and intends to ask the CRTC to relax them as First Choice has already done. Another problem common to all the Canadian pay-TV companies is the difficulty in obtaining Canadian-made films, which also keeps the price high.

At present, there are no French-language specialty services. The CRTC requires licence holders to offer specialty service on a discretionary and Canada-wide basis. Both these conditions add to the many problems already affecting French-language television.

¹ Two years after the creation of five English-language pay-TV companies in Canada, in 1983, the many financial difficulties encountered by each forced some to close their doors and others to divide up the territory. Today, First Choice covers Eastern Canada and Super Channel covers Western Canada. In December 1984, these two companies had a combined total of 471,000 subscribers which represented a market penetration of merely nine per cent of Canadian households.

Specialty channels, because of the specific nature of their content (sports, music, news, youth, health), do not appeal to all sectors of the population. Offered to subscribers as a discretionary service, these channels operate in an even narrower market than pay-TV.

Canada-wide broadcasting is extremely expensive for a French-language service. When Premier Choix/TVEC had to cover the whole country, it had only 200 subscribers in the West. It cost over \$1 million to lease the satellite channels to reach these 200 people -- \$5,000 per subscriber. Super Ecran has requested and received an exemption until 1987 from the CRTC requirement to provide a national service.

Unlike pay-TV, specialty services are allowed to broadcast commercials. If a youth channel were set up in Quebec, this source of revenue might not be available because the Consumer Protection Act in effect since April 30, 1980, bans television advertising directed at children under 13 years of age. The effect of this law has not only been to reduce advertising revenues by about \$7 million a year, but also to reduce the number of children's programs carried by the private television stations in Quebec.¹

¹ Radio-Canada has not broadcast commercials aimed at children since 1975. This decision was made by the Corporation itself, but it continues to produce and broadcast a large number of programs for children.

The CRTC also requires the specialty channels to carry a certain amount of Canadian content,¹ but so far has made no stipulations about the availability of French-language services, except to say that specialty service licencees must negotiate with cable companies serving predominantly Francophone markets to arrive at "some reasonable arrangement for the provision of French-language specialty services" in these communities.²

Future French-language specialty services may also have a hard time obtaining Canadian content, particularly in areas where the industry is less developed, such as video clips.

The small size of the domestic French-language market lies at the heart of all the problems of financing French-language television in Canada. There are really only three main sources of revenue: public funds, subscriptions (this is especially true of discretionary services)³ and advertising.

¹ On MuchMusic, 10 per cent of the videotapes aired each day must be Canadian until January 1, 1987. The percentage then rises to 20 per cent and will reach 30 per cent by 1989. The company must also devote 2.4 per cent of its gross annual receipts, but not less than \$100,000, to developing production of Canadian musical videotapes. At TSN, 18 per cent of the total program content must consist of Canadian programs and 47 per cent between 7.30 p.m. and 10.30 p.m. until January 1987, when the proportion of Canadian programs must reach 35 per cent overall and 50 per cent in the evening. No less than 70 per cent of its total annual expenditure on programming must go towards the purchase of Canadian programs or to investment in such programs.

² CRTC Public Notice 1984-81, page 9.

³ A specialty channel offered on a universal basis would also obtain its revenues from cable subscriptions; the price of the channel, far lower than if it were offered separately, would be included in the basic cable subscription. This is now the case with TVFQ.

b) Constraints of the foreign market

Although it has a population only a tenth of the size of that of France or Great Britain, Quebec produces about 300 hours of programming a week -- more than France, which produces 275 hours a week, or Great Britain which produces 250. Many of these are news and public affairs programs dealing with local subjects; some of them, however, would be suitable for the foreign market. An estimated 20 per cent of Quebec productions (for cinema as well as television) are exportable. However, the amount of Quebec French-language television programming sold abroad is minuscule compared to the amount of foreign programming that is imported.¹

In fact, Quebec exports very few films and videotapes. Until 1983, the most optimistic estimate was in the region of 100 hours a year (television, cinema and NFB productions), while a more realistic estimate put the figure at about 50 hours.

Over the past few years, however, great efforts have been made to carve a niche for Canadian French-language productions, particularly in the French market. These efforts are only just beginning to pay dividends.

In 1982, a reciprocity clause was appended to the Canada-France agreement on TVFQ. This clause obliges France to purchase 100 hours a year of Quebec programs. If these 100 hours were indeed purchased in 1983, only a portion were actually broadcast in France.

¹ During the weeks when the 1982 BBM fall program survey was conducted, 43 per cent of programs aired by TVA, 41 per cent of those aired by Radio-Canada and 34 per cent of Radio-Québec programs were foreign imports.

Given the reluctance of the leading French networks to give air time to Quebec productions, a more promising strategy seems to be to concentrate on the French cable market. Those responsible for planning the introduction of cable television in France have signed an agreement with the Montreal firm, Tévécom/Distribution audiovisuelle inc.,¹ to contribute 200 hours of Quebec and Canadian programs to a 2,000 hour programming pool for use by the French cable system when it goes into operation.

Finally, in response to repeated requests by the Canadian and Quebec Communications Ministers, the TV5 Cooperative Council has just agreed in principle to allow Quebec and Canadian participation in the French-language television network TV5, broadcast by satellite to countries in Europe and North Africa. Current participants in this service, which went on the air in January 1984, are the French, Belgian and Swiss television networks.

Even though modest, these measures are crucial. To date, however, they have focused mainly on the French market. Other markets might also be tapped. For instance, there would seem to be a potential market of 8-10 million Americans interested in French programming from Quebec.

The Asian and Latin American markets also seem to offer prospects that are worth exploring.

One of the principal barriers to the export of productions dubbed in Quebec, is the fact that television networks in France have agreed not to acquire the rights to television films, series and foreign television serials unless these productions are entirely dubbed in France. France's highly protectionist legislation on dubbing essentially gives it a monopoly on all products dubbed in French, Quebec's dubbing industry is of course highly critical of this legislation. During the 1983-1984 season,

¹ Follow-up on the agreement between the Ministère des Communications du Québec and Tévécom/Distribution audiovisuelle inc., for the marketing of Canadian French-language productions on the French cable market, is currently being handled by TV/MC audio-visuel inc.

86 per cent of all programs with French dubbing aired by Canadian television networks had been dubbed abroad, for the most part in France.

Another obstacle to wider distribution of Canadian French-language productions is Canada's copyright legislation which has not yet been revised to take into account the new technologies.

Copyright holders now receive royalties based exclusively on territorial rights, without regard to the specific medium used to distribute their works (conventional television, specialty service, pay-TV, cable, satellite), even though the markets reached in some cases are quite marginal.

Royalties on re-runs are also high and sometimes discourage television networks from re-utilizing already-broadcast material. However, it is to be expected that French-language material will increasingly be given multiple exposures (for example on TV5, a future re-run channel, and through increased exports).

While the writers and performers do not wish to harm an industry they see as essential to their survival, they are requesting changes in copyright legislation. At present, copyright negotiations are difficult because they are on a case-by-case basis.

The problems of French-language television are not confined to market size, dubbing and copyright. Distribution is also a problem area.

Private distributors, public bodies that are also distributors (NFB, TVOntario, Radio-Québec) and Télé-Métropole are beginning to co-operate in their export efforts by joining forces with TV/MC. Radio-Canada has its own distribution system -- CBC Enterprises -- established in 1983. However, the private distributors accuse CBC Enterprises of competing unfairly by favouring the Corporation's own interests and undermining the market for everyone else.

One last aspect of the foreign market should be mentioned, and that is the possibility of co-productions between Canadian French-language television networks and foreign networks. To date there have been very few co-productions and they have not always worked out to the advantage of the Canadian producers, whose market is and always will be smaller, for instance, than the

French market. However, they do offer two advantages: they enable production costs to be written off and they guarantee distribution beyond the borders of Quebec.

4. Government support for the industry

In 1984-1985, government financing of French-language television in Canada amounted to almost \$400 million. This financing took the form of direct assistance to television stations or programs to support the industry in general.

a) Direct assistance to television stations

About 80 per cent of Radio-Canada's budget comes from federal funding. Although it is difficult to identify the exact amount allocated to the French television network since the CBC's financial statement covers all its services (French- and English-language radio and television), it can be calculated that in 1984-1985, it must have cost \$186.4 million for the 6,000 hours a year of French network programming and \$49.6 million for programming by the 12 regional French-language television stations,¹ making a total of \$236 million for French-language programming.

In addition, \$3 million of Radio-Canada's annual budget is used to cover the cost of leasing a satellite channel to broadcast House of Commons debates (in French and English).

These costs were estimated before the \$75-million cut in Radio-Canada's budget. The Corporation has since announced its intention of increasing its advertising revenues to offset these cuts.

¹ It costs an average of \$31,067 for an hour of programming on the French network, while an hour of programming on the English network costs about \$46,426. However, the cost of regional programming in French is much higher (\$18,370 an hour) than in English (\$5,041 an hour).

It is interesting to note that the popularity of Radio-Canada's French-language programming has remained fairly stable for the last few years in spite of increasing audience fragmentation. In 1979, 34 per cent of Quebecers' viewing time was devoted to Radio-Canada stations (affiliates included); in 1984, this figure was 32 per cent.

In the case of Radio-Québec, nearly 96 per cent of its budget comes from the Quebec government. For 1984-1985, this government funding amounted to \$56.9 million. In the last year, the Radio-Québec's board of directors has clearly stated the network's intention to augment its independent revenues in the future by increasing the amount of advertising carried.

Although its educational and cultural type of programming cannot really be compared to that of either Radio-Canada or TVA, Radio-Québec has still recorded increases in the size of its audience every year. In fall 1984, Radio-Québec accounted for four per cent of viewing by all Quebecers and five per cent of viewing by Francophones in Quebec, compared to one per cent of total viewing in 1976.

The third public television network broadcasting French-language programs is TVOntario; 17 per cent of its programming (19 hours a week) is in French.

Core funding provided to TVOntario by the Ontario Ministries of Education, and Citizenship and Culture totalled \$25.1 million in 1982-1983. This constituted 75 per cent of TVOntario's total revenue for the year. Grants for special projects from the Ontario Ministry of Colleges and Universities amounted to \$977,000. In addition, more substantial funds were received by TVOntario in 1982-83 than in previous years for specific projects; in all, 24 projects benefitted from funding of this type provided by various federal departments and agencies and by the provincial government.

The audience for French-language programs on TVOntario is still very small (163,400 viewers in fall 1984) and 40 per cent of the viewers are believed to be English-speaking people interested in French. Despite this small audience, the possibility of establishing an exclusively French service is under discussion. The federal Minister of Communications and the Ontario Minister of Citizenship and Culture recommended last December that their

respective governments should each allocate up to \$3 million a year for five years to be spent on equipment and operation of TVOntario's proposed French-language network.

A channel broadcasting debates from the Quebec National Assembly is entirely funded by the Quebec Government. In 1984-1985, a total of \$2.3 million was allocated for this purpose.

Lastly, it should be noted that the cost of acquiring broadcast rights for the 2,500 hours a year of TVFQ (\$2.1 million in 1984-85) are shared equally by the French and Quebec governments. The French government also pays for re-recording while the Quebec government covers the purchase, shipping costs and customs duties.

b) Industry support programs

In July 1983, the federal government set up Telefilm Canada (TFC), with funding sufficient to invest up to \$254 million in television production (English- and French-language) within a period of five years.

The purpose of this special fund is to increase the number and quality of Canadian television productions that might be of interest to the export market, and to encourage the development of the private Canadian television production industry. Up to 50 per cent of the funds are destined for Radio-Canada and the CBC.

During its first year, the Telefilm Canada fund was little used by private French-language television stations; only 0.5 per cent of the investment in French-language productions supported by TFC came from the private French-language television stations, despite their number. The reluctance of private television stations to invest in original productions is probably due in large measure to the high unit costs of independent productions which cost far more than the networks' in-house productions, because of their strong vertical integration.

Telefilm Canada has recently broadened its eligibility criteria, a move that is expected to increase participation by private French-language television stations.

The Quebec organization, la Société générale du cinéma (SGC) was set up primarily to support the production of films for cinema, but it is also helping to finance production of films for television. In 1984-85, an estimated \$1.2 million -- 15 per cent of its production assistance budget -- was allocated for television programs. Changes are about to be made to the SGC's support programs.

In 1978, the Quebec government established la Société de développement des industries de la culture et des communications (SODICC), a funding agency dedicated to the creation and development of cultural enterprises.

SODICC's main contribution to television is the assistance it has given to French-language pay-TV. When TVEC and Premier Choix merged in January 1984 as a result of serious financial difficulties to form Super Ecran, SODICC became a 30 per cent shareholder in the new company at a cost of \$3.5 million including \$500,000 in the form of a loan guarantee.

Community television also receives government assistance. The Ministère des Communications du Québec has given financial support to community television organizations (TVC) since 1972. Through the Programme d'aide aux médias communautaires (PAMEC), \$600,000 was allocated to 20 of the 37 TVCs which had applied for grants in 1984-85. Government grants together with government job creation programs are generally estimated to provide about 65 per cent of their revenue, while 35 per cent comes from local sources.

The CRTC prohibits advertising on the community channel, which is the channel the TVCs use, although it does encourage cable operators to spend part of their gross annual revenue on community programming. The TVCs therefore depend on the goodwill of the cable operators where programming, cable access and financing are concerned.

Lastly, it should be noted that the Canadian and Quebec governments both provide support for the export efforts of the industry (Vidéotron, TV/MC, TV5, Télécâble 85, MIP-TV and co-productions).

5. The private enterprise side of the industry

a) Private television broadcasters

Partly because some of the 15 private French-language television stations in Quebec are very strong and profitable enterprises, the overall picture of private broadcasting is very positive. The volume of business is increasing, after-tax earnings are up, and the equity to debt ratio is better than for Canadian firms generally, despite the current economic situation and the high rate of inflation. In 1983, private television had total revenues of \$181 million, made a profit of \$32 million, paid out \$52 million in salaries and wages, and generated \$107 million in added value. Not all companies are doing equally well, however: some operate at a loss while others are experiencing financial difficulties.

Since 1979, the private television industry in Quebec (including CFCF and CKMI) has grown less rapidly than the Canadian industry as a whole. For example, from 1979 to 1983, revenues earned by the private networks in Quebec fell from 25 to 22 per cent; expenditures dropped from 24 to 22 per cent of the industry total; added value decreased from 26 to 23 per cent; profits fell from 36 to 22 per cent; the number of employees dropped from 27 to 23 per cent; and salaries and wages were down from 27 to 25 per cent in 1983.

Programming expenses in Quebec are not as high as they are in Canada as a whole (\$66 million or 36 per cent of total earnings in 1983 compared to \$396 million or 47 per cent). Overhead and administrative costs, on the other hand, are higher (\$35 million or 20 per cent of earnings in Quebec compared to 15 per cent in Canada) and are increasing more quickly than the Canadian average (an increase of 276 per cent since 1974, compared to 255 per cent).

b) Cable TV

Cable television is governed by the Broadcasting Act which defines cable systems as broadcasting receiving undertakings, effectively giving them the status of broadcasters. As such, they are considered an integral part of the Canadian broadcasting system.

At present, the cable industry is regulated by the CRTC. New regulations have been proposed to govern cable and subscription television. As part of the public consultation process, CRTC hearings on this subject were held at the end of April 1985.

The cable television industry in Quebec was slower to take off than in Ontario, but it has made up for lost time in the last few years, by growing faster than either the Ontario industry or the national average.

For example, the cable industry's revenue in Quebec increased fivefold between 1974 and 1985, climbing from \$23 million to \$117 million -- an average annual increase of 19.7 per cent. In contrast, annual growth by the Ontario industry averaged 13.7 per cent over the same period, with total revenues of \$192 million in 1983.

Even though cable companies in Quebec have lower total revenues than Ontario firms (they have fewer subscribers), their average fee per subscriber is higher than in Ontario.

For the last 10 years, the cable television industry, both in Quebec and in the rest of Canada, has maintained a certain level of profitability. However, operating profits and net profits after tax have been lower in Quebec than Ontario.

Cable companies, especially in Quebec, have generally gone into debt to finance their capital expenditures, with a consequent reduction in their rate of return. However, in the long term, these investments should lead to higher profits, especially if the networks exploit their potential market more aggressively.

c) Independent producers

Determining the value of the independent production industry in Quebec is virtually impossible because of its multi-faceted and changing nature, but rough estimates suggest that annual revenues have tripled over the last few years from \$30 million in 1978-1979.

The average revenue of the 138 companies registered with the Société générale du cinéma rose by 31 per cent between 1982 and 1983, possibly because of the creation of the Telefilm Canada Fund.

French-language television still makes only marginal use of independent producers. In 1983, 18 per cent of Canadian programming on Radio-Canada came from the private sector. At Télé-Métropole, the proportion of programming purchased from independent producers in 1983-184 was minimal, while at Radio-Québec, \$7.3 million was spent on co-productions and program purchases.

CHAPTER II

CONSULTATIONS WITH VIEWERS

CHAPTER II - CONSULTATIONS WITH VIEWERS

The Committee carried out extensive consultations in order to test its views on future options and orientations for French-language television.

Within the framework of these consultations, it held three meetings with more than 40 television experts: researchers, specialists in relevant fields (cable systems, conventional television, production and distribution), and representatives of government agencies.

1. Francophones in Quebec

The Committee also organized six meetings with television viewers: four in Montreal, one in Quebec City and one in Rimouski. A total of 67 television viewers, carefully selected according to criteria established by social research consultants, took part in these meetings.

In addition, the Committee met with representatives of a number of Francophone groups outside Quebec.

Although full details will be made available in a series of background studies to be published at a later date, the Committee considers it important to summarize the salient points of its consultations with viewers, both in Quebec and outside.

The viewer consultation interview format covered four general topics:

- interests, perceptions and viewing habits;
- impact of the new technologies;
- Francophone culture and the role of governments;
- future of French-language television.

a) Interests, perceptions and viewing habits

The people interviewed reported that they watch television not only to relax and take their minds off things but also to learn. They apparently do not necessarily want to receive an alternating diet of light and serious content, but rather to combine both simultaneously. They prefer "flexible and relaxed" formats which present a variety of information. Panel discussions, open-line

shows and docu-dramas are popular forms that seem to respond to the desire of viewers to explore subjects in some depth without feeling that they have to make a great effort. Inundated with information from all quarters, people are afraid of losing control over reality. They expect television to help them see things clearly and to suggest solutions for everyday problems such as: work, unemployment, stress, divorce or violence. But they certainly do not want to have these themes presented in a heavy-handed way or with a defeatist outlook.

Generally speaking, those interviewed expressed dissatisfaction with French-language television. They criticized programming schedules:

"There's a lot on TV on Mondays but it's up and down on other days." Weekend programming was unpopular with most interviewers: "Too much sport, no good movies." When Radio-Canada and TVA show similar programs in the same time-slots, many people are frustrated: "It's just a battle for ratings; there's too much competition; one network tries to copy the other and it's pointless to have so many channels if they are all alike."

People also consider that French-language television presents rehashed English-language television: it either copies American program formulas (such as quizzes and variety shows) or presents American series or mini-series two or three years after the original version was aired.

The perception most people have of French-language television can be summed up in one harsh sentence: "C'est quêtaine" - It's corny! When people are urged to explain what they mean, this is what they say:

- "When French-language television imitates American TV, it's a poor imitation and it's corny." For instance, "If you compare The Price is right and Galaxie, the first gives away \$20,000 in prizes and the second an electric hair curler."
- "When a program is badly dubbed, it's corny." Examples include voices that do not suit the characters and badly translated texts. "A joke in English will never be a joke in French," they say. And there is particularly strong

criticism of the translations in the French versions of Three's Company (Vivre à trois) and Dukes of Hazzard (Sheriff, fais-moi peur).

- "When people are made to do silly things in participation programs, it's just corny." Les tannants was often mentioned in this respect.
- "When they try to make you laugh and don't succeed, it's corny." The program 101 avenue des Pins was mentioned as an example of unsuccessful humour.

In the opinion of most of the people interviewed, French-language television exploits poverty and stresses the hard times in Quebec (Bonheur d'occasion, Maria Chapdelaine, Entre chien et loup). It is nostalgic television (Le Parc des Braves, Le Temps d'une paix). It is centred on the family, revealing a limited view of society and windows closed to the world. Lastly, it is an aging television: "In the early days of television, the writers and performers were young; but they have grown old and now they are repeating themselves. The pool of stars, program hosts and creative people must be renewed."

In contrast, American television conveys images of wealth (Dallas, Hotel, Dynasty), dreams and hope (The Price is Right). It is considered positive-minded and oriented towards the future; "It opens new horizons." However, many people consider the American dream exaggerated and out of reach for them personally. Seventy-five per cent of the viewers consulted were bilingual. As many studies have shown (Caron 1983; Beauchamp 1982), there is a strong correlation between bilingualism and audience erosion. The Committee's interview groups reflected this tendency. People who understand English prefer to watch American television because productions are better made and more spectacular, the settings are more attractive, the films are more recent, series and mini-series are better in their original version (not dubbed), programs in a mini-series are usually aired in closer sequence, the news reports are longer, more detailed and more visual (live reporting), the sports commentators are more dynamic, etc.

However, bilingual viewers watch the news and public affairs programs in French because, they say, "We need to know what's going on here." Their preference for this type of viewing is Radio-Canada. They say they also watch the news on the Canadian

English-language channels. They prefer English to French news reports, which they consider too short and static: "It sounds like they're reading from the newspaper." Apart from this, there are no analyses: "We'd like to have some comment or background on news items."

Unilingual Francophones interviewed can be grouped into two behaviour types: those who always look at French-language television because they do not understand English ("We make do with what we've got") and those who watch certain programs in English (quiz shows, special events) even though they do not understand everything: "They're better and besides, we want to practise our English." Among the viewers consulted, there was no loyalty to a particular station, but about 50 per cent are regular viewers of particular programs. These viewers admit they are "hooked" on weekly programs and that they would not want to miss a single show for anything in the world: drama serials, mini-series, series. There are also viewers who refuse to get addicted, who are afraid of becoming slaves to television, not seeing other people, or not having time to do anything else (play a sport, go to the movies, etc.). When they do watch television, these viewers choose a self-contained program where the story is complete in itself (problem, confrontation, solution). They avoid drama serials and mini-series ("If you miss one episode, you're lost") and prefer series ("If you miss two or three, you haven't missed anything") and films.

Viewers in all the interview groups say they watch commercials when they are good (Pampers), strike a familiar note (margarine) or convey an implicit message (sports and beer do not go together). They recognize the need for advertising and are quite ready to accept it if it is short (like prestige advertising). However, they are very critical if the advertising is repetitive (the secret of Labatt's Blue), if it interrupts the pacing of programs or if there are too many ads in a row. In these circumstances, they tend to switch channels. Suggestions for improving the situation include concentrating commercials at the beginning and end of programs, turning down the sound of commercials and having a single advertiser sponsor an entire program to achieve a calmer tone.

b) Impact of the new technologies

About 60 per cent of the people interviewed by the Committee have cable and report that since subscribing, they watch more television in English than they did previously. And if they have a converter (remote control) they probably tend to channel-hop. Respondents subscribing to cable say there is a great deal of repetition from one station to another and find the choice more restricted than they are led to believe. Non-subscribers say cable is too expensive for them anyway.

At least 25 per cent of those interviewed had subscribed to pay-TV only to drop their subscriptions two or three months later: "It's exciting at the beginning, but it doesn't last." Their disappointment stems from the fact that the same films are shown several times a month: "It's not a real choice. If you don't count what you've already seen and what's repeated, there are only 4 or 5 new films. So you're better off to rent tapes that you choose yourself, and it's cheaper." Many people feel too many pornographic and horror films are shown. There is also a general impression that pay-TV is very expensive; very few are interested by the "package deal" they are offered. The explanation some give is that there are not enough subscribers in Quebec to sustain a satisfactory level of service; they cite the example of Home Box Office in the United States, which has 11 million subscribers and "can spoil them (exclusive rights to a boxing match or some other event), even if it costs them \$2 million."

There is little enthusiasm for the specialty channels offered on cable (Inter-Vision). Some people rate them as of no interest whatsoever (50 per cent), while others watch them occasionally. Referring to the youth channel (26) and the sports channel (25), they comment: "We like to see our own young people and our own amateur athletes." However, people are critical of the repetitiveness and the length of programs: "A billiard game that lasts two hours and a half is too long." A small number of people enjoy watching documentaries and in-depth reports and follow Télé-Université. Neither bilinguals nor French unilinguals want more specialty channels, nor do they want to pay more for these services.

People who own a video cassette recorder (VCR) are captivated by the device, while those who do not yet have a VCR covet one. The argument usually put forward in favour of VCRs is the choice

they allow: "You don't watch more television than before, but you can watch your favourite programs when you have time and not when they're imposed on you." However, a lot of people seem to get taken in. They record far more programs than they can watch, they devour film after film and they hardly have time to do anything else. Some people admitted that for a whole year they had spent their weekends watching recorded tapes or rented cassettes.

Some people say the effect of the VCR will be to reduce the divorce rate, because having one enables couples to settle their differences: "If I want to watch hockey and my wife wants to see a serial being shown at the same time, she records her program and we are both happy." Others see the VCR as a baby-sitter: "We sit them down in front of the video all day on Saturdays to keep them quiet and they don't go out any longer." Popular topics for recording are handyman programs and computer clinics that people consult like reference books. There is a brisk business in renting videotapes (comedy, horror, science-fiction) in English, because they come out sooner than the translated versions. There is also more choice in English than in French.

Only two of the people interviewed had a satellite dish. Both men said they were delighted with direct satellite reception, a technology that gives access to a whole raft of channels (150). On the negative side, they are worried that the American pay-TV networks may scramble their signals to prevent Canadians from receiving them. At present, these people can tune in to American pay-TV without paying. Quite a number of films are shown on American pay-TV before they have been released in Canadian movie houses. But this possibility does not prevent the fans of direct broadcasting by satellite from liking this technology and considering it to be the way of future.

c) Francophone culture and the role of governments

Are people worried about the future of Francophone culture? Two ways of thinking emerged on this question. The groups in Montreal had a resigned attitude: "American culture is part of our way of life. We'll have increasing access to American channels and that's fine, because American television is three years ahead of us." The groups in Quebec City and Rimouski expressed anxiety at the "invasion" of American culture. Even though they want a window on the world, which American television provides, they want French-language television that focuses on

them and reflects their image. And they express great confidence in Quebec's creative talent: "We've got the potential, we can do it. But we have to make use of our young people and make sure they get technical support from older professionals."

When it comes to the question of whether the Canadian and Quebec governments have a specific role to play in the maintenance of Francophone culture, there are again two ways of thinking.

A small number of people are "allergic" to any form of government control. Their viewpoint can be summarized as follows: no control over the broadcasting of American programs ("In any case, we'll soon have satellite dishes and if the American channels are cut off, we'll find ways of getting them anyway"); no censorship of content (subjects, values) or types of programs; and a return to competition on an open market.

However, most of the people met by the Committee (about 90 per cent) wanted enlightened control on the part of governments in order to:

- maintain and enforce Canadian content requirements (of the CRTC) in programming;
- exercise censorship of violent and pornographic content, especially in programming for children, or for broadcast during so-called family viewing time;
- require more programs for young people between the ages of 12 and 20, to overcome the present deficiency in French-language programming;
- require French-language networks to carry different programming in the same time-slots (counter-programming), thereby eliminating duplicate program schedules which frustrate viewers;
- impose quality standards for the dubbing of American programs covering: translation of the scripts, the spoken language, the choice of voices and lip sync;
- take steps to reduce the time it takes to get dubbed versions of American series and mini-series on the air -- ideally, they should appear within six months;

- establish tighter controls on television advertising so the number of consecutive commercials is reduced or the ads are concentrated at the beginning and end of programs and do not interrupt their pace;
- develop a more coherent regulatory policy on advertising to eliminate the present inconsistency where cigarette advertising is banned but beer advertising is allowed;
- require private networks to re-invest a larger percentage of their profits to increase and improve Canadian and Quebec production.

To improve the quality of French-language television, a number of people suggested that the two governments should invest in independent production rather than in additional funding of public networks. Specifically, they suggested the governments should:

- subsidize organizations which would provide funds to private production companies and individuals with projects or ideas;
- encourage projects proposed by young people and provide professional support to help these writers and performers get a start;
- encourage projects dealing with the present and the immediate future and presenting a positive view of reality;
- conduct more research to identify Francophone viewers' tastes and expectations (subjects, formats).

d) Future of French-language television

Many people would be in favour of a new private French-language network if they were sure it would offer better quality. But they are very sceptical on this subject: "It would just be another copy of American television. The Quebec market is small and so is the pool of talent. It would harm the existing networks and there's no guarantee the best man would win."

All groups interviewed agree that it would be better to improve the existing French-language network. One way they suggest to do that is to strengthen Radio-Québec, because "it's a new kind of television, that has already demonstrated its concern for quality and innovation and that expresses the personal experience of Quebecers very well." Radio-Québec would have to extend its broadcasting day ("carry as many programs as the others"); make use of programming from Canadian and Quebec independent producers; offer quality programming especially on weekends; present a variety of programs aimed at various audiences -- young people, the elderly, working women, and those interested, for example, in do-it-yourself activities and computers. People would be willing to see more advertising on Radio-Québec as long as programs were not constantly interrupted by commercials. But they would expect Radio-Québec to keep its special character: "No serials, no news, public affairs programs like Droit de parole, documentary reports on subjects of current interest in Quebec (battered women, child abuse, unemployment, divorce, etc.), "relaxed" formats which explore a subject without getting too complicated, and a good selection of recent movies." By following this path, they believe Radio-Québec could gradually increase its ratings and French-language television would have its own "distinctive look."

Still on the subject of the future of French-language television, people hope that Radio-Canada and TVA will improve their service. Their expectations are higher for Radio-Canada ("It's our taxes that pay for it") than for the private network. They suggest that Radio-Canada should pay more attention to its information programming, specifically that it should extend the length of the news and re-examine the way news is handled: they want more analysis and explanation of events, more live reporting, more emphasis on good news (they have the impression that 90 per cent of the news is bad), and more public affairs programs such as Le Point.

Interviewers suggested that the television networks (particularly Radio-Canada) should spend less on management and more on independent or in-house production. They also proposed dropping the standard format for talk shows ("eight guests an hour") in favour of giving in-depth treatment to feature topics so that "people are better informed." In addition, they expressed a desire to see the pool of TV personalities widened: "We're fed up with always seeing the same people."

Finally, there is a feeling that French-language television should be bold in its programming choices rather than always following the safe American formulas. It should have more faith in Quebec's ability to conceive and produce good programs and to explore new program ideas. "There are heaps of ideas around but they're not used; we always end up with the same carbon copies." The networks should have a positive attitude: "We have the ability and we've got interesting things to say; if nothing is done to encourage us to express ourselves, there won't be any French-language television in 10 years' time."

2. Francophones outside Quebec

The representatives of Francophone groups outside Quebec expressed essentially the same opinions as viewers in Quebec. However, they had four specific criticisms: a) there is too little French-language choice for Canadian viewers outside Quebec, especially in the West; b) there is a Quebec bias in the French-language programming that is available; c) there are too few programs for young people (aged 12 to 20); d) there is no regional coverage.

Their suggestions for improvement are as follows:

- The CRTC should change its cable regulations to ensure that subscribers have access to existing French-language channels and to certain community channels.
- The federal government should provide resources to help producers and directors at the local level through bilateral agreements with the major production centres.
- Radio-Canada should decentralize control of its budget to give regional stations the freedom to produce programs to meet their particular needs.
- French-language programs should be carried by satellite after midnight via CANCOM, so that they can be received and recorded at various centres for later broadcast in the different regions of Canada. The idea would be to establish banks of French-language programs and make them widely available.
- The government should foster creative endeavour, especially by and for young people.

3. Comments on consultations with viewers

Because of the limited size of the sample, these conclusions cannot be generalized to the population as a whole. The advantage of the qualitative approach used by the Committee is that it made it possible to probe subjects that surveys can deal with only superficially, such as viewer satisfaction. Recent surveys show that 77 per cent of the population is generally satisfied with French-language television. The focus-group approach enabled us to analyze public opinion on the subject in some detail, pinpointing the exact sources of satisfaction and dissatisfaction. People are quite satisfied with Monday evening television, but dissatisfied with weekend programming. They are generally unhappy about the number of duplicate programs, the lack of information programs, the dull treatment of the news and the emphasis on hard times in some Canadian content which looks to the past and presents a narrow view of society.

Viewers today want quality and they find it much more frequently in American television which has an irresistible appeal for them, even if they are unilingual.

The people interviewed by the Committee expressed disappointment with the new technologies which promised them so much choice. They find there is far less new content than they expected, and they are stuck with re-runs of programs they have already seen. Their criticisms are directed specifically against cable (numerous stations but often identical), pay-TV (a lot of movies but most have already been shown) and satellite broadcasting (greater choice but many re-runs).

Viewers think French-language television needs a shot in the arm to give it new life: the pool of writers, producers and stars must be rejuvenated by making room for the young and seeing they get professional support from specialists in the field; it must develop its own distinctive character so it is no longer a carbon copy of American television but instead reflects the concerns of Francophones in all regions of Canada; and it must have greater confidence in the creative ability of local talent and be willing to take the risk of being innovative.

4. Comments on consultations with experts

All the experts who met with the Committee agreed on the need for greater co-operation between the different players involved in the French-language television system. Only by working together will they be able to withstand the onslaught of English-language programming and produce higher quality French-language content that will have stronger appeal to Canadian audiences as well as better export potential.

Even though they tend to view the problem from an economic angle, the experts are nonetheless aware of its cultural aspects. They think separate policies and regulations are needed for French-language television that would take into account the special characteristics of the market and the socio-cultural context. They would like to see a television system that reflects Canada's linguistic duality. Although Francophone culture must be protected, they realize the approach must not be rigid. They envisage a regulatory policy that would be both enlightened and flexible, and propose industry development incentives to encourage the production of higher quality programming.

The experts were cautious in their views on the advent of new French-language services, such as specialty services and a second private television network. Their fear is that there would be insufficient advertising to support a larger number of companies, because of the limited audience for French-language television. This concern is intensified by the increased reliance of the public television networks on advertising revenues to compensate for the freeze or cuts imposed on their budgets. They feel it would be better to strengthen the existing television system than to add services whose profitability is uncertain. However, some specialists are of the opinion that a new French-language network would increase competition and thereby put new life into the system.

All the experts consulted recognize the crucial role of independent production. They are not so sure, however, that the major television stations should immediately abandon all in-house production and entrust their program needs to independent producers. It would be better to change over gradually, with a view to improving the quality of independent production and giving time for the investments already made by the television networks to pay off.

The future of French-language television depends on the simultaneous implementation of strategies designed to ensure maximum economic impact: co-productions with other countries, program exchanges with foreign countries (French-speaking or not), export sales, increased dubbing done in Canada, technological development, and improvement in the quality of French-language productions.



CHAPTER III

FUTURE OPTIONS AND ORIENTATIONS



CHAPTER III - FUTURE OPTIONS AND ORIENTATIONS

1. Recent changes and present trends

As we have seen in the previous pages, the television environment has changed greatly during the last decade. The expansion of cable television, the growing use of satellites and the possibility of receiving distant signals, the increase in the number of American signals accessible in Canada and the development of new technologies using the television set have considerably extended the range of choice for Francophone viewers, especially those living in large urban centres.

As a result of these changes, four trends are developing which may have serious consequences.

- a) The widespread availability of American channels and the wholesale broadcasting of American programs by English-Canadian stations are expanding the choice in English-language viewing and attracting ever greater numbers of Francophone viewers, whether bilingual or not, although the impact on unilingual Francophones is less pronounced. The trend towards an increased volume of English-language content and increased viewing of English-language television will certainly continue unless the French-language television stations can get together to offer equivalent French-language programming that is both excellent and plentiful.
- b) A second trend is the growing fragmentation of audiences according to interests, age or socio-professional concerns. The more fragmented the audience, the larger the reserve of viewers required to provide adequate markets. The small Canadian Francophone market cannot support much fragmentation.
- c) Third is the trend to a proliferation of technologies and television services which are increasingly expensive to develop and operate.
- d) Finally, governments are less able to subsidize television or any other sector because of the need to curb their ever-rising deficits. Under these circumstances, the Canadian and Quebec governments have to allocate their budgets very carefully and find ways of encouraging the private sector to play a greater role in television operations and financing.

2. Television in Quebec

The following is a summary of the main features of Quebec television today.

- a) The French-language system comprises:
 - two public television networks (Radio-Canada with its private affiliates, and Radio-Québec);
 - the private TVA network (essentially Télé-Métropole and Pathonic);
 - a pay-TV movie channel (Super Ecran);
 - no specialty services on cable (except the services supplied through Inter-Vision);
 - a fairly well developed group of community television stations;
 - a cable channel showing programs from France (TVFQ).

- b) English-language services are increasingly available through:
 - Canadian networks (CBC, CTV, TVO);
 - American stations affiliated to CBS, NBC, ABC and PBS;
 - Canadian and American specialty services on cable: pay-TV, music, sports, news.

- c) The two major achievements of the present French-language system are:
 - large audiences for Canadian French-language content;
 - a high proportion of Canadian French-language content at peak viewing hours.

Through these achievements, French-language television has carved its own special niche within the Canadian broadcasting system.

3. Development of French-language television: objectives

The ground already gained by French-language television must not be lost. In addition to this fundamental objective, an analysis of the environment in which French-language television is now operating and the trends affecting this environment suggests three further objectives essential to its development. These are:

- to enhance its ability to compete with English-language television, by improving the quality of French-language productions and programming;
- to increase the diversity and availability of French-language television programming, possibly by introducing new cable or over-the-air services, by using existing channels to best advantage and by making the different French-language television services more accessible;
- to strengthen the cultural content of programming on the public French-language networks to make them effective vehicles of cultural development, by making full use of all the creative resources available.

4. The principal constraint: financing

Preserving what has already been achieved and further improving the French-language television system depends on three types of financing: government funding, advertising revenues and the various taxes on cable (for basic and discretionary services).

There are, however, severe constraints on these sources of financing:

- Funding by the Canadian and Quebec governments is unlikely to be increased.
- Cable subscription rates are already higher in Quebec than elsewhere in Canada (while cable penetration is lower). The introduction of discretionary services, however, is largely dependent on high penetration of cable and therefore the lowest possible subscription rates.
- That leaves advertising revenues as the only area where there is any leverage.

Just how much leverage is there? Enough to finance all the improvements that are considered desirable?

a) Estimated television advertising market

To estimate the television advertising market in Quebec, we made calculations based on the following assumptions:

- Advertising revenues of the television stations in Quebec amounted to \$195 million in 1982-83:
 - private stations \$165 million¹
 - Radio-Canada \$30 million²
- Demand for advertising time exceeded supply by \$25 million in 1982-83, for Quebec as a whole.³
- Total demand for advertising time will increase, in current dollars, by nine per cent in 1983-84, eight per cent in 1984-85 and, in constant dollars, four per cent each year from 1985-86 to 1989-90.
- There will be no transfer of radio or newspaper advertising to television.⁴

Our calculations do not take into account the increase in advertising revenues usually observed when a new station enters the market, since this market segment is already included in our estimate of total advertising demand.

1 Statistics Canada. Radio and Television Broadcasting, Catalogue 56-204; 1983.

2 Our estimate.

3 Our estimate. According to Cogeco, the figure was \$18 million for the Montreal and Quebec City regions alone.

4 Statistics recently compiled by Stratégem, a firm specializing in market analyses and advertising strategies, support this assumption.

ESTIMATED TOTAL DEMAND FOR TELEVISION ADVERTISING IN QUEBEC
1982-83 TO 1989-90

<u>Years</u>	<u>Total demand</u> <u>(in millions of 1985 dollars)</u>	<u>Growth</u> <u>%</u>
1982-83	220 ¹	9
1983-84	240 ¹	8
1984-85	259	4
1985-86	269	4
1986-87	280	4
1987-88	291	4
1988-89	303	4
1989-90	315	4

¹ In current dollars.

b) Estimate of available advertising market

We made two estimates of the available market for television advertising in Quebec, one using a series of optimistic assumptions, the second a series of more pessimistic assumptions. The two sets of assumptions and the resulting estimates are outlined below.

Optimistic assumptions

- In 1984-85, revenues of the existing private television stations are equal to the difference between total demand and advertising revenues forecast by Radio-Canada, that is; \$240 million.
- From 1985-86 to 1989-90, neither Radio-Canada nor the existing private stations will increase their advertising revenues in real terms.

ESTIMATE OF THE AVAILABLE MARKET
FOR TELEVISION ADVERTISING IN QUEBEC, 1982-83 TO 1989-90
BASED ON OPTIMISTIC ASSUMPTIONS
(IN MILLIONS OF 1985 DOLLARS)

Years	Total demand	Advertising revenues of Radio-Canada	Advertising revenues of existing private stations	Available market
1982-83	220	30	165	25 ³
1983-84	240	35 ¹	190 ²	15
1984-85	259	55 ¹	204	-
1985-86	269	55	204	10
1986-87	280	55	204	21
1987-88	291	55	204	32
1988-89	303	55	204	44
1989-90	315	55	204	56

1 Our estimate.

2 Because income from the tax on advertising in the electronic media rose by 15.3 per cent from 1982-83 to 1983-84, we have assumed that advertising revenues of the private stations also increased by 15.3 per cent over this period.

3 In current dollars.

It will be noted that the great increase in Radio-Canada's revenues in 1984-85 compared to the previous year leaves no unsatisfied demand and therefore no available market. However, in following years, the available market gradually increases to reach an estimated \$56 million in 1990 (in 1985 dollars).

Pessimistic assumptions

- Between 1984-85 and 1989-90, the advertising revenues of Radio-Canada will rise at the same pace as total demand, that is, four per cent per annum in real terms.
- The advertising revenues of Radio-Québec in 1989-90 will amount to \$10 million (in 1985 dollars) as stated by the president of Radio-Québec, March 11, 1985.
- Various specialty channels will sell advertising time worth an estimated \$5 million in 1989-90 (in 1985 dollars).
- The existing private stations will command the rest of the market until 1989-90. Their revenues will therefore rise more slowly than total demand, at a little less than three per cent per annum.

ESTIMATE OF THE AVAILABLE MARKET
FOR TELEVISION ADVERTISING IN QUEBEC, 1982-83 TO 1989-90
BASED ON PESSIMISTIC ASSUMPTIONS
(IN MILLIONS OF 1985 DOLLARS)

Years	Total demand	Advertising revenues of Radio-Canada	Advertising revenues of existing private stations	Advertising revenues of Radio-Québec	Advertising revenues of specialty channels	Available market
1982-83	220	30	165	-	-	25 ¹
1983-84	240	35	190 ¹	-	-	15 ¹
1984-85	259	55	203	1	-	-
1985-86	269	57	210	2	-	-
1986-87	280	59	216	4	1	-
1987-88	291	62	221	6	2	-
1988-89	303	64	228	8	3	-
1989-90	315	67	233	10	5	-

¹ In current dollars.

The previous two tables show that the available advertising market in 1990 might be as low as zero or as high as \$56 million (in 1985 dollars).

Projected advertising revenues of the private and public sectors in 1990 are as much as \$100 million higher than in 1985, with the increase broken down as follows:

- new private network: about \$50 million¹;
- new specialty services: at least \$5 million;
- Radio-Québec: about \$10 million;
- Radio-Canada: about \$12 million;
- existing private television stations: about \$30 million.

These figures show clearly that simultaneous expansion of the private and public sectors is impossible. Future development will therefore have to emphasize one sector or the other. Two possible scenarios are outlined in the next section.

5. Future options

What sort of television system do we want?

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: this basically sums up our objective.

In striving to attain it, there are a number of factors we must take into account:

- the serious threats now facing our television environment;
- successes to date of the French-language television system;
- possible new developments, such as the creation of a new private television network or the introduction of specialty services on cable;
- the major constraint imposed by the limited financing available to develop our television system.

¹ Based on estimates by the Ministère des Communications du Québec, by Cégir and by Cogeco.

These factors force us to view the French-language television system as a single unit in which each part must help to maintain the fragile equilibrium of the whole despite the occurrence of frequent and radical changes.

While recognizing the inherent dangers of prediction, we present here two plausible but contrasting scenarios for future development of the system.

a) Scenario A: improvement of the status quo

In Scenario A, the present system undergoes no major changes other than the introduction of specialty services. However, to improve the efficiency of the system, more stringent regulatory requirements are imposed.

- i) Radio-Canada retains its present programming mandate, but is required to give a more detailed account of its performance:
 - Budgets and financial statements are restructured to permit an annual performance evaluation.
 - Competition with the existing private sector is maintained and encouraged.
 - Radio-Canada increases its advertising revenues.
- ii) The TVA network, and especially Télé-Métropole, has to accept more responsibility for the development of French-language television:
 - A larger share of profits must be re-invested in the production of Canadian French-language programs.
 - The proportion of Canadian French-language programs that must be shown at peak viewing times is increased.
 - Greater reliance on outside production is strongly encouraged.
- iii) Radio-Québec is called on to reach larger audiences by offering more attractive programming; this requires an increase in independent revenues. Radio-Québec continues to complement the two other networks but its role as an educational and cultural television service is expanded.
- iv) Specialty services, financed by advertising, are universally available.

Advantages

- Sales of television advertising time are high enough that no increase is needed in funding by the Canadian or Quebec governments to enable Radio-Canada and Radio-Québec to maintain or improve the services they offer.
- Télé-Métropole makes large profits and re-invests substantial amounts to upgrade its productions.
- Greater use is made of independent production houses and the industry expands as a result.
- Sale of commercial airtime provides additional financing for specialty services.
- French-language television offers generally improved programming. Prospects of luring back French-speaking viewers from English-language television are good. There is also a possibility of increasing the ratings of French-language television among Anglophones and other language groups.
- The introduction of specialty services increases viewer choice and persuades Francophones watching English-language programs to switch back to French television.

Disadvantages

- Government funding of Radio-Canada and Radio-Québec must remain close to present levels to enable these networks to maintain or expand their services.
- New French-language specialty services on cable increase the supply of programs in French but they tend to fragment the viewing audience.
- A second private French-language network is not created. The film and video sector does not benefit from this significant new economic activity, with the positive impact it could have on television production and the secondary effects it could have on both the film industry and the market for creative talent.
- There is increased government regulation and control.

b) Scenario B: increased role for the private sector and redefinition of the public sector

In this scenario, the present system undergoes major changes. The mandates of the public networks are reduced to give greater scope to the private sector. Here is what might happen:

- i) Radio-Canada begins narrowcasting and carries two types of programming not available on the private networks:
- more culturally oriented content intended for special-interest audiences (possibly accompanied by a reduction in general entertainment programming);
 - greater emphasis on regional issues not adequately covered by private television.

Its advertising revenues are considerably reduced since the most "profitable" types of programming are broadcast by the private networks. Government funding is kept at the same level, if not reduced. Radio-Canada gradually withdraws from activities not directly connected with programming and broadcasting. Competition with the private sector is not encouraged.

- ii) The private sector broadcasts most of the entertainment programming on television. It attracts large audiences and most of the advertising.
- iii) Following the example of Radio-Canada, Radio-Québec specializes in cultural content which the private sector tends to avoid. Its independent revenues remain low because so many broadcasters compete for available funds. Government financing of Radio-Québec remains at present levels.
- iv) Specialty services are universally available, with financing coming from sales of air time.

Advantages

- More French-language programs are shown.
- Government funds are awarded in accordance with public policy objectives.
- A second private French-language network is created. The film and video sector benefits from the creation of a significant new economic activity which has a positive impact on television program production as well as on the film industry. It also provides new opportunities for creative talent.

- The role and responsibilities of government in the television system are reduced.

Disadvantages

- Radio-Canada has smaller audiences and reduced financing. It runs the risk of becoming a minor television network.
- The quality of French-language television may suffer as a result of Radio-Canada's reduced mandate especially if the network ceases to produce the kinds of programming in which it excels: dramas with mass audience appeal, variety shows, sports and news.
- Radio-Canada and Radio-Québec would be competing for the same audience (that is; those interested in cultural programming).

c) Conclusion

Both these scenarios are plausible but they are admittedly extremes. Either option would involve restructuring the present television system and for the moment the Committee is not ready to choose between them.

Indeed, it may be preferable to keep the options open so that one scenario or the other can be followed as required to protect the positive aspects of French-language television and remedy present or future deficiencies. What is important for the viewer -- the beneficiary of the system -- is not who broadcasts the image, but whether it is interesting or useful.

Present regulations or policies could be modified to make the system more flexible, more adaptable and better able to respond to demand. Possible modifications include:

- broadening Radio-Québec's mandate and its power to generate independent revenues;
- making Radio-Canada (French) completely independent of the CBC (English) so it can follow its own course of development;

- lifting the restriction on cross-ownership to permit other media to enter the field and thus inject new blood into the public and private sectors;
- encouraging the broadcasting sector to re-invest profits to prevent them from being invested elsewhere;
- applying content regulations to Canadian French-language programs that would encourage quality as well as quantity.

System flexibility is essential if we are to cope with external competition and strengthen our limited domestic market. But it can only be achieved through close consultation between the two governments, the viewing public and the networks. In this way we will be able to identify deficiencies in the system more rapidly, without having to make choices of a dogmatic nature. The limited size of the market facilitates this pragmatic approach and it would be a pity if, for once, it were not used to our advantage.

For this reason, the Committee recommends that the two governments sign a co-operative agreement pursuant to the Canada-Quebec Economic and Regional Development Agreement, and establish a process for consultation with all parties concerned to permit analysis and discussion of system deficiencies. The two governments could then use this process to take the measures needed to increase the Francophone audience and develop the French-language television industry, according to the degree of involvement they may wish to have.

6. Making French-language television more attractive and more competitive

The Committee's consultations clearly show that French-language television must be made as competitive and attractive as possible since it is surrounded by an English-language television world which, because of the impressive means at its disposal, is enticing an ever greater share of the viewing public. Efforts must therefore be made to increase support for French-language program creation, strengthen French-language content broadcast by the private television stations, make full use of existing creative resources including independent producers, improve the way advertising is presented on television, systematically explore export possibilities and finally, increase the availability of recent foreign programs.

a) Assistance for program creation

French-language television's ability to compete with the English-language networks depends on the quality of programs and how well they reflect our culture. An analysis of the present situation shows that, little has been done to date to support the initial creative phase in program production. Yet this is a less costly phase than production itself and a recognized part of the research and development process so essential to the success of most forms of socio-economic activity. Special programs are needed to provide assistance to this creative phase, especially for concept development, script writing and experimentation. The revitalization of television programming also depends on encouraging new creative talent and further training of professionals.

Various initiatives are possible in this respect.

The Canadian Minister of Communications recently announced a film and video policy which made additional funds available through Telefilm Canada for script and project development. But support for this phase of creative activity must not be subject to the same conditions as production assistance, since at this early stage it is impossible to anticipate the commercial merit of a given project, and because it is even more difficult to obtain private funding. The eligibility criteria should therefore be much more flexible than those applying to production assistance. Moreover, Telefilm Canada should give special attention to talented young artists to give them an opportunity for stimulation and the means to develop their skills.

Lastly, it is important to ensure that a large part of the fund is allocated to Francophone needs. Further, the budget must be re-assessed annually with regard to French-language television productions.

Through its film development agency, the SGC, Quebec might also play a larger role in supporting video production, since they can be exhibited through many different media: film, television, video cassettes, cable, etc. Some form of co-operation might be desirable between the SGC and the federal agency, Telefilm Canada.

Revitalization of creative talent also depends on experimentation with new forms and new content. But it is difficult to experiment with new content in organizations that have program schedules to fill. The National Film Board (NFB), whose pioneering role in the cinema is well known, is free of this constraint and might therefore be given a mandate to act as a national and international centre of television innovation and experimentation for French-speaking creative talent.

Still on the subject of the NFB, the Board is seriously considering closing down its French-language production centres outside Quebec as a result of a recent government policy review. Since the NFB (like Radio-Canada) is a mainstay of regional film and video production, the Committee considers that it is in the interest of Francophones across Canada to maintain these production centres.

b) Strengthening of French-language content

At present, Canadian French-language programming aired at peak viewing times (plays, drama serials, news and information) enjoys high ratings. The question is how to keep this strong audience appeal in the future. Original French-language productions usually cost more than imported programs (particularly American programs). Furthermore, viewers are very critical of a certain type of Canadian French-language productions which they consider "pessimistic," centred on the past and presenting a narrow view of society, in contrast to American programs which are forward-looking and optimistic and emphasize the luxurious. Finally, despite the success of French-language drama and public affairs programs, there is a continuing trend towards English-language stations by Francophone viewers.

The Committee therefore believes that the CRTC's present Canadian content regulation should be reviewed in the context of French-language television. As a means of promoting Canadian French-language production, the CRTC should study the possibility of requiring the private French-language broadcasters, through their licensing conditions, to re-invest a percentage of their gross revenues in original Canadian productions, while taking into account their financial resources. This measure would replace or complement the present Canadian content regulation.

Even if the Canadian content regulation is replaced, the CRTC should continue to monitor the supply of Canadian French-language content. The Committee considers it important that broadcasters continue to provide balanced programming and a variety of domestic productions.

c) Independent production

All the groups consulted by the Committee acknowledged the importance of the creative potential of independent production. There was little agreement, however, on how this potential could best be tapped by existing broadcasters. Currently, most French-language production is done in-house by the broadcasters at one of three integrated production centres associated with Radio-Canada, Télé-Métropole and Radio-Québec. Economy of scale is evidently an important factor, suggesting that the limited French-language market may have difficulty supporting independent producers. Preliminary analysis of investment through the Telefilm Canada Development Fund confirms this suspicion.

Without going to the extreme of suggesting that public broadcasters eliminate in-house production, the Committee believes that Radio-Canada and Radio-Québec should devote an increasing proportion of their programming budgets to outside production.

There are a number of ways to achieve this.

In their budgets and financial statements, Radio-Canada and Radio-Québec could be asked to identify an independent production fund, so that progress and performance in this area can be measured.

Although it is true that private broadcasters have freedom to choose their program production methods (while recognizing the increased incentives offered by Téléfilm Canada) and that their priority is to make a profit on investment, they could be asked to make a commitment to give independent producers access to the television market. For this reason, the Committee thinks the CRTC should study the possibility of requiring all broadcasters to allocate a small proportion of their programming budgets to outside production. Through licensing conditions, the CRTC would then gradually increase the proportion, taking into account the financial means of each broadcaster.

d) Advertising

Viewers consulted by the Committee generally recognized the need for advertising on television and said they did not mind commercials as long as they were brief and well made. However, they found television advertising repetitive, intrusive and disruptive on the whole, and they particularly objected to the interruption of programs by numerous consecutive commercials. By their own report, many viewers simply switch channels when this happens.

The Committee wondered whether an overall improvement in the quality of French-language television might be achieved by limiting the number of commercial interruptions on certain programs, or by changing (that is, increasing) the number of minutes per hour allowed for advertising. Since advertising revenues are crucial not only for broadcasters but also for the production industry and its personnel, and since it is hard to predict without an in-depth study whether these changes would have negative effects (fewer advertisers, smaller total advertising market, shorter program schedules, switching to English-language stations, etc.), the Committee suggests that the CRTC and the industry carry out a joint study of possible changes in the regulations governing advertising in the Francophone market.

e) Development of export markets

Exports do not play a large role at present in either the operations or the revenues of broadcasters. Imported programs (especially from the United States) are a major expense and fill large amounts of air time. Yet exports may be considered as a good indicator of both the performance and the competitiveness of television. In co-operation with independent producers, the National Film Board and certain French-language broadcasters, the Quebec government has already undertaken an export drive. Its objective is to supply 200 hours of Canadian French-language programming for cable television in France. The Canadian and Quebec governments are also co-operating in the creation of a consortium for Canadian and Quebec French-language participation in the European satellite channel, TV5. This co-operation should be intensified and directed towards developing opportunities. The Committee therefore suggests that a study be undertaken by Ottawa, Quebec and the industry to analyze all aspects of export marketing, especially:

- export opportunities in French-speaking countries and other potential markets;
- involvement of the public and private sectors (governments, broadcasters, distributors);
- opportunities and potential for French-language dubbing and original production in two languages;
- various methods of increasing the number of co-productions with foreign countries;
- revision of copyright legislation to take into account the new extended markets for television productions.

f) Availability of recent foreign productions

As we pointed out in Chapter I, two obstacles to the development of Canadian French-language television relate to the limited availability of recent foreign productions and their dubbing in Quebec.

The Committee can only urge the two governments -- especially the Canadian government, since its jurisdiction is more directly concerned -- to continue the efforts they are already making to correct the situation, particularly to have the Americans recognize the Canadian French-language market as a foreign market and to negotiate an agreement with France on dubbing.

At the same time, the Committee believes that all the parties involved in bringing productions to market could be made more aware of these problems, including foreign producers and distributors, the American Actors Equity Association and American distributors represented in Canada (Majors in Toronto, Fox in Montreal), as well as Canadian English-language networks and stations. A number of steps have already been taken in this direction. These efforts must be kept up but attempts must also be made to establish co-operative or consortium arrangements between French-language broadcasters or between French- and English-language broadcasters (such as the agreement already reached between Radio-Canada and CBC), under which they would acquire both English and French rights to foreign productions which they would air across Canada in both languages, either simultaneously or within a short space of time.

The Committee urges the two governments to work together to solve the problems in this little known and neglected area which is so crucial to maintaining viewer levels for French-language television, especially in Quebec.

7. Increasing the diversity and availability of French-language productions

Even though the Committee found that viewers place highest priority on having a wider choice and more popular appeal in programming on existing television services, the proliferation of English-language services available to Francophones makes it imperative to study ways of providing equal diversity in French.

One way of increasing diversity would be for broadcasters to co-operate more closely in their program scheduling. Other ways will have to be found, but they will need a favourable environment to succeed. This means establishing a French-language cable policy, promoting the creation of French-language specialty services and improving community television. Finally, existing French-language television services must be made as widely accessible as possible to the French-speaking population.

a) Co-operative scheduling by French-language television stations

It is a well-known fact that viewers choose programs rather than stations. However, the Committee's research and consultations show that when a variety of French-language programs is available at a given hour, Francophone viewers tend to watch French-language stations. On the other hand, when French-language stations compete by airing the same type of program at the same time, English-language stations are the winners.

The Committee therefore believes that it is in the interests of both networks and viewers to encourage the more co-operative attitude that is already beginning to develop. The Canadian and Quebec governments should request all the television networks, especially Radio-Canada and Radio-Québec, to pursue a policy of co-operation. It should also be possible for Radio-Canada, Radio-Québec and the future French TVO to engage in other forms of co-operation, such as co-productions, whether mixed or public.

Of all the measures considered to decrease the shift of audience to English-language stations, this one promises the most effectiveness at the lowest cost. The question is whether it can be implemented, given the competitive attitude prevalent among the French-language television networks.

b) French-language cable policy

To date, cable television has served mainly to provide access to the signals of distant English-language stations, especially the American networks. This has also been its main appeal. But cable is now also delivering English-language specialty services (news, sports, music) and pay-TV. It may well be asked under what conditions French-language cable services could compete with the rising tide of English-language programming, given the small size of the French-language market and the limited ability of the two governments to provide financial assistance. The answer lies in increasing the supply of French-language programming so that cable channels can be used to carry more French-language content instead of being completely monopolized by English-language services.

Cable-Carriage priority for French-language services

The CRTC should give cable-carriage priority to the French-language services that are already available free-of-charge; that is, the conventional television stations and the specialty channels developed by the cable operators through Inter-Vision.

Because we live in a North American environment, we already have easy access to numerous English-language television services and their number can be further multiplied by pulling in some of the more distant signals by cable and satellite. As a result, cable's technological capacity is increasingly monopolized by English-language content. A moratorium should be declared on the addition of any new distant English-language signals to the basic service tier to ensure that cable channel capacity remains available for any French-language services that may be established in future.

Access to cable carriage

Within the private sector, the Francophone cable operators may be in the best position to develop French-language specialty services. However, the industry's view to date has been that the channels offered through the Inter-Vision network make up for the lack of such services. Furthermore, many cable operators would prefer to carry only programming produced by others, and to concentrate on developing non-programming services such as videotex and electronic banking.

The Committee thinks that one way around this dilemma would be to amend the Broadcasting Act so that the CRTC would be able to require cable licensees to lease channels to those providing new French-language programming and non-programming services (even in competition with cable services) at just and reasonable rates and without discrimination. Cable companies would thus acquire partial status as common carriers while fully retaining their status as broadcasting receiving undertakings.

c) Development of French-language specialty services

Various approaches could be taken to increase the small quantity of French-language services available on cable and to restructure cable services accordingly.

- The French-language market for specialty services is obviously limited, while the supply of English-language specialty services is constantly increasing. The Committee believes that new French-language specialty services should be made available in Eastern Canada, either in the basic service tier or in a discretionary tier for a small surcharge on the basic cable subscription rate. This surcharge is already being levied by several Quebec cable distributors for the Inter-Vision and TVFQ thematic services, some of which might make way for the new specialty services. The cable companies might become associates, promoters or partners in such projects. Companies could then be formed by the different parties concerned, including, for example, traditional broadcasters, other producers and the cable operators, in order to program and produce these specialty services. The creation of a "mixed" channel might also be envisaged: this would deliver different specialty services by time slot (youth,

sports, music, etc), and be the forerunner of distinct specialty channels. The Committee thinks that, in this regard, the CRTC should adapt its regulations to the realities and special characteristics of the French-language market, both in Eastern Canada and in the rest of the country. Finally, the Committee believes that productions for specialty services or French-language pay-TV should be eligible for government assistance programs to encourage inclusion of Canadian content.

- The possibility of offering a specialty "youth" service financed by advertising is obviously limited by Quebec legislation that prohibits advertising aimed at children under 13. The Committee believes that the Quebec government should re-examine this legislation since it does not apply to English-language television networks outside Quebec and Francophone children are therefore exposed to advertising anyway. The lack of advertising has considerably decreased the number of programs produced for children and the hours of children's programming broadcast on private television in Quebec. These factors all add to the difficulty of creating a youth channel.
- The Canadian and Quebec governments could turn the TV5 agreement to good advantage by encouraging the industry to import this service for retransmission all over North America. The consortium of importing companies could make this a profitable venture by selling advertising time. The value of such an operation would be the increase in supply of French-language services.
- The Committee considers that one way of ensuring diversity at modest cost might be to create a satellite-to-cable service with programming consisting of re-runs of the best programs from the French-language television networks, the independent producers and the NFB. This service might be delivered using satellite time available on the parliamentary channels. The Canadian and Quebec governments could bring together the various interested parties to set up a consortium that would take on the responsibility of setting up and managing these channels, which might eventually be able to finance their operations through advertising.

d) Status of community television

Under present regulations, cable operators are required to reserve a channel for community programming in their basic service tier. However, the community television organizations depend upon the good will of the cable operators where programming, cable access and financing are concerned. To encourage community television, the Committee is of the opinion that three steps should be taken by the CRTC:

- The CRTC should change its regulations to clarify the status of community television organizations and give them specific responsibilities in community programming.
- The CRTC should examine the possibility of requiring each cable licensee to devote a reasonable percentage of gross annual revenues to community programming.
- The CRTC should also study the possibility of allowing certain types of advertising on the community channel in order to make more money available for local and community television programming.

e) Access to French-language services in underserved areas

Outside Quebec

At present, French-speaking communities outside Quebec complain of the poor quality of the French signals received, especially in Western Canada, and rightly so.

The problem is complicated, since extension of the services available in the West is not economically feasible. There is also a problem of logistics if satellite-to-earth facilities (cable, for example) are used, since they already have a heavy load of English-language signals. The Committee suggests that the federal government and the provincial governments concerned examine how they can make signals transmitted by satellite such as those of CANCOM, Radio-Québec and the future French-language TVOntario service more accessible to French-speaking viewers.

Extension of French-language services outside Quebec and Ontario raises the thorny question of royalties payable by the television networks. At the present time, any extension of

provincial television services outside their particular territory involves a payment of royalties based on the original copyright fees, which makes "exports" outside Quebec or Ontario very expensive.

The Committee believes that the federal government should analyze and discuss this problem with the Ontario and Quebec governments as well as with those provinces that might wish to "import" these services.

The CRTC should consider requiring cable companies operating outside Quebec to carry at least two French-language signals in communities with more than 500 residents whose mother tongue or spoken language is French.

Francophone communities outside Quebec could also generate French-language programming, which would probably be a better reflection of local interests and concerns. The Committee therefore considers that the French-speaking communities outside Quebec should encourage their members to form community television organizations similar to those in Quebec to produce programs that would be carried on the community channel.

In Quebec

Some underserved communities in Quebec are not really located in remote areas but on the outskirts of cities. The pattern of development followed by the cable industry suggests that cable service will eventually be extended to these communities. There are a few cases, however, where government assistance might be needed to achieve this result. In any event, the interconnection of these new local services with existing regional networks such as Inter-Vision should be encouraged.

Other underserved communities are located on the outskirts of small urban centres, in remote and sparsely populated areas such as the Lower St. Lawrence, the Saguenay-Lac-St-Jean regions and the North Shore. To help these communities, the two governments should undertake, in collaboration with the interested parties:

- to provide joint funding, for example under the recent Canada-Quebec Agreement on Communications, of certain facilities, with the possible participation by the interested parties;

- to interconnect small local cable systems to form regional networks such as Inter-Vision;
- to study the possibility of cross-subsidization of cable rates between systems owned by the same company;
- to permit municipalities in these regions to apply for broadcasting licences.

Finally, isolated communities and communities in extremely remote areas are also underserved. The best solution would be to improve the French-language content carried by satellite.

8. Canada-Quebec co-operation

The Committee's mandate did not include examination of the respective jurisdictions of the Canadian and Quebec governments in the fields of communications, education and culture, fields in which French-language television plays such a crucial role.

At present, the federal government has most of the responsibility for financing and regulating French-language television, mainly through the regulatory and monitoring powers assigned to the CRTC and through the power of issuing general policy directives soon to be assumed by the Canadian Minister of Communications.

Funding and regulatory responsibilities are also exercised by the Quebec government. It finances Radio-Québec through the SGC, the Quebec independent producers determine the overall orientation of Radio-Québec's programming policy through the Régie des services publics du Québec (RSPQ), administers a variety of regulations, notably those on advertising aimed at children, collects certain taxes (two per cent tax on advertising in the electronic media, tax on cable television), plays a role in television (TV5, TV/MC and TVFQ through its co-operative agreement with France), is a shareholder in certain companies (Super Écran) and provides support for the development of community television.

However, the Committee has identified a certain number of hindrances to the development of French-language television, especially in the areas of dubbing, advertising, exports, copyright, funding and ensuring access for the independent producers, and the ban on advertising aimed at children.

The Committee believes that these problems, to which it has merely outlined solutions, should be studied in depth over the coming months by the two governments.

In addition, both governments must be open to the views of producers, distributors and viewers of French-language television programs. The limited consultations that the Committee held with groups of viewers, researchers, cable operators and broadcasters suggest the need for both governments to provide mechanisms for consulting the various parties concerned.

For this reason, the Committee considers that the interests of time and efficiency would be best served if the two governments could reach a consensus on a certain number of areas in which co-operation is desirable:

Program production

Co-ordination is needed to ensure that the efforts of the SGC and Telefilm Canada to support program production are fully complementary.

Advertising

Any change in the present regulations would have such an impact that only through co-operation between governments and industry could satisfactory solutions be found.

Exports

The Committee considers that the present small French-language market must be expanded through exports and co-productions. Government efforts in this direction must be channelled through the producers and broadcasters, for example, by encouraging them to form consortiums.

Copyright

Here again, the solution depends on negotiations with the broadcasters and copyright holders to arrive at export royalties acceptable to both parties.

Dubbing

Two different sets of problems were identified: those relating to dubbing of imported programs, and those related to dubbing programs for export to France. The solution to these problems depends on concerted efforts by Canada and Quebec in dealing with broadcasters and the French government.

Parliamentary channels

Although both governments agree that use of these channels should be increased, they must work out the specifics with the producers and broadcasters who have a stake in their financial viability.

Underserved regions of Quebec

In collaboration with the parties concerned, various steps should be taken jointly by the two governments to establish certain infrastructures giving access to the greatest possible number of French-language services (under the Canada-Quebec Economic and Regional Development Agreement on Communications).

Creation of community television organizations outside Quebec

The Canadian and Quebec governments should introduce a co-operative program which would provide technical assistance and the funding necessary for Francophone communities outside Quebec to benefit from Quebec community television expertise.

These joint measures would be in addition to those identified in Section 5, paragraph c, of this chapter, which calls for the signing of an agreement between the Communications Ministers of Canada and Quebec to work in close harmony.

CHAPTER IV

RECOMMENDATIONS



CHAPTER IV - RECOMMENDATIONS

French-language television system

In view of:

- the cultural importance of French-language television;
- the very limited market it serves;
- the sizeable audiences attracted by Canadian French-language productions;
- special linguistic and cultural needs;
- the different contributions made by the private and public sectors;
- the needs of the French-speaking population for cable services; and
- the particular problems of French-speaking groups outside Quebec;

the Committee recommends:

1. that the special nature of the French-language television system within the Canadian broadcasting system be recognized and that government policies and regulations be adapted accordingly.

Structure of the French-language television system

Recognizing that a number of changes and improvements could be made to the structure of French-language television which would take into account its limited sources of revenue as well as the objectives of both governments and would build on past achievements and present strengths, particularly those of Radio-Canada;

the Committee recommends:

2. that the Canadian and Quebec Communications Ministers sign a co-operative agreement establishing a formal process for

consultation with all parties involved. This process would ensure that any changes in television policy would be such as to protect or enhance opportunities for development by both the public and private sectors. It would also provide a mechanism for ongoing identification and analysis of system deficiencies and a channel through which interested groups could propose improvements, so that a lasting consensus can gradually be reached on how the system should evolve and what roles the private and public sectors ought to play.

The Committee also recommends:

As regards program creation

3. that the spending under Telefilm Canada's Canadian Broadcast Program Development Fund be reviewed annually to determine how much money is being invested in French-language program creation, scriptwriting, experimentation and production, and in support of young creative talent, so that the federal government can take any corrective measures needed;
4. that the Quebec government study the possibility of expanding the role of the SGC in program creation, in close consultation with Telefilm Canada;
5. that, if the National Film Board (NFB) is given a new mandate, consideration be given to making it a national and international centre of television innovation and experimentation for French-speaking creative talent;
6. that the NFB's plans to eliminate French-language production centres outside Quebec be re-examined, since this move would considerably reduce regional production capability.

As regards the strengthening of French-language content

7. that the Canadian Radio-television and Telecommunications Commission (CRTC) look into ways of improving the quality of programming on private French-language television, including the possibility of these broadcasters re-investing an adequate portion of their gross revenues in Canadian French-language production.

As regards independent production

8. that Radio-Canada and Radio-Québec set up a separate item for outside production in their budgets and financial statements so that progress and performance in this area can be measured;
9. that the CRTC examine ways of encouraging private broadcasters to allocate a small part of their programming budgets to outside production and that this amount be gradually increased.

As regards advertising

10. that a government-industry study be conducted to identify changes that could be made to current regulations and practices governing the length of commercials, the interruption of programs and related questions.

As regards export markets

11. that government and industry finance an in-depth study of all aspects of export marketing -- market identification, public and private sector involvement, original production in two languages, dubbing, co-production and copyright;
12. that the Canadian and Quebec governments negotiate an agreement with France to open the French market to television productions dubbed in Quebec.

As regards the availability of recent foreign programs

13. that the Canadian and Quebec governments do more to increase recognition that the Canadian market includes French-language and English-language components as a step towards ensuring the simultaneous availability in both markets of recent American programs.

As regards programming co-operation between French-language television networks

14. that the Canadian and Quebec governments encourage the French-language television networks, particularly the public networks, to consult one another regularly on scheduling in

order to achieve a more judicious distribution of programs aired in the same time slots and so to extend the range of choice and retain larger French-speaking audiences;

15. that both governments encourage public television broadcasters to increase the number of joint ventures and seek the participation of independent producers when necessary.

As regards a French-language cable policy

16. that under the CRTC's Cable Television Regulations, all signals in French that are available on the basic service and all specialty services in French be given carriage priority in Quebec and in French-language markets elsewhere in Canada over equivalent services in another language;
17. that Quebec cable operators be prevented from adding any distant English-language stations to their basic service until further notice;
18. that the CRTC examine the possibility of requiring cable operators to lease channels to companies that provide new French-language programming services.

As regards specialty services

19. that the CRTC promote the creation of specialty French-language services in Eastern Canada, to be financed through advertising and a small surcharge on the basic cable subscription rate;
20. that the Canadian and Quebec governments extend the terms of reference of industry support agencies to permit them to finance Canadian French-language productions intended for specialty services or pay-television;
21. that the Quebec government study the possibility of changing the legislation that prohibits television advertising aimed at children under 13, in order to facilitate the development of a financially viable specialty service for youth and increase the number of productions for children carried on Quebec television;

22. that the Canadian and Quebec governments pave the way for introduction of TV5 in Canada, in co-operation with current partners in this French-language satellite network;
23. that consideration be given to using time available on the parliamentary channels to broadcast repeats of the best programs produced by French-language networks, independent producers and the NFB, in order to provide varied programming at reduced cost.

As regards community television

24. that, in the field of community television, the CRTC:
 - clarify its present regulations on the status of community television organizations and give them specific responsibilities in community programming;
 - examine the possibility of requiring cable licensees to devote a reasonable percentage of gross annual revenues to community programming;
 - examine the possibility of allowing certain types of advertising on the community channel in order to increase the funds available for local and community television programs.

As regards access for underserved regions

25. that the CRTC consider requiring cable licensees operating outside Quebec to distribute at least two French-language signals in communities with more than 500 residents whose mother tongue or spoken language is French;
26. that, in extending French-language services to all of Canada, the federal and provincial governments come to an agreement on the best way to deliver additional services to Francophones and on the question of the additional royalties to be paid;
27. that, in the case of certain underserved communities in Quebec, consideration be given to using mechanisms such as the recent Canada-Quebec Economic and Regional Development Agreement on Communications to establish the communications infrastructure for redistributing broadcast signals;

28. that the governments examine the possibility of allowing the municipal governments in these areas to obtain broadcasting licences.

As regards Canada-Quebec co-operation

29. that the co-operative agreement between the Canadian and Quebec Departments of Communications proposed in Recommendation 2 include action in the following areas:
- concerted efforts by agencies providing assistance to the production industry;
 - possible changes relating to television advertising;
 - exportation of television programs;
 - improvement of copyright agreements relating to exports;
 - dubbing of foreign programs into French and the exportation of programs dubbed in Quebec;
 - optimal use of parliamentary channels;
 - extension of television service to underserved regions of Quebec;
 - assistance to French-speaking communities outside Quebec wishing to establish their own community television organizations.

