

STATEMENTS AND SPEECHES



INFORMATION DIVISION
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The text of an address given by the chairman of the CBC Board of Governors, Mr. A. Davidson Dunton, at the Canadian National Exhibition, Toronto, on September 9, 1955.

Very vividly I remember sitting in this room at a luncheon just three years ago. It was at the opening of the 1952 Exhibition. I remember I sat just over there, and had to try awfully hard to keep up my end of the conversation with my neighbors, because right after the lunch Canadian television in English was to come into the world with a broadcast of the opening ceremonies. I found it hard to pay attention to lunch, to say the least.

I think everyone concerned with television in Canada in those days had reason to be a little tremulous. The brand new intricacies and demands of television broadcasting had to be wrestled with. And the job lying ahead for the new Canadian infant was enough to inspire awe in anybody who thought about it.

The challenge had to be faced of bringing television service across a country 3,500 miles broad and containing only some 15-odd million people. Two full separate program services in two different languages had to be started and built up simultaneously. (Incidentally, Canada is the only country I know of which has so far done this.) In some big areas Canadian television had to present itself to a public quite a few of whom were already used to the lavish fare of United States television. Canadian English-language television programs produced for a potential public of 11,000,000 were going to have to compete with American programming produced for a public of over 160,000,000. Yet Canadian programs were going to have to be good enough, too, for national distribution in spite of the fact that very attractive programs could be brought in from the United States for much less actual cost and with little effort.

No Heart Failed

Well, the telecast did go on that afternoon with only a couple of very minor "fluffs", and probably more people saw the opening of the Exhibition than during the previous 10 years. No one had heart-failure; the first post mortems were held, and the crews started right away getting ready for the next broadcast. What was to be probably the quickest national development in the history of Canada had begun.

A great deal has been accomplished since that hot afternoon three years ago - I think much more than most people would have predicted then, and more than many people now realize.

In all my remarks here I am not talking about CBC accomplishments as such. I am talking about Canadian television as a whole. On the broadcasting side, as you know, private stations and the CBC work together in providing service across the country. Many others, too, have had big parts in the dramatic development of Canadian television. (It is a drama which still has many acts to come.) Canadian artists and writers and creative people of many kinds have risen remarkably to the opportunities offered by the system. I think we can all be proud of Canadian talent as it has shown itself in television. Canadian electronic manufacturers have vigorously pushed the production and sale of television sets. Their efforts in accepting the fast-growing television audience have been important to all of us on the broadcasting side, just as our efforts are vital to them in stimulating a market for their products. Canadian communication companies, both telegraph and telephone, have shown both faith and enterprise in co-operating on the development of networks. The previously small Canadian film-producing industry has considerably increased in resources to take its part in television. From outside the country American broadcasting organizations have agreed on terms for providing programs which many Canadian from coast to coast wish to see. Material on film has come from the BBC. For me I think the most exciting thing of all about the whole development has been the general ability and initiative shown by Canadians, many of them very young and faced with the new challenges and opportunities of television.

Direct Co-operation

On the broadcasting side of Canadian television, public and private enterprise work together more directly than in any other field I can think of. They are co-operating members of the same system. The public part, the CBC, has to face the main responsibility for the production of national programs in Canada, for the distribution of a national program service to people right across the country, and the operation of the necessary key stations. All the private stations at present extend service to more Canadians in other, and different, areas. They all carry the national program service to the people they serve, and in addition have programming arranged by themselves. The private affiliates of the system are thus helped by having part of their transmissions supplied free -- indeed, drawing revenue from the national network commercial programs they carry. On the other hand, the public part of the system is able to carry out its function of making a national program service available to people in many areas through the affiliated private stations. (To read some headlines you would think that private and public television operators glare at each other across a great chasm of enmity. Actually I think almost any of the private affiliates will confirm that the two spend much more time and effort pounding their heads collectively to find solutions for some of the many common problems that beset them and the whole system.)

It is this common-sense, practical co-operation between public and private elements of the system, in the face of Canadian geography and conditions, that has made possible the tremendous development of television in this country during the last three years. There are now 28 different stations, each providing service for additional Canadians in either the French or English language, with eight more building. Canada is the second country in the world in number of television stations and in area of territory covered. Over 75 per cent of her population, spread across the whole continent, now have television service available to them. In spite of the small population of Canada she is third of all the countries in the world in the number of receiving sets in use. Actually over 40 per cent of Canadian families have sets. They have spent over half a billion dollars equipping themselves to receive television, and are currently spending at a rate of over \$200,000,000 a year. That represents a big stimulus to our whole economy.

Comment Stimulated

During most of the last two years there has probably been more program production activity in Canada than in any other country outside of the United States. Actually at the present time there are only three places in the world - New York, Hollywood and London - where there is more program production work than in either Toronto or Montreal.

The quality of Canadian program production in television after three years? That depends on your own particular tastes and viewpoints. Your opinions may depend, too, on how you happen to rate Canadian productions against others done at three, four, 10 or 15 times the costs which might be possible in Canada. There is no use trying to be dogmatic when there are probably as many different views as there are people in this room. I shall stick to one or two points which I think are facts. One is that television programming, has brought out more comment and criticism about creative work by Canadians than in any other field. There is far more writing in Canadian newspapers about television than about anything else produced for peoples' minds. And I think you will agree that throughout the last year or two there has been far more talk among people right across the country about television programs done right here in Canada than about any artistic or near-artistic work in the past. If nothing else, television is drawing more attention than ever before to Canadian performers and creative talent of various kinds. That interest alone, I suggest, is a major achievement.

In just three years television has become a major means of communication among Canadians. A large part of the population already receives a very considerable proportion of the impressions coming into their minds by means of television. The country is being linked together in a more direct way than ever before. At present by means of recordings, a national program service consisting of imported as well as Canadian programs is available right from Victoria to Sydney - actually by now to St. John's. The system stretches nearly a quarter of the way around the world, further than in any other country, and the microwave circuits now building will cover that span with simultaneous transmissions in a little over two years, and in many parts sooner than that.

What Lies Ahead?

That is a very quick summary of Canadian television after three years of existence. But what lies ahead for it?

In trying to look into the future we have to consider not only how Canadian television looks, but what it lives on. I know it is much more interesting to sit in front of a television set and appraise or condemn, make nice sweeping statements about what it should or shouldn't be. And living too, in one city it is easy to forget about the television wants of people in Cape Breton and Brandon and Chicoutimi. But I think that everyone here is a business-minded person and knows that in all activities we have to look at income and outgo; that economic possibilities set limits on desires.

Everybody knows that television operations are very expensive. And of course they have to be paid for somehow. In other mass communication media money comes in various ways, but it always has to come. Newspapers live both by advertising revenues and by the sale of their product. The theatrical moving picture industry practically is without such advertising revenues and relies almost entirely on paid admissions to theatres.

Dollars and Cents

In various countries different ways of paying for television are used. In United States revenues from advertisers using the medium support it entirely, up to now at least. On the other hand in Great Britain television has been supported so far without any advertising revenue but rather from the proceeds of an annual subscription fee paid by members of the television public in the form of a receiving set licence. Starting this month, Britain will have a second system supported entirely by advertising. In the United States there are a number of people who think that revenue from advertising is not sufficient, and that there should be at least some programming paid for directly by the television public who want to look at it, by means of one or other of the proposed pay-as-you-see systems.

In Canada, television broadcasting as a whole has had two sources of operating money; advertising; and a kind of one-time admission fee to television viewing paid by members of the public in the form of a 15-per-cent excise tax on the wholesale price of their television set when they buy it.

Canadian Factors

The question that pops out immediately is why Canada does not follow the example of her neighbor to the south and let television develop entirely on money from advertisers, or why she does not do as Great Britain is doing and provide for at least a separate alternate system operating throughout the country, living on advertising revenues alone. I believe the answer lies in Canadian conditions that are quite different from either of these two other countries. Those conditions are the comparatively small population of Canada and her enormous size, the division of two main language groups, and the very proximity to the United States itself. Canada has an enormous populated area to cover with television, although

the United States has also. The difference is that some 10 times as many people live in the United States area. Again, the potential public who support English-language program production in the United States is some 15 times what it is in Canada. It is interesting that one television station in the New York area can reach about as many people as the whole population of Canada. Our 28 stations with all their costs together still cover fewer people than can the one transmitter in New York.

Great Britain has only about three times as many people as we have but they live in a nice compact island, and they can be covered with a television signal for a fraction of the cost required for the fewer people in Canada. And, from the beginning, our national resources of all kinds available for television had to be divided between two different language services.

The result of our space and population condition is that advertising alone cannot support an adequate national distribution system stretching east and west across the continent and linking Canadians from one ocean to the other. Nor does it appear, up to now at least, that advertising can go far in supporting the whole cost of TV programs produced in this country. This is partly because of the number of people which any television program can even potentially reach in this country as against the initial cost of the production. It is also related to the fact that American programs produced at lavish expense in that country, and the cost of which has been recovered in the large American market, can be imported into Canada and used for a price considerably less than the cost of a Canadian production of any pretention. These basic facts seem to add up to one inescapable conclusion: that in Canada some means of payment for television additional to advertising, must be used if Canadian television is both to span the country adequately and to show Canadians any substantial amount of programming produced by fellow Canadians.

The amount going into operating costs of television from the public admission fee -- the excise tax -- has been about \$15 per television family, per year. That works out just over four cents per family, per evening. These amounts have made possible the building up of the nation-wide system of distribution of television programs by direct network and by recordings right across the country. An indication of the costs involved in distribution alone is that the CBC commits itself to a regular expenditure of well over \$100,000 a year simply for physically conveying national program service to each new station that is established, whether private or publicly-owned. Then the funds coming directly from the television public have made possible the amount of program production for national distribution which we have in this country. Advertisers, too, have contributed heavily to these production costs as well as to the distribution costs connected with particular programs. But advertising alone based on the Canadian market has been far from able to support production costs for many national programs.

Question Marks

As you can well see there are some big question-marks in the future of Canadian television. So far the amount of \$15 per year per television set, together with advertising support coming through private and public facilities, has built up a vigorous and extensive system very quickly. We in the CBC estimated some years ago that the amount needed above advertising through the years would be just about that -- a bit over four cents per television family a day would be necessary to support, with the help of advertising, a reasonably adequate over-all system for Canada, meeting the national needs of wide distribution with a worthwhile Canadian effort in program production. We still think the amount looks about right for the future as the television audience grows, and also as the demand for improved and further-extended service grows. But the decision is not ours and we understand that very careful study is to be made of all the factors involved on behalf of the public.

Needs and Challenges

Looking ahead, it is easy to see several needs and challenges that face Canadian television, although at this stage it is not possible to say whether or to what extent, they can be met. I believe most Canadians would agree that it would be desirable both to have some more Canadian program production, and also to further improve the amount we have. As you know, the national service going to stations right across the country is a bit over 50 per cent Canadian-produced, representing 25 to 30 hours per week of national English-language Canadian production. The French-language national service represents another corresponding amount of original work. I am sure that Canadians will always want to see on their television screens a good number of productions from other countries, particularly, of course, from the United States. But I think, too, most would also like to see more Canadian productions and to watch Canadian work that improves from year to year.

Then there are still many areas in Canada in which the people have no television service at all. Yet these are the very people to whom television actually can make the most difference, since they often have not the many other facilities of large centres available to them. But again, desirability and economics have to be matched; and it costs just as much to establish and operate a television transmitter that may reach 30,000 people as one that may happen to reach 500,000 and just as much to get program service to it if it is in a very distant area.

Then there is the question of color television. Some people have beaten the CBC over the head because they felt we were stubbornly holding up the development of color television. Others have pounded it because they thought we were going to rush into color television when there were still so many other things needed for a good system across the country. Neither is right. Our attitude to color is positive and so is our planning. We think that it will be desirable to develop color telecasting as soon as it is practical on a large scale; that is, when sets can be available in this country at prices at which a reasonably large number of Canadians will buy them. That time will come after it has come to the United States, where it has not yet arrived. When it does come, we hope the Canadian system will have the

economic means, one way or another, to meet the extra broadcasting costs involved. We are doing what we can in the way of planning now. In the meantime there is still plenty to do in this country in improving our programming and making television available to Canadians who want it and who still haven't got it.

The Future?

The many who have contributed to Canadian television, I believe, have together performed a remarkable feat in the last three years. The years ahead are just as important. Further big national decisions will have to be taken soon. Television has already become one of the most important means of communication for Canadians. How it develops will tell much about our nation of the future. Potentially I know it can further reflect our national life, draw more on the creative powers of Canadians and so become a still more effective means not just of communicating to Canadians, but among Canadians from one ocean to the other. Of one thing I am very confident -- the many Canadians in many fields who are and may be in the future contributing to television will together be capable of carrying out what the nation decides it wants.

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