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Television in Canada

(Based on an address by A.D. Dunton, Chairman,
CBC Board of Governors, delivered to the
Canadian Club of Montreal, January 9, 1956.)

Canadian Television began in the Fall of 1952 when one station in Montreal and another in Toronto started operating a few hours a day. There were some 180,000 sets in all Canada. Canadian television faced several problems: the enormous size of the country; the small population in relation to the high costs of producing television programs and in relation to the facilities and costs needed to distribute programs over such a large area; the two official languages which doubled program production effort; and the fact that many Canadians had already acquired a taste for lavish U.S. television programs which were readily and cheaply available in Canada. Despite these difficulties it was decided that Canadian television would aim to produce a fair share of its own programming as well as to consume some of the available products of others.

After just three years there are nearly 2,000,000 television sets operating in the Dominion, and 80 per cent of the population are within reach of national network service. Now Canada has more television stations (33), covers a much greater area with service (over half a million square miles), and has a higher proportion of the population with television sets, than any other country except the United States. The challenge that Canada sets in television is well illustrated by the fact that the 28 English language stations in Canada still only cover a population which is less than reached by one station in New York or the South of England.

The Canadian system brings in quite a number of programs from the United States which many Canadians want to see and which provide revenues. But in spite of these importations Canada is also second in the world in the original production of television programs. Montreal and Toronto rate third and fourth on this Continent, after New York and Hollywood, as program production centres, and fourth and fifth in the whole world. Montreal is the world's largest producer of French language television programs.

In these three years television has become a major factor in the economic life of the country. Altogether, taking both the broadcasting and viewing sides of television, it has become an activity involving an output of goods and services well over \$300,000,000 a year, and representing more than one per cent of the total gross national product of the country. Altogether nearly a billion dollars has been spent in Canada on television in one way or another.

The Canadian development has been the quickest in the world so far, the steepest upward rise, in spite of the hard conditions set by our country for television. This rapid development has come about through co-operation within one system, between public and private enterprise. The Canadian system is unique in this partnership between public and private organizations to carry national network service throughout the country.

In Canadian television the CBC has had certain funds for and responsibility for two main things in addition to the operation of necessary key stations: (1) production of Canadian programs of a national standard, (2) distribution of national network service consisting of both Canadian and imported programs to the public throughout the country. It carries out the program production at the main centres of Toronto and Montreal and in addition at regional centres where it has stations - at Halifax, Ottawa, Winnipeg and Vancouver. National service reaches the public in these areas through CBC stations and in all others through the 25 private stations, but it is the job of the CBC to get the service to these stations. The CBC depends on the essential co-operation of private stations to broadcast these programs, including imported programs, to many parts of the country. The private stations have a considerable amount of programming supplied through the national service which comes to them free and also carries revenue for them with respect to commercial programs included in it. Undoubtedly, quite a number of these stations have been enabled to get established only because they could count from the beginning on the sure provision of the national service.

All stations in southern Ontario and as far East as Quebec City are fed national service by the CBC through direct microwave connection providing for simultaneous transmission of good quality. So far the other stations in the country - 19 of them - receive a service by means of film recordings, often called kinescope recordings. Under this system the CBC, with special electronic equipment, makes recordings directly from the transmissions of programs. These are then sent out by plane to stations in other parts of the country and played within a week or two weeks after the original hour in which they were scheduled on the interconnected network. In Canada this network operation by recordings has itself become a huge operation. It is, for instance, using about 40,000,000 feet of raw stock film a year at the present time. In the meantime the nation-wide interconnected network for which the CBC has contracted is moving ahead. Later this year there will be direct connection as far West as Winnipeg, in 1957 with the Maritimes and the Prairies, and then right through to the Pacific Coast the following year. Then Canada will be linked directly by television from one coast to the other -- one of the great communication developments in our history.

The system has been supported from a kind of admission fee to television, paid by members of the public in the form of a 15% excise tax on the wholesale price of the television sets, and also from advertising revenues. To help carry out its part of the work of the system, the CBC in addition to funds coming directly from the television public, has the advertising revenues from commercial activities on its own stations and networks, and the private

stations derive their cash funds solely from advertising revenues through their own business together with revenues from commercial network programs of the CBC national circuit. The cost of the system in money paid directly by the television public has been and still is just about four cents per television family per day. Compared with this figure the average cost to each television family of owning and operating its television set, including depreciation, is around 20 cents per day.

Instead of using both public and commercial funds, Canada could have developed a national television system supported entirely by public contributions but the direct cost to the public would have been much higher and the public in many parts of the country would not have had the chance to see on the system a number of American commercial programs which so many find attractive. If, on the other hand, Canadian television had relied solely on revenues from advertising there would have been a strong tendency to import programs rather than to produce them in Canada. In commercial terms, Canadian programs have to compete against U.S. programs on which five or ten times as much has been spent but which are available in Canada at perhaps one-half or one-third of the cost of a much more modest Canadian production. Nor could advertising support the costs of an effective distribution system linking Canada from one coast to the other.

The future development of Canadian Television will be decided mainly by the people of Canada through their Parliament, presumably with the assistance of recommendations by the Royal Commission on Television Broadcasting which was set up in December 1955 to study the whole subject.

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