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### IT'S DIFFERENT IN CANADA

Address by Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, at the Toronto Rotary Club, October 4, 1957.

I imagine that everyone in this room believes it's a good thing that Canada exists as a separate national entity - and that it continue to grow and develop as such. I think any friends from the United States present agree that they would like to see this separate North American nation of ours, friendly but distinct, maintain its own identity. I don't believe any of us think of Canadian nationhood as being against any one or any thing - rather as the sense of being for the maintenance and development of Canadian ways and thinking; that we do not think of being better than anyone else, but a bit different. And the world seems now to contain enough pressures for conformity.

These days there is much talk about Canadians welcoming outside capital, but also wishing to have a reasonable share in the control and operations of industrial concerns in this country. But if it is desirable to want Canadian participation in things economic, it seems equally important that Canadians have a reasonable opportunity to participate in non-economic activities, to supply at least a worthwhile proportion of the fare coming to their own minds.

Nationhood just doesn't depend on statistics of industrial production, or of share-ownership of corporations. In the long run the true worth of a nation will surely depend just as much, if not more, on the quality and quantity of thinking it does for itself. It matters not only to what extent it controls its own economic destinies, but also to what extent it controls and provides its own non-material life.

Those are considerations which have led broadcasting, radio and television, to be different in Canada. And, in ways of communication among minds, like broadcasting, we not only need to look at who actually owns the facilities, but at what the facilities actually transmit, which may well be more important. Broadcasting could hardly contribute to the development of Canada as a nation if, although the transmitters are owned by Canadians, practically all the material on them came from outside Canada. Broadcasting would not be developing the human creative resources of the country if it only carried creative and artistic products, or other material, from outside our border.

So far at least, Canada has determined on having broadcasting so organized that it does provide substantial opportunities for Canadian ideas, artistic performances, information, to go out to the Canadian public. At the same time, just as Canada will undoubtedly always welcome outside capital, so its broadcasting will probably always include a fairly large proportion of programmes from outside the country.

To attain this end Canadian broadcasting has to be organized on a different basis, - different say from that in the United States. Why? Because quite different sets of prime facts apply. South of the border, the United States' type of broadcasting system produces broadcasting that is mainly American. The same type of system followed in Canada because of the working of economic forces would transmit broadcasting material that is very largely non-Canadian.

Territorially, Canada is one of the biggest countries of the world. But it has the smallest population of any of the big area countries. I am sure many businessmen here today are familiar with cost problems arising from relatively small national market and from high expenses for national distribution.

In many lines of business this means that imported goods often have an advantage in Canada, unless the disadvantages are wholly or partially met by customs duties. In television the natural economic differential in favour of importation as against Canadian production is far higher than in any other field I know. Television is different from most activities in that the unit of production - the programme - does not go to just one customer; in fact the cost of the programme is spread in one way or another over a large public. In the United States the cost of a national programme can in effect be spread over an enormous population, some 16 times greater than the English speaking population of Canada. Therefore, much more expensive productions can be supported. But these same expensive productions, their initial costs covered in the home market, can be made available for use in Canada for a small fraction of that initial cost. The basic economic competition, therefore, comes between that fractional

payment for an originally expensive production against a much higher figure - the full cost of original production in Canada.

Sometimes you hear some Canadian businesses complaining because imports in their lines seem to be coming into the country priced 10 to 20% more cheaply than they can produce the same article for in Canada. In television you may easily have a programme being offered for national distribution in this country at 1/15th of what it would cost to duplicate exactly the same thing in this country, or perhaps 1/7th or 1/8th of what it would cost to produce a much more modest Canadian programme with still reasonably good audience appeal. Thus, the natural working of commercial arithmetic tends to be strongly in favour of imported television material for broadcasting in Canada, and against production in this country.

As a consequence, it has long been seen in Canada that there had to be some additional source of funds and activity other than commercial, if we were to have any substantial amount of programme production in this country, and any effective linking of the country from east to west across our enormous spaces by programme service. So far at least Canadians as a whole seem to have wanted a substantial degree of Canadian programming and national coverage.

A result has been the Canadian Broadcasting Corporation - a public body with resources in funds coming directly from the public. But the overall result has been much more than that. In a typically Canadian way there has grown up a system of broadcasting which is not only rather different, but that is unique in the world. It is unique in the way in which it combines operations of publicly and privately owned facilities, as well as the use of public funds and commercial revenues.

Some of you who live in Toronto may not realize quite how close and effective is the co-operation in television between the public body and privately owned stations right across the country.

In general terms the CBC element in the system has the responsibility for assuring production of national programmes, and distribution from coast to coast of national programming service, including many imported programmes. But the actual transmission of the national service in some 32 areas of the country is carried out by privately owned stations. Many of these could not have been established had there not been the assurance for them of national network service which not only supplies basic programming but also brings with it a certain amount of revenue. On the other hand national service would certainly not be in many areas of the country had the private interests concerned not had the initiative to establish stations.

This combined system in Canada is not only unique in form in the world, it also differs by the speed with which it has been developed. The growth of television in Canada has been relatively faster than in any other country in the world. Today, just five years after the start of television in Canada, 40 stations, 8 owned by the CBC and 32 by private interests, make national programme service available to some 85 per cent of the Canadian population. There are two full network services in operation, one in English and one in French. It is interesting to remember, in the United States, with its big population and great wealth, only three full network services are operating. By the end of next year national network programmes will be connected directly by microwave from St. John's, Newfoundland, to Victoria, British Columbia. This is some 4,200 miles and will span further around the world than any other such network.

Toronto shares with Montreal the position of third among television producing centres on the continent, exceeded only by New York and Hollywood. Montreal is the biggest producer of French language television programmes of any place in the world.

On the quality of Canadian production in television there are naturally different views. I wish, however, that in this day of Canadian television people in Toronto could see and take into account French language production, because the two should be weighed together as one national effort. Of the English language programmes done in Canada I am sure there are many different opinions in this room. I am not going to argue today about the merits or demerits of any particular programme, or of all the production.

I do think the importance of Canadian television programmes in Canadian life is well proven by the amount of discussion there is about them - in the press as well as in private. The very discussion itself proves that Canada's own television programming is stimulating Canadian life.

What Canadian television has achieved has been made possible only through remarkable co-operation among different elements: There has been the close working relationship between private stations and the CBC; there has been the remarkable contribution of Canadian writers and Canadian talent; there has been the initiative and drive of the manufacturing industry; and of the communication companies which have actually built the big microwave systems on the foundation of long term contracts with the CBC. Canadian advertisers have spent large sums of money in advertising on television. Quite a number of them have directly supported Canadian programmes, although this form of participation in television has cost them more than the sponsoring of imported material which would attract plenty of viewers for their advertising messages.

National television service, of course, costs money - lots of it. Canadian viewers have spent about a billion dollars equipping themselves to receive television. Including depreciation on their sets they are probably spending close to \$200,000,000 per year themselves on the viewing they do.

On the broadcasting side large amounts of funds have been channelled into television through advertising. But as I pointed out before, funds coming from the public in other ways are essential if we are to have any substantial production of Canadian programmes for national consumption and any effective linking of the country from east to west. The quantity, and to a large extent the quality, of Canadian programme production will vary in proportion to the amount of public funds going into the television system.

There is quite a lot of talk about pay-as-you-see television in the air these days. Following this kind of thinking, it is interesting to break down some of the present figures. When you average it out it appears to cost each Canadian television family about 20 cents per day for their television viewing, including power maintenance, replacements and set depreciation. In the same way the average contribution per television family to the television transmission system works out to around 4 cents per day.

It is not for those of us with responsibilities in television to say what these amounts should be. Those decisions are taken on behalf of the public by Parliament. What we do know from dealing with the actual facts of television is that the effectiveness of the system, in terms of Canadian production and of national coverage, will depend primarily on the extent of the funds coming from the public through means other than advertising. It is the heavy responsibility of those on the public side of the system to try to see that the funds are used to the greatest possible advantage.

The Canadian broadcasting system, as I have said is quite different from those of any other countries, for special Canadian reasons. But within Canada - also for special reasons - the structure of responsibility in broadcasting has been different from those in other activities. The CBC, for instance, while publicly owned, is not under the direction of the executive government with respect to its broadcasting activities, which makes it different from most publicly owned corporations. There have been two major reasons for this: first that, because of its nature, broadcasting cannot be carried out successfully by a government department type of administration, but can be by a corporation with much of the flexibility of private enterprise while being responsible to Parliament as a whole; and secondly that broadcasting should be free from any possibility of political partisan influence. The Government, however, does have responsibility with respect to the licensing of any and all stations; it must approve certain large commitments of the CBC; and under our system

of government it is usually the executive that proposes national broadcasting policies to Parliament and any financial arrangements to carry them out. There is also a difference in that the system of closely inter-related public and private operations has been under the general co-ordination of one body responsible to Parliament - the CBC.

In this country broadcasting is also set apart from other activities I think by the amount and intensity of discussion about it. At times perhaps some of those of us engaged in either the public or private aspect of it could wish there was a somewhat lesser degree of discussion. But then we should probably console ourselves by the fact that all this shows what a vital activity it is, and it is helpful to hear and sense the many views expressed, although we would wish they didn't contradict each other as much.

Certainly I can't think of any other activity which has been probed and considered so many times and at such length by Royal Commissions and Parliamentary Committees, quite apart from all the discussions among the public, in the press, by governments and in Parliament.

The history of broadcasting in this country from one viewpoint seems to go in recurring Royal Commission cycles, with regularly succeeding phases. There is the pre-Royal Commission phase when everyone is waiting for a body of enquirers to be set up, and certain decisions have to be postponed for that reason. Then there is the long period of Royal Commission work itself when many people in broadcasting spend a large part of their time writing briefs, reading the briefs of others, or explaining to enquirers about how things work in broadcasting. Then there is the post-Royal Commission phase when people in broadcasting wait for other people to read the report of the Royal Commission, and form their own opinions about what it says. Towards the end of this phase presumably come decisions, related or not as the case may be to the report of the Commission. I think the hope of most people in broadcasting usually is that the decisions following one Royal Commission report are made before another Commission looms up on the horizon.

Then, of course, there is the Parliamentary Committee cycle - with also its recurring phases, too, and with always the possibility of recommendations for major changes appearing.

At the moment broadcasting is in a post-Royal Commission phase. And so, I can't tell you much about the future in television or radio: about what the structure for co-ordination under major policies will be; or what will be the financial arrangements, on which in turn depend the future of the Canadian production and distribution, and the organization and facilities for it.

Uncertainties about such things ahead are, of course, nothing new to the CBC. For years it has probably been part of the spice of life for those working for the public in the CBC part of the system not to know at any time whether any current public discussions would lead shortly to a major change in responsibilities or in means and powers to carry these out. That has been the case for years through the recurring cycles I have spoken of. But all the time it has been, and is now, the responsibility of those in broadcasting - radio and television - to push ahead with the job, to do the best possible with the means and mandates immediately at hand. That is what we in the CBC are doing as best we can.

Among other things, broadcasting in Canada is different in the amount of uncertainty it normally lives with. The ability of the system with the public and private elements to serve the Canadian public will be strengthened if and when there is a reduction in the uncertainty, and lines for the future are determined.

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