CANADIAN CONTENT at 32

By Richard Sutherland

WHY DO WE STILL NEED CANADIAN CONTENT REGULATIONS? IS CANADIAN CULTURE NOT WELL-ESTABLISHED ENOUGH THAT IT CAN NOW STAND ON ITS OWN WITHOUT THE INTERVENTION OF REGULATION? OR IF IT CAN'T STAND ON ITS OWN, IS IT THEN WORTH SUPPORTING? THESE QUESTIONS COULD BE, AND ARE IN FACT, ASKED IN REGARD TO VIRTUALLY ALL CANADIAN CULTURAL POLICY. IN THE CASE OF CANADIAN CONTENT ON RADIO, THESE QUESTIONS HAVE ALL COME UP OVER ITS LONG HISTORY, DESPITE THE SENSE THAT IT HAS BEEN A SUCCESSFUL POLICY.

Maintaining Canadian presence on our airwaves has been a concern of the government dating back to the earliest days of broadcasting. Historically, there have been two basic approaches to address this objective. One involves building cultural infrastructure (such as the CBC) or offering funding or incentives for the creation of Canadian culture. The other is regulatory, to impose requirements or restrictions on those who trade in cultural products. The best known instrument in the latter category is Canadian Content regulations, requirements for broadcasters to devote a proportion of their airtime to Canadian programming.

"Cancon" on radio is now over 30 years old. Introduced in 1971 by the Canadian Radio-Television and Telecommunications Commission (CRTC) and enforced by the same agency, it is one of Canada's best known cultural policies. It is also widely regarded as one of the most successful. It has exposed Canadians to the wealth of musical talent in this country, ensuring a Canadian presence on the radio. It has also been pointed to as a major impetus for the growth of our domestic recording industry over the last three decades (it is in tribute to the policy's architect, Pierre Juneau, that the Canadian music industry's awards, the Junos were so named). These were, in fact, the two major policy objectives of Canadian Content when it was introduced in early 1971. Why has this policy been so durable over this period of time and required so few adjustments when policies for many other cultural industries have expired or been radically altered?

WHAT IS IT?

Perhaps at least one reason for the success of the radio Cancon is its simplicity. Unlike the television Canadian content system, which requires an intimate acquaintance with production accounting in order to be applied, the radio regulations are extremely straightforward. Canadian content in music recordings is determined using the MAPL system, which was developed by Stan Klees of the music industry trade magazine RPM. MAPL stands for Music, Artist, Production, Lyrics and these are defined as the four elements defining the Canadian content of a sound recording. Music refers to the nationality of the composer of the music; Artist refers to the nationality of the primary performer; Production refers to location where the selection was recorded; and Lyrics refers to the nationality of the writer of the song's lyrics. To be Canadian content a selection must be Canadian in at least two of these categories. ("The MAPL System" CRTC Information Sheet)

This makes the system easy for radio broadcasters and record producers to understand and to apply. In comparison, the issue of defining what is Canadian in a television production has been much more contentious and problematic. As a result broadcaster compliance has been more difficult to achieve and the goal of stimulating the film and television production industry has been more elusive. This may speak to the relative simplicity of both radio programming and of record production (as well as the fact that the Cancon requirements for television are higher), as much as that of the MAPL system. However, the fact remains that the radio regulation has escaped the many frustrations and adjustments that have bedeviled its television counterpart over the years.

In fact, there have been almost no changes to the policy other than to raise periodically – from 20% to 30% on FM in 1991 and overall from 30% to its current level of 35% in 1998. This is a percentage of overall airtime but is to be distributed evenly over the broadcast day. The level is 50% on the CBC, 20% for some border broadcasters or those with formats where there is an acknowledged scarcity of Canadian content, (for instance, 7% for ethnic broadcasters). ("Canadian Content for Radio and Television," CRTC Information Sheet R1-05-01). That the last increase occurred in 1998 would seem to speak to a continued commitment to the policy.

The one adjustment to how Canadian musical content is assessed occurred in 1991/92 as a result of a furor over the Bryan Adams song "Everything I Do (I Do it For You)" which didn't qualify as Canadian content, much to the indignation of the artist. To address this, the way the categories were calculated was adjusted so that if Canadians were 50% responsible for lyrics or for music they could be awarded half a point. It is worth noting that if the song had been credited differently in the first place (for instance, crediting Adams entirely with the music and Lange with the lyrics) it would have met the existing criteria. It was this that provided much of the rationale for changing them. It is also interesting that the question hadn't really come up earlier but no doubt the extraordinary international success of both the artist and the song along with the attendant publicity played a major role in bringing about this change.

The simplicity of the MAPL system has also been preserved in the requirements for music videos. In addition to the song qualifying as Canadian, the video director or the production company must be Canadian, or the production facilities must be located in Canada. Again, this speaks to its usefulness as a way of defining Canadian content in music.

WHAT IS IT FOR?

As we said, Canadian content on the radio is supposed to accomplish two separate objectives. The first objective is to ensure that there is a Canadian presence on radio airwaves: to make sure that Canadian listeners hear a reasonable amount of Canadian music when they listen to the radio.

In carrying out the first objective, the government has hoped also to accomplish a second goal: "To strengthen the Canadian music industry, including both the creative and production components" ("The MAPL System" CRTC Information Sheet. Retrieved from http://www.crtc.gc.ca/eng/INFO_SHT/R1.htm). This raises what is, perhaps, the most interesting aspect of Canadian Content Policy, the fact that it is used as a policy instrument not only for regulating the broadcast industry but for assisting the sound recording industry. This (to the cynical, at least) might also provide some rationale for the policy's longevity. Costs for administering the CRTC notwithstanding, the policy involves no

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direct monetary support for the recording industry on the part of the government.

If, as the CRTC puts it, "Canadian content is the cornerstone of the Broadcasting Act ("Canadian Content," CRTC Information Sheet. Retrieved from http://www.crtc.gc.ca/eng/INFO_SHT/b306.htm), it is also the cornerstone of the federal government's policies for the sound recording industry. In fact, it was, for the first fifteen years of its existence, virtually the only instrument of federal policy for the sound recording industry in Canada (Will Straw. 1996. "Sound Recording" In Michael Dorland (ed.) The Cultural Industries in Canada. Toronto: Lorimer). This is not only a measure of how closely the radio and music industries are related, but

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it is also an indication of how this relationship was regarded by government. In basic terms, it was assumed that radio airplay was virtually sufficient in itself for the stimulation the production of recorded music. Essentially, it was viewed as free advertising for record companies. Indeed this was, to an extent, a reflection of the prevailing music industry view at the time, when radio promotion, and perhaps a concert tour, constituted almost the whole of the marketing plan for a record.

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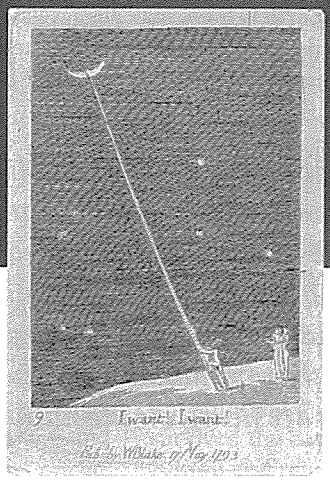
opinion is divided on the actual importance of these regulations in this growth and prosperity. Many would point to the development of distribution networks through the major labels which coincided with Cancon's introduction here as a much more important factor (Will Straw. 1993. "The English-Canadian Recording Industry Since 1970" In Tony Bennett, Simon Frith, Larry Grossbert, John Shepherd and Graeme Turner (eds.) Rock and Popular Music: Politics, Policies, Institutions. London: Routledge).

Since the 1970s radio's dominance as a promotional tool for music has also declined somewhat. There are a number of reasons for this. On the music industry side, the advent of music videos, a growing sophistication on the part of record companies in marketing at retail, as well as more use of paid advertising across a number of media have reduced its reliance on radio.

Changing programming practices on the part of radio broadcasters are even more important in this decline. As many

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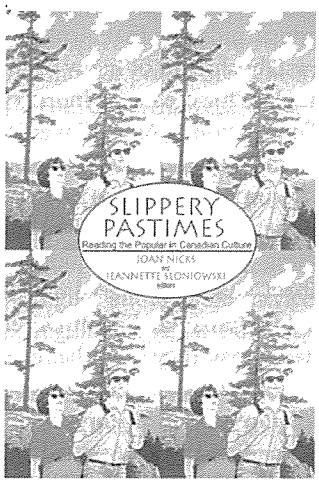
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broadcasters have said, their business is not to sell records but to sell advertising. Over the years radio has developed more "oldies", "classic" and "gold" formats, playing older, well known selections by established artists. This may attract listeners but it does little to sell records. Playlists have been shortened, programming centralized and the result is that getting a song by a new artist played on radio is more difficult than ever. And it is new artists who benefit most from radio promotion. It is in part these broadcasting practices that have spurred more varied creative approaches to marketing on the part of the music industry.

At face value, the first objective of Canadian content, ensuring a Canadian presence on radio, is the easiest to assess. Given that broadcasters do seem to play Cancon at the levels required by the CRTC it would seem clear that, yes, the policy does ensure that Canadian musicians and musical works are heard on the nation's radio stations.

It was, in fact, the realization on the part of broadcasters, as well as the music industry that airplay by itself isn't enough that led to the establishment of many of the funding programs that are now in place for the music industry. The establishment of FACTOR (Foundation to Assist Canadian Talent on Record) by the Canadian Association of Broadcasters and the Canadian Independent Record Production Association in 1986 came about in part because radio stations claimed they were having difficulty meeting their Cancon quotas – there just wasn't enough "quality" Canadian material out there.

By pooling the Canadian Talent Development monies the broadcasters had to pay, they (and the recording industry) reasoned that it could be more effectively put to use to provide loans to Canadian record companies to produce more recordings by more Canadian artists. As a result FACTOR was created as a jointly overseen effort by both record companies and broadcasters, as was its Quebec counterpart MusicAction. The Federal Government's Sound Recording Development Program (SRDP) in 1988 added to the monies broadcasters paid into these foundations. In this way Cancon spurred the development of the next set of programs for the recording industry. FACTOR and MusicAction are still overseen jointly by broadcasters and recording industry and are still seen by broadcasters in large part as a means to provide them with more material to meet Canadian content requirements.

The Radio Starmaker Fund, a more recent joint initiative by broadcasters and the recording industry, carries on this tradition of developing talent that will make more and more attractive programming for radio. Broadcasters participate in these programs in part because they have to spend the money anyway but there is also the acknowledgement that, given their Cancon requirements, they will derive a benefit from a greater supply of Canadian recordings, especially if those recordings are made by higher profile artists, by stars (www.radiostarmakerfund.com).

DOES IT WORK?

At face value, the first objective of Canadian content, ensuring a Canadian presence on radio, is the easiest to assess. Given that broadcasters do seem to play Cancon at the levels required by the CRTC it would seem clear that, yes, the policy does ensure that Canadian musicians and musical works are heard on the nation's radio stations. The only difficulties here have arisen over the distribution of Canadian material through the broadcast day. This has been an issue at times and eventually led the CRTC to stipulate that the levels apply to primetime programming (which for radio is the morning and afternoon drive times), not just the entire day. Prior to this the tendency had been to "ghettoize" Cancon, playing it at off-peak times and, thus, reaching fewer listeners than would otherwise be the case.

Nevertheless, in this objective Cancon for radio has been successful in terms of ensuring that Canadian musicians and songwriters get a share of the airwaves in this country. Much more so than its television counterpart, which still seems to struggle with this goal. If there is any lingering issue in this respect, it is the view that broadcasters tend to focus too much on those established Canadian artists with international reputations who don't actually need the extra exposure, rather than on exposing new talent. But this is really another issue altogether and could as easily be applied to non-Canadian artists.

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Cancon's role in stimulating production of Canadian recordings is more difficult to assess. As we said above, the influence of airplay on record sales, while undoubtedly very important, is not a sufficient guarantee of success. Nor is it always necessary. Some genres such as Rap and Dance sell large numbers of records in this country while receiving little or no radio airplay. Moreover, the numbers for Canadian recordings themselves show a gap between the ostensible amount of airplay and the level of sales. While Canadian recordings take up 35% of programming, their share of the market in Canada is well below this number at about 14.5% (Contact. 2000. Toronto: David Farrell & Associates).

All of which is to say that while Canadian content on radio remains a very important part of the government's sound recording policy it is not, on its own, enough. Would the sales of Canadian recordings be even lower without the airplay they do receive? Very possibly. Increasing the sales of Canadian recordings may depend on a number of coordinated policies

alongside Canadian content, just as the marketing of records involves a number of coordinated promotional efforts, with airplay being just one of them.

But aside from its intrinsic impact on record sales, Cancon has also played a crucial role in leveraging subsequent programs to support the music industry such as FACTOR/MusicAction and the SRDP. Cancon is often the rationale for broadcasters' involvement and this in turn provides the structure for the government's funding.

WHY DO WE STILL NEED IT?

Broadcasting and the music industry have changed a great deal since the introduction of these regulations many years ago, which raises the question of whether Cancon is still necessary. As we asked at the beginning of the article, isn't Canadian music now established enough that broadcasters would play Canadian artists even without a requirement to do so? Sadly, the indications are that they would not. Broadcasters still appear to see Canadian content as an onerous requirement, have a tendency to treat the 35% as a ceiling, not a floor and to play Canadian music as seldom as they can possibly manage (Larry LeBlanc, "Canadian songs fight for airplay" in Billboard, 2/3/96, Vol. 108 Issue 5, p55, 3/5p, 2bw). Canadian broadcasters look to their leading American counterparts for indications on what should make up their playlists. The other influence on radio playlists is also, what is selling at retail and, as the figures show, the Canadian proportion of record sales is well below that of the Cancon requirement. So, at the very least, if we wish to preserve the Canadian presence on radio it appears that Canadian content requirements will have to continue for the time being, pending a wholesale change of attitude on the part of broadcasters.

From the point of view of the recording industry, Canadian content continues to provide an important business advantage. Radio airplay, though diminished in its importance, remains arguably one of the primary influences on record buyers ("Major Influences on Music Purchase Decisions" CIRPA Website, www.MusicBusinessCanada.com, accessed May 7, 2002). Alongside retail promotion, ad campaigns and live appearances, it remains a crucial component of most record marketing campaigns.

There is also another aspect to airplay: it is increasingly a direct source of revenue for the industry. Broadcasters have always had to pay publishers and songwriters for playing their music. Since Phase II of Copyright Reform in 1997 they have also had to pay the performers and record companies for this use of their music. Given the fact that copyright is the fastest growing part of the music industry's revenues and may eventually outpace record sales as the largest source of its revenues, Cancon may well become a way of ensuring that the industry will receive revenues from airplay – a much more direct benefit than the promotional value.

This reflects a new way of thinking about radio - not as the way that music is promoted to consumers but simply as another way in which music is used by another industry to accomplish its aims, in this case that of selling advertising. In a sense it also reverses the original thinking behind Canadian content as a benefit to the recording industry. There is an acknowledgement that however much benefit the industry derives from airplay, radio is far more dependent on the music industry to provide the bulk of its programming.

The relevance of Canadian content on radio might also be questioned, especially in light of the CRTC's decision not to regulate content on the Internet. Given the enormous role in cultural industries foreseen for this new medium, one might question the long-term commitment of the Commission to Canadian content in principle. Older, less exciting media, such as radio might become irrelevant as the Internet becomes an increasingly important source of music for consumers. Whatever the merits of this vision of the future, it will be some time before the Internet becomes as ubiquitous as radio and even then there is no guarantee that it will displace it in terms of its importance for music. Radio, although nearly a century old in this country, has already survived the considerable impact of television and remains an extremely viable medium; consumer penetration is virtually 100%, advertising revenues are in excess of $1 billion (Canadian Content, CRTC Information Sheet b306). It is still, without a doubt, the most widely-used music medium in Canada.

Broadcasting also remains a very different kind of medium from the Internet and this too should dictate the kinds of policy brought to bear upon it. The decentralized, open nature of the Internet does not lend itself well to Canadian content quotas. Where new media have proved amenable to this kind of regulation, it has been imposed (for instance on Shaw's and Cogeco's digital audio cable services). In essence, regulation must take into account the nature of the medium and Cancon's success is, perhaps, a reflection of this.

In the end it is also true that radio, unlike the Internet, is a highly centralized medium, controlled by a limited number of players utilizing a limited public resource: the broadcast spectrum. In exchange for this we make demands on them to reinforce and strengthen our national identity, an identity in which cultural expression such as music forms an important if unquantifiable part. As Brian Chater of the Canadian Independent Record Production Association puts it, "With the license goes a very considerable obligation to fulfill, which is to play Canadian music. It's a contract with the Canadian public."

If we wish to preserve the Canadian presence on radio it appears that Canadian content requirements will have to continue for the time being, pending a wholesale change of attitude on the part of broadcasters.

Richard Sutherland is a sessional instructor at the University of Calgary and will begin his doctoral studies at McGill University in September 2002.