

Tele-Monopoly Canada Now Playing in Quebec

IMAGINE THE FOLLOWING: Rogers Cablesystems buys CFTO-TV and parlays the deal into participation in the privatization of the BBC and the cabling of the British Isles.

This exercise in the suspension of disbelief is not a science fiction scenario, but a near-perfect analogy of the transaction sanctioned by the CRTC early this year, involving some of the major high-rollers of Québec private broadcasting. The flaw in the analogy is that Videotron and Tele-Metropole are relatively more monopolistic in Québec than Rogers and CFTO are in English Canada, and the mother country, in this case France, is indeed in the process of selling off its public service broadcaster.

While the rest of us have no recourse but to sit back and wait for the government to crank up the process of revising Canada's increasingly outmoded broadcast legislation, the agency charged with protecting the public interest thus continues to invent the future according to its own cultural-industrial design.

As the Caplan-Sauvageau task force on broadcasting noted with pique, the CRTC has no policy on concentration of ownership, nor on cross-media ownership in single markets, nor on vertical integration. Where private ownership transactions are concerned, it judges every case on its merits, leaving important precedents in its wake. Relatively unnoticed outside specialized circles in English Canada, the CRTC decision announced at the end of January has created a new model of corporate concentration, the fully integrated video supermarket, in the hope of launching a Canadian enterprise into the big leagues of transnational television.

By permitting Le Groupe Videotron Ltée. to acquire Tele-Metropole Inc., the CRTC sanctioned the union of Québec's main cable company operator and the most lucrative private sector television broadcaster in Canada (According to the Bureau of Broadcast Measurement, Tele-Metropole's CFTM-TV had 26% of the audience share of the Montreal market in the fall of 1985, as compared, for example, to CFTO's 19% in Toronto).

The case was a regulator's wet dream, with bureaucrats getting to decide which group of Canadian capitalists would get to add a winning racehorse to its stable, and ride it in the international sweepstakes.

Less than a year earlier, the CRTC rejected a similar bid for Tele-Metropole by Power Corporation on the basis of Power's flimsy promise of performance, although public interest groups in Quebec had called for the rejection because the Power group already owns the Montreal daily newspaper *La Presse*.

The main beneficiaries of the hiatus were T-M's owners, who watched their property's selling price rise by 35% in a period of nine months, from \$98 million to \$134 million, between the two bids. The CRTC decision is shocking to critics of media ownership concentration, who thought that they had successfully opposed Power's bid only to have the CRTC approve a much more onerous form of concentration.

Tele-Metropole, or "Channel 10" as it is known in Montreal, is the proverbial little company that grew. Founded in 1961 by J.A. DeSeve, Channel 10 was Québec's first French-language private sector TV station. The foundation set up to manage DeSeve's estate after his death is not particularly interested in television. In recent years, it has been ploughing its profits back into resource exploration ventures—a typically Canadian approach, but not quite what the Broadcasting Act has in mind when it speaks of preserving the country's cultural fabric. The DeSeve heirs have for some time been quite ready to take their leave of the TV business and move on to other things, such as philanthropy and coupon-clipping, but they were hemmed in by the founder's will, which specifies that Tele-Metropole could only be sold to Québécois interests.

Tele-Metropole's Channel 10 is not only Québec's most lucrative private station, but also a flagship and principal shareholder of its major private network, TVA (the Québec equivalent to CTV). Tele-Metropole had revenue of about \$100 million in 1986. Through TVA, the station supplied about 70% of the programming seen on French-language private television in Québec. There are not many pools of capital in Québec that could easily buy up such a property. On that basis alone, Power Corp. apparently felt its proposal was in the bag, and offered a mere \$1 million a year in new money for programming, and no guarantees that Tele-Metropole's news operations would be insulated from those of Power's other media interests. The CRTC judged the proposal inadequate and told Tele-Metropole to come back with another buyer.

Videotron learned from the Power experience, and seduced the CRTC with a more substantial plan that pushed all the right nationalist buttons. It promised a range of new programming initiatives worth \$30 million over five years. As the company has not been active previously in traditional information (ie, news) marketing, the proposed transaction did not raise the same degree of public concern. The Fédération Professionnelle des Journalistes du Québec, for example, which had vocally opposed the Power Corp. project, was acquiescent towards Videotron. The CRTC award to Videotron is, however, far more insidious in its implications for democratic communications.

Videotron is another example of a little company that grew, founded by a cable company engineer, André Chagnon, who put together enough capital to buy out his employer in 1981. Through a series of acquisitions and innovative use of research and technology, Videotron then rode the expanding wave of cable subscription and new pay services of the early 1980s. In 1986, it reported revenue of \$130 million, and earnings were up 54% in the first quarter of the current year.

Videotron is literally a household name in Québec. The company controls around 70% of the Québec cable market, with 700,000 subscribers in 150 municipalities including Québec City and the eastern half of Montreal Island. (In all the Canadas, only Rogers Cablesystems is bigger, but Rogers is relatively less monopolistic as its interests are diffused from coast to coast, for control of around 23% of the total Canadian market. Rogers has no interests in Québec, but Videotron owns an Alberta cable company, QCTV, which adds another 120,000 subscribers to its clientele).

But that is only part of the story. As new technical possibilities and consumer habits present themselves, Videotron has been building its initial foundation to become a producer and provider of diversified television-based services. In the Montreal area it currently programs 11 non-broadcast channels, and is developing an interactive system (Videoway) for tele-marketing which will enable users, among other things, to buy a range of goods and services from their homes. In November 1986, Videotron concluded an agreement with the Steinberg supermarket chain to promote Steinberg's weekly specials on one of its non-broadcast channels. Within a few years, Videotron announced at the time, non-broadcast TV advertising will be a more important source of revenue for the company than cable subscriptions.

In addition to cable distribution and tele-marketing services, Videotron also operates a production facility, a subsidiary that sells and services converters, and a research and development company. By acquiring Tele-Metropole, it inherits, along with Channel 10, a station in Chicoutimi, a major advertising company, another production house, a post-production and sub-titling company, T-M's interest in TVA and a smaller regional network, as well as the DeSeve group's oil and gas interests.

Its major scheme, however, is to expand into overseas markets, particularly in France, and to do this it had to have Tele-Metropole.

In 1983 Videotron entered into an agreement to supply technical expertise to La Compagnie Générale des Eaux, a private French company involved in

cabling several dozen major urban centres in France. In November 1986, Videotron acquired 10% of the C.G.E. subsidiary that is doing the cabling.

Through Tele-Metropole, it now intends to participate in the world's first privatization of a national public broadcaster, TF 1, which the Chirac government has put on the trading block. Arrangements for Videotron's participation in the TF 1 privatization were made public in November and were contingent on CRTC approval of the Tele-Metropole takeover.

The internationalization of Videotron/Tele-Metropole is not only an essential element of André Chagnon's grand design in itself, it is also essential to making this unprecedented degree of concentration and vertical integration palatable to the Canadian, and particularly the Québec, public. In his presentation to the CRTC in December, Chagnon spelled it all out:

"...only a major enterprise can hope to carve a choice place for Québec in the world of audiovisual titans taking shape on the horizon...Videotron believes that the present international evolution of broadcasting towards giant corporations like those of Berlusconi, Murdoch, Maxwell, Viacom, Hersant-Hachette-RTL, demand that Québec's principal television station make alliances. Refusal to take our place among these giants will sooner or later mean the domination of their products in our markets." (pp 32-33; free trans.)

By framing its project so astutely, Videotron appeals to the view that we must be prepared to place industrial considerations ahead of sociocultural ones, in this case sacrifice the possibility of pluralism in broadcasting for a piece of the global communications pie.

The acquisition of Tele-Metropole makes Videotron "the most important element of the broadcasting system in Québec", said the CRTC in its announcement of the decision. The eclipse of the public sector by the private is henceforth total--and quintessentially Canadian. If telecommunications are indeed to the 20th century what railroads were to the 19th, *eh bien*, Videotron is after all as Canadian as...the CPR.

Marc Raboy is borderlines contributing editor in Montreal, and teaches journalism and communications at Laval University in Québec City.

Details for this article were drawn from the Report of the Task Force on Broadcasting Policy, official documents filed with the CRTC, newspaper reports, and a research file prepared by the Institut Canadien d'Education des Adultes.

Content without form. The invisible foreground of city life. Stinking of months and years of sweat they roam, seeming to be zombies through the marketplace.

Women of deixis. Street people never on holiday because they never work. Mediators of consumption, they choose only from what is already thrown away. And in the winter, they spend a lot of time looking for shelter. They wander from bus depots to libraries, from subways to churches.

They change all the rules. Shopping malls become places to keep warm, sleep, beg coffee money, find discarded cigarette ends or half-eaten sandwiches, or newspapers to keep as blankets for cold bench-sitting days in the parks.

Ida sometimes sleeps in shelters for vagrant women. They let you in around six pm. They give you supper, soap, aspirins. You can watch TV then you go to bed. They make you wash with disinfectant soap before you can have a bed. You have to use it in case you have fleas or lice. Ida sleeps sitting up, with her back against the wall, covers pulled up over her head. Everyone must get up at 7 am, have breakfast and be out by eight. They receive bus tickets if they need to travel to look for jobs and accomodation. Ida has lived on the street for two years.

"We used to live on Broadview. I got pregnant and he moved out on me. After I had the baby, I got welfare plus mother's allowance. I started drinking a lot. Then it gets all fuzzy. I remember the day they came and took my baby away from me. I remember the day they told me to get out of the apartment. Then no welfare. So I had to learn about the street. It all happened like in a flash....But it all seems so long ago now."

Ida leaves the shelter at 8 am and goes to the local church drop-in centre. They have the morning classified ads stapled to the wall. You can write down phone numbers of places to live. Ida never reads any of these ads.

"When I think of it -- I'd have to go and be interviewed by a landlord. I'd have to sign a paper. I'd have to make sure I could give him money every little while. I'd have to buy furniture, and pots. I see those ads and I think all this at once and I get dizzy. So I keep away from the paper."

Angie is a widow from the east coast. She worked for a federal government office for twenty years. Then, suddenly, her husband died. She walked away from her past.

"I had to get away. He was everywhere. He talked to me in the house, but he was dead. He was every man I saw at work. I just left, that's all."

"Il y a du danger à s'imitier soi-même."
Pierre Reverdy

Angie has lived on the street for ten years. During that time, money has been continually deposited to her bank account from her husband's pension and from her own. (Her former boss registered her for early retirement.) She has enough money to buy a small house. But how to go back to "normal"? Fictions of happiness and satisfaction. How to go back to following the rules, having a telephone, having to stay put in one spot? To get mail. To lose carefully-honed city-jungle instincts. How to go back to cooking, owning a budgie, washing everyday, smiling at strangers, staying out of garbage cans. And why go back? She has not touched any of her money for ten years. She doesn't know how to approach it.

Angie stays out of the shelters as much as possible, even in winter. There is too much hate. "I get enough of that outside. The other women look at you as if they want to kill you. And the staff are terrible. They are so damn self-righteous. You have to feel so grateful to them. If you don't act grateful, then they put you down. Who needs it?"

There are many different kinds of isolation. One can live in the arctic, or one can live in a cardboard box in the heart of a busy city. These women live in but not of the city; they are floating down the middle of water/alleyways, dangerously far from any shoreline, and always in unfriendly territory.

Ida and Angie have learned to be resourceful. They can live on "nothing." Working people hurry by. Afraid of the rags and the stench, we avert our gaze. We say no every time we turn our eyes away, projecting the violence of our negation into suspicious and tired street faces. Yet these faces are profound. A thousand unanswered questions throb in the forehead. Street women address these questions by living a radical present, not beholden to any past, not looking for any sympathy, and yet dependent on every future.

Everyday reactions to male and female vagrants are qualitatively different. Homeless females are constructed discursively as unfortunate waifs, desperately hoping to be saved. One of the assumptions arising from this stereotypic construction is that these waiting orphans will feel forever indebted to their rescuers.

Loretta Czernis was born in St. Joseph's Hospital on 28 July 1952. At a tender age she left Toronto and travelled the world for 17 years. Loretta now lives at 176 the Esplanade in downtown Toronto. In the future she plans to move northward and live at no fixed address.

Ungrateful Voyageurs