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## Standing Committee on Canadian Heritage

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**Thursday, May 24, 2007**

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**Chair**

Mr. Gary Schellenberger

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• (1935)

[English]

**The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)):** Good evening, everyone. Welcome to the 63rd meeting of the Standing Committee on Canadian Heritage.

Pursuant to Standing Order 108(2), we are undertaking a full investigation of the role of a public broadcaster in the 21st century.

This evening we welcome the Alliance for Children and Television, the Independent Media Arts Alliance, the English Language Arts Network, and the Documentary Organisation of Canada.

Welcome, folks. We'll go in order for the presentations. If we could keep our presentations relatively close to ten minutes or so, that would be great, but we haven't got a timer on it. We're interested in hearing what you have to say.

Mr. Moss, would you'd like to go first, please?

**Mr. Peter Moss (President, Alliance for Children and Television):** Thank you, Mr. Chairman and members of the committee.

My name is Peter Moss. I'm president of the Alliance for Children and Television. Before we begin our presentation this evening, I would like to introduce my colleague, Madeleine Lévesque, executive vice-president for content development at Nine Story Entertainment in Toronto, and a board member of the alliance.

The mandate of the Alliance for Children and Television is to positively affect Canadian children's lives by using advocacy, recognition, and training to enrich the screen-based media they experience. In our view, the content of children's programming should be both relevant and entertaining, stimulating the intellect and the imagination, and fostering openness towards others. It should also be an accurate reflection of the world in which children grow up, respecting their dignity and promoting learning.

The alliance represents a group of individuals and organizations from across the country that are highly committed to ensuring the development of television programming that will be of interest to our children and our youth, and that will contribute to our cultural development as a country. Set up over 30 years ago, in 1974, the alliance benefits from the expertise of Canada's best creators, artists, craftspeople, educators, producers, and broadcasters of children's programming, which is available on an increasing number of media platforms.

Personally, I've been involved in the broadcasting and entertainment business for well over 25 years. I've held the positions of creative director of children's programming at CBC Television, vice-president of programming and production for YTV and Treehouse TV—both children's channels in Canada—and more recently vice-president of programming and development for all the Corus television channels. I'm currently an independent producer of children's programs and other programs.

We're very pleased to be here today to take part in what we hope will be a new beginning for the CBC-SRC. We strongly believe in our national public broadcasting system, and particularly in our national public broadcaster. Ultimately, the main reason we are here today is to present to the committee the very important needs and views of Canada's children, a perspective that is often overlooked when we're talking about Canada's broadcasting system, its goals and its responsibilities.

As the committee is no doubt aware, the CBC-SRC will have to go before the CRTC some time this year to renew its licence, which is due to expire in August of 2007. We believe your committee has a unique opportunity in drafting your report to propose strong recommendations to both the government and the CRTC as to what should and could be the goals and objectives of the CBC-SRC for the coming decade.

At the outset, the alliance wishes to affirm its full support for a strong CBC-SRC as we move forward into the 21st century, especially as it concerns the needs of young Canadians looking for quality programming that is developed and broadcast with them in mind.

We believe the CBC and SRC have a mandate of public service that makes them distinct, in that their programming should be in the public interest and not in the commercial interest. CBC-SRC has a unique role to play in reflecting the increasing ethnocultural diversity of our country's citizenship and providing access to Canadian stories that will contribute to the building of a unique Canadian society. Many of Canada's children are a reflection of this new ethnocultural reality, and we believe that CBC-SRC has a responsibility to help them grasp on to innovative programming, showing our distinctiveness and our values, which includes the celebration of the rich diversity of our country.

• (1940)

[Translation]

**Ms. Madeleine Lévesque (Director, Alliance for Children and Television):** As the committee knows, the key to broadcasting is content, and this applies just as much to children's programming as it does to news, sports, entertainment or drama. But the facts are clear: the proliferation of technology and information is not just completely changing the way Canadians access the information they are seeking, it is also greatly increasing the amount of information that is available. This allows for more mobility and individual choice, but for television, particularly for conventional broadcasters including the CBC/SRC, it means a significantly increased fragmentation of audiences.

Notwithstanding this reality, based on the latest CRTC data available, the average number of weekly hours of television viewing by Canadians has continued to increase since the 2001-2002 broadcast year, moving from 23.7 hours to 25.1 hours in 2004-2005. Most interesting is the fact that the largest increase in television viewing between 2001-2002 and 2004-2005 is children between 2 and 11 years old, going from 16.3 to 19.2 hours a week, and teens from 12 to 17 years old, going from 16.4 to 18.6 hours a week. This latest data from the CRTC clearly shows that, although young Canadians do spend more time chatting on their computers, they are nonetheless still watching television, apparently even more than before.

**Canada's Broadcasting Act clearly states that:** (i) the programming provided by the Canadian broadcasting system should (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes.

But what do we think of the role of the CBC/SRC in this climate of technological change in program delivery and the increased fragmentation of audiences? As mentioned previously, we do not question the need for a strong CBC/SRC, but it is important for us all to consider what the CBC/SRC must do to maintain its relevance in the 21<sup>st</sup> century.

[English]

**Mr. Peter Moss:** In the past, the CBC-SRC has been at the forefront in the creation and production of children's programs that have, among other things, won a number of national and international awards. CBC-SRC used to be a creative incubator for new Canadian talent in this area; however, in recent years CBC-SRC seems to have lost some of its enthusiasm for creating and developing children's and youth programming.

CRTC was quite clear in what it expected from the CBC-SRC when it said, in the last licence renewal, that

A wide variety of children's programs is available to English-speaking Canadians on commercial, educational, specialty and pay television services. Notwithstanding this availability, because the CBC reaches almost all Canadians, it has a unique responsibility to provide informative, educational and entertaining programming directed toward Canadian children and youth, and to foster the development of the artists who represent the future of the television industry.

We strongly believe that CBC-SRC has a responsibility to invest in developing programs for young Canadians, in addition to seeking out ways of reaching our children and youth through new technological innovations. With such investment, the CBC will not

only train a new generation of Canadian talent, but it will also develop the loyalty of new audiences in the future.

The extensive study entitled "The Case for Children's Programming", in which the alliance participated last year with the CFTPA, the National Film Board, and the Shaw Rocket Fund, which was released in February 2007, clearly demonstrates a downward curve of funding within the Canadian broadcasting system for the production of Canadian television programming for children, moving from a high of \$380 million in 1999-2000 to \$283 million in 2005-2006. This was a drop of more than 25% in a very short period of time.

During the same period, the share of total production budgets for children's programming, when compared to total Canadian television programming budgets, went from 22% of the total to 16% of the total. In addition to this, from 1998-1999 to 2005-2006, the average budget for a 30-minute program for young Canadians fell 11%, from \$224,000 to \$200,000 in constant dollars.

We believe that CBC-SRC should be doing more and spending more on children two to eleven years, and on youth eleven to seventeen years, on original programming that recognizes the important role television can play in forming the attitudes of young Canadians who are increasingly coming from different parts of the world to contribute to Canadian society.

We strongly recommend that the committee send a clear message to CBC-SRC about the leadership role it should be taking in developing and broadcasting high-quality programming that will not only be of interest to our youth but also challenge their intelligence and inform them on subject matters that will contribute to their development as proud Canadians.

Mr. Chairman and members of the committee, the Alliance for Children and Television has the expertise, the ability, and the will to contribute effectively to the Canadian broadcasting system, and particularly in this case to work with our national public broadcaster, the CBC-SRC, to develop new initiatives that will ultimately benefit our children across the country.

Let there be no doubt in our position: The CBC should be called upon to be doing more for children's programming and providing our children with interesting and challenging content that will contribute to their intellectual, social, and cultural development.

This completes our oral presentation. We look forward to responding to any questions you may have.

Thank you.

• (1945)

**The Chair:** Thank you for that.

Now we will move on to Ms. Dorner.

**Ms. Jennifer Dorner (National Director, Independent Media Arts Alliance):** Good evening.

I'd like to start by thanking the Standing Committee on Canadian Heritage for this opportunity to present on behalf of our members and the diverse communities we represent.

The Independent Media Arts Alliance is a national network of 84 non-profit independent film, video, and new media production, distribution, and presentation organizations representing over 12,000 artists and cultural workers across Canada. The IMAA is now 25 years old, and since the beginning has worked to improve the means and access for independent media artists at every stage, from funding to production, distribution, and exhibition.

First and foremost, I would like to underline the important role the CBC has as the primary cultural broadcasting institution for Canadian arts and culture. The CBC is an important place for the production and presentation of independent media artworks, in addition to being a primary source for the diffusion and promotion of our events and reporting on our activities. The CBC is key to audience and market development for the independent media arts sector.

I'm going to jump ahead here and talk a little bit about the Canada Council for the Arts, because a lot of our members rely on Canada Council funding to survive.

The Canada Council for the Arts receives approximately \$150 million annually from the federal government that is then invested into artists and organizations that create and disseminate cutting-edge artworks that endeavour to reach a broad Canadian audience. It stands to reason that the federal government should invest in the promotion and diffusion of these works through our national public broadcaster.

Television programs such as *Zed*, and *Socket*, which aired last summer on CBC radio, featured young Canadian artmakers, and plugged listeners in to current cultural and aesthetic issues. Not only were these programs instrumental in building new audiences for our sector, they were interesting and, I found, really fun shows. Unfortunately these programs are no longer running.

The trend of cutting arts programming when the CBC faces funding challenges is short-sighted. We urge the federal government to acknowledge the long-term benefits of supporting programs that feature independent media arts by providing increased stable funding to the CBC.

We also feel that the CBC is not able to fulfill its cultural mandate with consistency within each region and within each artistic discipline. It is felt that the majority of arts programs focus on larger commercial productions. In some regions, the programming does reflect the media arts sector while in other regions it's next to impossible to get any reporting on our events. It is felt that the CBC would be far more successful at reaching its mandate if it were not so dependent on commercial revenue.

In certain regions, the CBC has been very proactive in getting involved with indigenous and diverse communities through training and development, sponsorships, joint programs, and the CBC website. For example, in Manitoba, CBC participates quite extensively in the first nations community. We would love to see that sort of initiative happening across Canada.

The CBC can go a long way towards promoting emerging artists, artists from diverse cultural backgrounds, and indigenous artists. The mandate of the CBC states that it sets out to "actively contribute to the flow and exchange of cultural expression" and to "reflect the

multicultural and multiracial nature of Canada". Increased funding would enable the CBC to address the specific needs of the indigenous communities across Canada. We feel strongly that the indigenous community should be consulted in that process.

In response to the inquiry about new media and its impact on public broadcasting, we feel there's tremendous potential in this area. The growth in media arts is rapid. More and more artists are working with new media. This is due to the popularity of media art as a form of audiovisual expression in today's culture.

Canada's youth are exposed to and become familiar with the Internet, video, television, and other technologies long before most other forms of visual communication or artistic production. As a result, many young artists are moving to the media arts as their form of creative expression.

In addition, to access programming, more and more Canadians are turning to new platforms and new formats, such as the Internet, cellphones, and PDAs. This impacts how CBC is able to carry out its mandate. This new communications environment has different boundaries than those regulating the radio and television sector and enforced by the CRTC.

• (1950)

As a free marketplace environment, satellite, Internet, and mobile broadcasting have enabled private broadcasters to infiltrate these new platforms for which the increase in demand and range of options dominates over quality in programming. Given this, there's the risk that CBC's ability to fulfil its mandate is challenged by a move into a less-regulated new-media paradigm.

It will be the vital role of the federal government to fund these new media initiatives to ensure Canadian cultural content has a strong presence within these new formats.

A more diversified and broad-reaching set of technologies will also benefit Canadians. New communication networks should be viewed as tools that could help to bridge communities—for example, the indigenous communities in the north and the more southern populated regions of Canada.

New formats are presenting the potential for CBC to advance and further its mandate. The CBC will be able to target audiences on a regional, cultural, ethnic, or linguistic basis while building a national consciousness and identity that reflects our diverse society.

Some CBC programs maintain podcasts that must continue to be developed and available online. These initiatives not only reach new audiences within Canada, they bring Canadian content to the world.

Canada is one of the most technologically sophisticated countries, and we are in a position to be at the forefront of the digital media revolution, which would benefit Canadians. It also benefits artists, making possible many new economic models for production and marketing.

This being said, we would like to point out that there should be a mechanism in place to ensure that Canadian artists are being paid for the work that they show, no matter what format it's presented in.

In addition, it will be important to ensure that no matter which platforms are used, the content is available across Canada and most importantly to Canadians of all socio-economic backgrounds.

One of the strengths of CBC radio and television has been its ability to reach Canadians in all regions via the airwaves. The federal government should investigate ways to ensure means of and access to new media for all Canadians.

To conclude, federal funding permits the public broadcaster to present programming that is an alternative to that of the homogenized corporate broadcasters. A soundly funded public broadcaster provides our democratic system with a balance of perspective that must be reflected in the information that is publicly disseminated.

Thank you. I would be happy to answer any questions.

**The Chair:** Thank you for that.

Now we go to the English Language Arts Network. Mr. Cox, would you be the spokesperson, please?

**Mr. Kirwan Cox (Member, English Language Arts Network):** Thank you, Mr. Chair.

I want to thank this committee for coming to Montreal. I know it's a big operation to leave Ottawa. It certainly makes it a lot easier, I think, for all of us here to be able to meet with you, so it's appreciated.

I'd like to introduce our delegation from ELAN. Ian Ferrier is a writer representative on the board of directors. I'm a film and television representative. Guy Rodgers is our executive director, and Anna Fuerstenberg is a theatre representative.

ELAN is the English Language Arts Network of Quebec, and it has reached a milestone this month. We now have a thousand members.

You may say, "A thousand members of English-language artists in Quebec? Impossible." You may wonder who these artists are. You've seen or heard of our work, if not recognized our names.

We are musicians such as Oscar Peterson, Kate and Anna McGarrigle, Oliver Jones, Arcade Fire, Rufus Wainwright, and Susie Arioli—the current chair of ELAN—and her band.

We are writers of plays, crime novels, and poetry such as David Fennario, Louise Penny, MacArthur prize-winner Anne Carson, Leonard Cohen, and Mavis Gallant.

We are dancers such as Margie Gillis, Vincent Warren, and Lin Snelling, a former chair of ELAN.

We are painters and video artists such as Betty Goodwin, Ghitta Caiserman-Roth, Nelson Henricks, and Ingrid Bachmann.

We are actors such as Clare Coulter, Christopher Plummer, Walter Massey, and Jack Langedijk.

Of course, we also work in film and television. We are producers such as Arnie Gelbart and Kevin Tierney, whose film *Bon Cop, Bad Cop* broke box office records in Canada.

We are directors such as Brian McKenna, Colin Low, and John N. Smith, who is best known for coming back to Montreal after directing the hit Hollywood movie *Dangerous Minds*, with Michelle Pfeiffer.

Of course, some people, from Norma Shearer to William Shatner to Donald Sutherland, never came back. Producer Jake Eberts keeps a cottage in the Eastern Townships and donates to McGill, so he is here in spirit.

I took the time to list all these names so that you know who we are—a vibrant official-language minority that has an impact across Canada and around the world. We only wish that many of us didn't have to leave Quebec to make a living doing what we love to do and can do so well when given the opportunity. As I read in *The Globe and Mail* this morning, "Most people work to make a living, but artists make a living in order to work." I thought that was an appropriate comment.

Exactly 75 years ago, public broadcasting began in a room like this, before another parliamentary committee. A young Graham Spry spoke five words that clarified the issues and galvanized those parliamentarians. He said that Canada faced a simple choice in broadcasting, "the state or the States".

Today let me say, as loudly and clearly as possible, that we support public broadcasting. We support it unequivocally and passionately, as creators and as viewers and listeners. As Canadians, we need public broadcasting because it connects us to every corner of our country and to ourselves. It provides a diversity of viewpoints and programs that we cannot get on commercial TV or radio. We hope that someday, CBC television will become a public broadcaster just as CBC radio is.

Right now, chronically underfunded for decades by short-sighted Liberal and Conservative governments, the CBC has been driven to maximize commercial revenue. The more commercial revenue the CBC must make, the more it compromises its public service mandate and the goals of the Broadcasting Act.

The CBC simply does not have the funding to fulfill its mandate under the act. I think Parliament—the government of the day—has to look in the mirror when it wonders what can be done.

Yet it is not possible to look at the CBC in the 21st century in isolation. We must look at it as part of the broadcasting system. The English Canadian broadcasting system is a mess.

Three years ago I did a study called *Through the Looking Glass: A Comparison of broadcast licence fees in Canada, Australia, the United Kingdom and the United States*. I discovered that Canadian broadcasters receive the lowest per capita TV advertising revenue among the countries studied. Why? Probably because of spillover advertising from the United States. In turn, among those countries studied, English Canadian broadcasters pay the lowest licence fees as a percentage of budget. Why? Because the public subsidies designed to support independent Canadian production have ended up indirectly subsidizing the broadcasters. They can afford to reduce the licence fees they pay for Canadian content and still meet their CRTC obligations. I suggest the CRTC as well should be looking in the mirror.

• (1955)

What do they do with the money saved by paying low—world-record low—licence fees? Here the private broadcasters differ from the CBC. The private broadcasters use the money saved in underpaying for domestic programming by overpaying for American programming at auction in Los Angeles. That's driving up the cost of these programs to a record \$688 million last year, which was 12% higher than the year before.

In the end, English Canadian commercial broadcasters pay more for foreign programming than they pay for domestic programming, unlike any other broadcasters in the developed world. We are a record-setter in that regard.

When private broadcasters spend two-thirds of a billion dollars—and I did say billion—in program money in Los Angeles instead of Canada, the independent Canadian producer and the creative community here must absorb the cost. The situation has been getting worse over the years for Canadian producers. The average independent English Canadian program budget has fallen by 41% in constant dollars from 1984 to 2001.

As we can see, there is money in the commercial TV system to improve the quality and quantity of Canadian programming, but it needs to stay in Canada. We need private broadcasters to spend more on Canadian programs than they spend on foreign programs.

Generally speaking, the CBC does not compete with private broadcasters as long as it follows a domestic programming strategy while they follow a foreign programming strategy. Our private broadcasters in fact have even given up the freedom to program their own prime time schedules to benefit from simulcasting American network programs.

We need a public broadcaster that is not driven by commercial objectives of the private broadcasters but is publicly funded. That means significant and dependable increases in parliamentary appropriations, not more advertising.

Here in Quebec, CBC radio is especially needed by the arts community to hear news about what is happening in our disciplines. We need radio production in Montreal that uses our talent and that speaks to anglophones throughout the province.

With the abdication of cultural programming on CBC television, CBC radio is our lifeline. It does more than any other broadcaster, but erosion of funding has cut its quality. CBC radio needs more

public funding, not advertising, as the Association of Canadian Advertisers has requested before this committee.

We need more TV program expenditures by the CBC and more decision-making here. We need better communication with the CBC. We need to see the CBC's executives on a regular basis so that relationships can be developed. Unlike you, they leave Toronto not very frequently.

We would like an advisory committee between the CBC and the production community that can grow up and manage a national terms of trade agreement with independent producers.

We would also like the Canadian Independent Film and Video Fund budget increased. That is the one production fund that is not controlled by broadcasters and therefore spends money in the regions on the smaller producers. Dollar for dollar, it is the most important source of production funding in English Quebec.

Should increasing the CBC budget be a parliamentary priority? Yes—at least more so than increasing the military budget—because in the 21st century, we need to redefine our idea of national sovereignty. The 49th parallel is a media border, a cultural border, not just a geographical line. We can only defend our country and the minds of our people with TV and radio programming that helps us see ourselves and our country, not someone else's. We want to work, and we want to see our work on our screens, big and small, without having to go to Hollywood to be paid with our own dollars to create someone else's vision.

That's the end of what I have to say. I'd like now to pass the microphone to Ian Ferrier, a writer representative from ELAN. He'll talk about radio.

• (2000)

**Mr. Ian Ferrier (Member, English Language Arts Network):** Thank you, Kirwan.

Thanks to the committee.

My name is Ian Ferrier, and until last year I was president of the Quebec Writers' Federation, which represents English-language writers in Quebec. I also serve on the executive for the English Language Arts Network.

I'd like to interject just for a minute on behalf of CBC radio. It is the medium that has had the most effect on the careers of the poets and the writers and performers I know, in paying them for work to be presented on the air, in promoting the work of the English-language literary community to our minority here in Quebec, and in presenting Quebec English literature to the rest of Canada.

When I go to the Eastern Townships south of here, or into the Gaspésie, CBC radio is the voice and core of the English-language community in Quebec. In places where the numbers of English speakers are low and the culture is threatened, everyone listens, and CBC is how they define what the English community is.

In Montreal, CBC radio is the voice of Quebec English literature, because, with very few exceptions, the commercial stations just don't carry literature. If my writing colleagues and I have any celebrity in this province, it is because of CBC radio. They invite us on the air, talk about our books, present our work to the English audience in Quebec and to the larger Canadian audience, who avidly listen to shows like *WireTap* and who find out from *Canada Reads* that Montreal's Heather O'Neill has written one of the hottest books of the season.

It is the station that shows that it pays to be literate, and by doing so it promotes literacy as no other broadcaster does. CBC sponsors contests for writers and presents prizes to writers. They were at the Blue Metropolis literary festival and the Festival Voix d'Amériques and Spoken Word Festival. I can say without exaggerating that without CBC radio, much of Quebec English-language culture would be unavailable, even to the community in which it is created.

In Quebec, the core mandate of CBC radio has been to present the best of English-language culture to the minority English-language community, and to show that community all of the smaller communities of which it is composed. From this core, the mandate extends into giving English speakers more insight into the French majority who surround us and who are among us, and, as more and more regional programming goes national, into showing the range and excitement of Quebec English culture to the rest of the country.

The fact that funding has not increased for CBC radio is an effective cut for each year that this policy remains in place. It means that each year there are fewer producers, fewer shows, more reruns, and less work being heard by Canadians for Canadians. For radio in particular, this is critical, as it is right on the verge of becoming instead of an ephemeral medium an archival medium. Each week the CBC receives calls asking "How do I find copies of *WireTap* or *Ideas*?" or "How can I hear that music special that was on *Roots Montreal* last week?"

The CBC's mandate—and the key to CBC's future—is to be in a position to present content to its listeners when they want it, how they want it, and where they want it. In the future, the key portal for CBC to fulfil this mandate will probably shift to the Internet. This means that the show a producer worked on for months won't disappear after a broadcast or two. In an ideal world, it will be available to any CBC listener who wants to hear it. In the process, an authoritative archive of our culture will be created, which people can download and listen to any time they like.

All of this costs money. I think the best thing you could do would be to fund the CBC such that it is not effectively cut each year, so that it can take on this challenge and extend its range into this new world where the excellent work it does will have continuing relevance to anyone in the world who has access to the Internet.

Thank you.

• (2005)

**The Chair:** Thank you for that.

Now we go to our last presenters, from the Documentary Organisation of Canada, Mr. Létourneau.

[Translation]

**Mr. Yanick Létourneau (Executive Committee, Quebec Chapter, Documentary Organisation of Canada):** Good evening, members of the committee. We would like to thank you for giving us the opportunity to present our views. My name is Yanick Létourneau and I am Chair of the Executive Committee of DOC Québec, the Quebec Chapter of the Documentary Organization of Canada.

[English]

Documentary Organisation of Canada.

[Translation]

The Documentary Organization of Canada is a national, bilingual, non-profit, professional organization that represents more than 650 independent documentary filmmakers across Canada. The members range from individual filmmakers to owners of companies that employ more than 50 people.

Our presentation contains six points. I would like to make it clear that our remarks apply equally to Radio-Canada and to the CBC, unless otherwise indicated.

[English]

**Mr. John Christou (Vice-Chair, Documentary Organisation of Canada):** I'm the vice-chair of DOC Quebec, and actually the chair of the lobby committee for the national board of DOC as well.

The types of documentaries we're talking about here today are point-of-view documentaries. That is the majority of the types of films our members make. These films present a strong point of view of the filmmaker or someone appearing in the film. They're not journalism. They're not always balanced films, but they're always creative. They're driven by passions. They're often entertaining, and they're usually provocative. They play in festivals around the world, on television screens, and when we're lucky they get into theatres, which is somewhere they need to be more often.

Canadian POV documentaries present a vision of Canada, not only to Canadians but to the whole world. They give voice to a unique Canadian perspective, to important urgent social issues, such as war, politics, the environment, human rights, and more. There is a tremendous hunger that is growing for these types of films. As an example, Hot Docs has just had a 33% increase in its audience this past April.

Some examples of these types of documentaries are *The Corporation*, *Roger Toupin*, *Shake Hands with the Devil*, *Manufactured Landscapes*, and the recent Quebec hit and Jutra winner, *A force de rêves*. I can go on and on. The list is long.

These films shape our national identity and they export our unique Canadian perspective to the world. They are films that can't be made by in-house production by Canadian broadcasters, whether they're public or private. These types of films can only be made by the independent production community.



• (2010)

[Translation]

**Mr. Yanick Létourneau:** These documentaries cannot continue to be made without a strong and stable national public broadcaster. A public broadcaster has neither the same mandate nor the same objectives as a private company, since it must work in the public interest. It cannot be subject to the dictates of ratings, nor must it seek to please advertisers. A strong public broadcaster takes risks and invests in projects that are first and foremost in the public interest.

Documentary filmmakers want their films to be seen, and they do get seen. The examples John mentioned earlier have all been successes in theatres, at festivals and on television, in Canada and elsewhere. By chasing ratings to attract advertisers rather than working in the public interest for Canadian viewers, the CBC/SRC distorts its mandate and its programming. The frantic race for the biggest audience cheapens programming and forces our national broadcaster towards content that caters to the lowest common denominator, as in the private sector: reality shows, singing contests, game shows and the like. Programs like that are low-risk and cheap to make.

Auteur documentaries and POV documentaries are hard to make and can be risky, both financially and politically. But when they are supported and broadcast properly, the odds of their success increase tremendously. We feel that these kinds of documentaries are the most successful in helping to fulfil the CBC/SRC mandate, which we understand to be as follows: the CBC/SRC should be distinctly Canadian, should provide a means of cultural expression, should contribute to our national consciousness and should reflect the multicultural and multiracial nature of Canada in both official languages.

Yet in the past few years, our organization, DOC, has seen an alarming decline in documentary programming on public television, particularly in English on the CBC. Documentary programming has declined from 263 hours in 2002-2003 to 122 hours in 2005-2006. One by one, documentary series have been cut from the main network, for example *The Passionate Eye*, *Life and Times* and *Witness*, while others have been reduced. CBC cut *Opening Night*, the only documentary series for the arts. And while the documentary *An Inconvenient Truth* was breaking box office records in 2006, the highly popular show *The Nature of Things* was downgraded to a limited summer series, with no official word about its return.

Its independent producers have been waiting for 18 months to hear how many new programs will be commissioned for the current season. How is this possible when the environment is at the top of everyone's agenda, and David Suzuki has been identified as the most popular man in Canada?

[English]

**Mr. John Christou:** The third point we want to make is that the CBC should not be driven by ratings. Due to consistent and endemic underfunding, the CBC is now forced to rely on advertising revenue to operate, and by extension the current management team has been forced to chase ratings in an effort to increase advertising revenue. By chasing ratings, the CBC is now forced to act like a private broadcaster, which we feel hampers its ability to fulfill its mandate

according to the Broadcasting Act, and therefore lessens the public benefit of the CBC.

The ideal solution to this problem is increased stable long-term funding. This is our preferred solution. If the CBC's funding is not increased or cannot be increased in this manner, we propose that the opposition between its reliance on ad revenue and its public benefit mandate be understood and recognized so that safeguards can be built into the CBC's mandate, which would not allow for it to be chasing ratings. We would like language in its mandate that basically downplays the importance of advertising dollars, and that says that the size of the audience should not be what drives programming decisions. If eyeballs were the driving force of the CBC, then it should basically just program Hollywood movies every night—as it does every summer—which are consistently the highest-rated shows on the CBC at this point. But we don't want to see our public tax dollars going down to Hollywood either, as our colleagues of ELAN were saying. That's not really the role of a public broadcaster.

Taking these facts into consideration, we feel that there's a danger in the coming months and years ahead that we could fall into this trap of confusing the public institution with its transitory management and the overall importance of public broadcasting. DOC is concerned that with all of the CBC's difficulties, if the institution of public broadcasting is shut down, it will never be started up again. That would be an enormous loss to the country, and to the film and television production industry. We feel that excluding ratings from the CBC mandate would help safeguard against any future management teams falling into the same trap the current management has fallen into.

• (2015)

[Translation]

**Mr. Yanick Létourneau:** Canada's independent documentary industry is a creative success story. Canada has long been known and recognized for the quality of its documentaries. They are among the world's best, most relevant and most compelling. Our documentaries are world travellers and our best ambassadors overseas. Thanks to them, the world sees a vision of Canada, and our unique point of view on international issues.

We feel that in-house production services at either public or private broadcasters cannot make films like those previously mentioned. All those films are the work of a single voice, a creator, an author with his own point of view. This voice is not subject to market forces, nor to political influence, a particular concern in an organization that is affiliated to the government.

These documentaries are developed for the most part by small and medium-sized independent production companies, thereby ensuring the diversity of points of view and approaches that marks the richness and variety of Canadian documentary filmmaking.

We recommend that the number of hours and amount of money spent at CBC and SRC on in-house documentary programming be substantially reduced, and that the figures be publicly disclosed.

[English]

**Mr. John Christou:** The last recommendation we'd like to make is that Canadians have mandatory BDU carriage of CBC and CBC Newsworld and of the sales approved of The Documentary Channel, as well as a reasonable subscriber fee for each channel. The educational networks should also be granted the same status. It should be required that the majority of the extra funds raised by this mandatory carriage be invested in Canadian programming. If this is not implemented, there is a danger that when deregulation hits the industry, the viewership and resources, particularly for CBC Newsworld, would take a major hit, leading to a significant loss of commissioning dollars and subsequently of commissioned Canadian films.

In summation, I want to say that we feel that CBC should return to its mandate: news, documentary, arts, and only the strongest Canadian drama. I also want to reiterate our support for a strong CBC, a strong public broadcaster. At its best, the CBC can define what it means to be Canadian, and it can be our country's ambassador to the world. We sincerely hope that short-term problems at our public broadcaster don't cloud its national and international importance. Canadians need the CBC, and so does the Canadian documentary production industry.

Thank you very much on behalf of DOC Quebec for the opportunity to present.

We welcome your questions.

**The Chair:** I would like to thank everyone for their presentations.

Now we'll go to Mr. Scarpaleggia for questioning.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Thank you very much, Mr. Chair.

I'm sorry I missed the first portion, which I believe was the presentation by the Alliance for Children and Television. The CBC seems to have a niche there. Its children's programming or schedule is just great. It's high-quality and kids seem to love it. Is it true that it has a niche?

For example, if you turn the TV on in the morning for your kids you go to PBS or CBC or Radio-Canada or Télé-Québec. You sort of gravitate toward these channels. Does the evidence bear out this idea that there's pretty good listenership or viewership at those times for kids' programs?

• (2020)

**Mr. Peter Moss:** No, not at all. In fact, you're in a minority if you choose CBC or PBS, particularly PBS. Treehouse TV is the most popular pre-school channel in Canada. YTV, Teletoon, and Family Channel far and away surpass the CBC in terms of ratings and viewership, in terms of quality, in terms of variety, in terms of the kinds of programming that are there.

Where the CBC is lacking is in providing exactly what you say they should be providing, which is kind of our point: that the leadership of the industry used to be in the purview of the CBC; they used to provide the creative drive, they used to provide the leadership that said this is the standard everyone must achieve or strive to achieve. The opposite has happened, and they have allowed

children's programming to slip back in priority and back in resource allocation as well.

**Mr. Francis Scarpaleggia:** What do they need to do to bring the standard back up—more in-house production?

**Mr. Peter Moss:** I don't think it's a question of more. We're not talking about more in terms of hours; we're talking about more in terms of attention. You have two broadcasters in the children's sector sitting here, in terms of Teletoon and formerly YTV and Treehouse TV. You can tell when a broadcaster—

**Ms. Madeleine Lévesque:** Formerly.

**Mr. Peter Moss:** Formerly, yes—ex-broadcasters, recovering broadcasters.

You can tell when a broadcaster puts heat behind a project or heat behind an initiative. What's required from the CBC is to take on the mantle of saying we will provide this leadership for the industry, something that hasn't happened in a long time. What that looks like is to say we'll commission new shows widely; we'll set an agenda that speaks specifically for the kind of programming we want to see—and we can talk about that at another time, or now if you like—and that makes sure the schedule is refreshed regularly and that the schedule is open and accessible to all forms of the population we have, from one side of the country to the other, and that we use the opportunity as the CBC. We have the opportunity to talk to the children of Canada with one voice at one time, and at the moment we're not saying anything. We're not choosing to say anything.

**Mr. Francis Scarpaleggia:** It would seem to me it would be a good strategy on the CBC's part to invest the effort or money, if necessary, in this type of programming, because I would think if a kid gets used to watching CBC as a four- or five- or six-year-old, they tend to feel a connection to the broadcaster later on in life.

My other point is I have a sense that everyone here today shares your vision of the CBC. I think all of us do. What I'm struggling with is the need for.... I don't want to call it a compromise, because that's pejorative, but in reality, how do we...? You've come to us with kind of a purist's point of view, and it sounds like you're saying CBC has to be all about great ideas and the ideas that you produce, which I'm sure are very good ideas. You're saying we need more money to produce our ideas for the CBC and for Canada, and that's great, because we need quality programming. But at some point, especially when you have these perpetual minority governments, unless stable and increased funding for the CBC is entrenched in the Constitution, parliamentarians have to decide what the appropriation is going to be. If Canadians are not watching any more, for whatever reason, then they have trouble justifying those decisions.

At one point I was very much in favour of getting rid of commercials on CBC television, and then I started to think that the people from the advertising council made a good point: that a little bit of advertising is kind of like a barometer to see how relevant the programming is to the public. I mean, if people aren't watching, you're not going to get any advertising.

So how do we maintain this kind of accountability without sacrificing the main ethic of the CBC, which is high-quality programming, diversity of voices, alternative points of view? And what's wrong with *Hockey Night in Canada*? I know it's not highbrow, but it brings eyeballs to the CBC and it's a connection we all have on a sort of visceral level.

• (2025)

**Mr. Peter Moss:** May I make a comment? I almost couldn't contain myself.

**Mr. Francis Scarpaleggia:** I have a feeling I'm going to get it right between the eyes.

**Mr. Peter Moss:** No, no, I quite agree. I think that it's really important not to mistake commercial imperative for ratings. They're not the same thing. The CBC definitely should be concerned about ratings. People should watch. It's a broadcaster. We should have *Hockey Night in Canada* on Saturday, and we should have great children's programming, and we should have great programming that's arts oriented and documentary oriented. There are a lot of communities in Canada that make use of the CBC at different times. Not everybody watches television all the time every night on one channel. But when you have an appetite for sports, you know where to go. When you have an appetite for the arts, you know where to go. When you have an appetite for documentaries, you know where to go. There's a real difference between that and saying commercial considerations dominate.

**Mr. Francis Scarpaleggia:** Absolutely.

**Mr. Peter Moss:** So the adverting council is not telling you the truth. It's not a question of whether they are prepared to spend money on the CBC to get a Coke commercial or a car commercial in front of some eyeballs. It's the CBC who needs to say it reaches many different communities and collectively it has large ratings. Think back to the nineties. In 1995 CBC announced its first 100% all-Canadian prime-time schedule, and the ratings went up, not down. The ratings went up when it was 100% Canadian prime-time schedule. Subsequently it's been eroded. It's not because of money; it's just been eroded.

**The Chair:** Does anyone else want to speak on that point?

Mr. Cox.

**Mr. Kirwan Cox:** The question you're raising is obviously a fundamental question, which is how can Parliament justify spending a lot of money on the CBC if the CBC is only getting 7% of the audience, or whatever it might be. That is sort of like asking how we can justify a national Trans-Canada Highway if everyone in the country doesn't cross it. Knowing it's there is important, and some people do cross it. It's also a question of CBC radio, which doesn't get huge ratings but is incredibly important to public service. How many people use the Canadian military? I don't know, but you people spend \$16 billion a year on it. So do we have it on the basis of it being something that everybody has to go and look at? No. It's because it's considered necessary to the country.

**Mr. Francis Scarpaleggia:** I agree with the logic of your thinking on this, but the reality is a lot of voters aren't necessarily watching the CBC. At some point, when it comes to budget considerations, we have to have the ammunition to say that people are turning to the CBC and that it is relevant and that it's not just an incubator for

experimental ideas that has no sort of accountability to the viewer base. That's sort of the conundrum, really.

**Mr. Kirwan Cox:** The CBC is competitive, and from a viewing standpoint in the current environment of fragmentation, all of the U.S. channels together get a 12% share. Global gets an 8.6% share. The CBC gets a 7% share. CTV gets a 14.6% share. That's for 2006-2007. So it isn't like no one's watching it. Believe me, everybody wants as big an audience as possible; whether they're a filmmaker or an executive or whoever they are, of course they do. That's quite natural. It's just that we're talking about a public service like public education, like the national highway. We're talking about something that shouldn't be judged strictly on the basis of ratings.

**The Chair:** Ms. Lévesque, you can make a very short comment.

**Ms. Madeleine Lévesque:** I have just a small point in terms of again not confusing ratings and other issues. I'd like to take the example of Télé-Québec, who, a number of years ago, saw their ratings slip. By focusing on kids' programming, they were successful in regaining that number one position. So it is possible if you focus on it and you have clear goals. It's possible.

**The Chair:** Thank you.

Mr. Kotto.

[Translation]

**Mr. Maka Kotto (Saint-Lambert, BQ):** Thank you, Mr. Chair.

Welcome, and thank you for being here.

First of all, let me start with a semantic comment. I heard the words "multiculturalism" and "multiracial". Looked at another way, multiculturalism is a political concept and I do not think that it is the role of a public broadcaster to become involved or to be mandated to do that kind of promotional work. As regards the term "multiracial", humanity is made up of one race, human and undivided. It cannot be fragmented on the basis of pigmentation or of tendencies attributed to skin colour. It has to be accepted as such. I just wanted to make that point.

I have one small question before asking three questions that will help me get a better sense of the thinking in your presentations. Do you recall the decreased budgets for public broadcasters at the beginning of the 1990s? If so, do you know how much those cuts were at that time?

• (2030)

[English]

**Mr. Kirwan Cox:** There was a cutback in 1993 from Paul Martin's budget, not just for public broadcasting but for a whole range of things. I don't know what the exact number is, but 1993 is certainly the point at which things fell off dramatically.

**Mr. Peter Moss:** That was \$500 million out of the CBC English side in the early nineties. It went from \$1.5 billion to under \$1 billion.

[Translation]

**Mr. Maka Kotto:** That is a realistic figure. In any case, the cuts were enormous. They really were significant: the budget was reduced by almost half a billion dollars. At that time, the envelope set aside by Parliament for the SRC was about \$1.1 billion.

Do you feel that the CBC/SRC fulfilled its mandate better before those massive cuts?

[English]

**Mr. Peter Moss:** There's no question in my mind that the resources were a direct relationship to the CBC's ability to fulfil its mandate. Undoubtedly the breadth of programming and concern was curtailed when the budget was cut. Some of that money was transferred to the Canadian Television Fund, so it went from CBC to the independent community. So the money was still in the system, but because it was not CBC's money specifically, decisions were bent by that.

**The Chair:** We'll go to Mr. Cox. Try to be brief, please.

**Mr. Kirwan Cox:** I'll try to be brief.

The issue is that the funding of the CBC is a political football, and has been for a long time, and that since the establishment of the Canadian Television Fund there's been an attempt to move public funding that would have gone into the CBC away from the CBC and put it into an independent fund. And now Shaw and Vidéotron and people are arguing about that. So the CBC requires its own budget to meet its mandate, on top of which there is question about funding independent production that is accessible to all the broadcasters. If the CBC had long-term funding the way they do in Britain, so that it becomes less of an annual political football and is set out that over a ten-year period you're getting  $x$  amount, increased by inflation or whatever, leave it at that.

[Translation]

**Mr. Maka Kotto:** You mentioned the BBC funding in the United Kingdom. Essentially that is from licence fees. We do not have a system like that here. If the government, or Parliament, did not guarantee funding through tax revenue, do you believe that Canadians would accept licence fees?

[English]

**Mr. Kirwan Cox:** I don't understand what you mean by "royalties as an acceptable...".

[Translation]

**Mr. Maka Kotto:** We do not pay license fees here. They pay a tax on television sets when they buy one. They are then in the system and they are treated like that until...

● (2035)

[English]

**Mr. Kirwan Cox:** There was a fee on radio sets in the thirties in Canada, which would probably surprise most people in this room. The reason they got rid of it really quickly was because people were saying the Americans don't have it, so why do we need it. At least there's the Atlantic Ocean between the United States and Britain, which is why they're able to get it. So, no, I don't think we can have a fee per television set, like in Britain. I'm simply saying that the public money for the BBC is over a period of time, it's guaranteed,

and in Canada it's every year. It's like let's find out if we're going to give the CBC a dollar or a billion dollars.

I was in a room with Bev Oda before she was elected, and she said "We have to give the CBC stable, multi-year funding, and that's the Conservative position." I just thought I'd point that out.

**The Chair:** I want to go to Mr. Christou.

**Mr. John Christou:** I also just wanted to point out that it should be recognized that since 1993 there's been an explosion in the television landscape. There are so many more digital channels now than there were back then.

Regardless of money—and this relates to ratings again a little bit—if the CBC acts like every new broadcaster that has sprung up since then, then what's the benefit of it if it's the same as every other broadcaster out there? What's the reason for public dollars going into it? So it has to be recognized that for the CBC to be relevant today, it needs to make itself more different, not more the same, as the rest of the channels already out there.

**The Chair:** Thank you.

Mr. Kotto.

[Translation]

**Mr. Maka Kotto:** From my point of view, everything you said about children is the crux of the problem. A child gets bigger, grows up, and develops a psychological personality. When he is fed with pictures and images in general, and when they are marked by an identity other than that of his natural surroundings, he can become alienated over time. So the United States and not Canada has another potential customer. My heart bleeds for you because you share your language with the Americans.

By contrast, Quebec has stood firm for two centuries because we have our own language. I know the problem well. I come from Africa and I have inherited several histories of colonization and cultural alienation. I know what I am talking about. You are in danger, and someone should say so.

When you say that CBC must be supported, I agree with you. The problem is simple. The problem is money. Mr. Cox rightly compared putting money into a public broadcaster like the CBC to putting money into hospitals, highways, schools and health care. It is not a profit-oriented endeavour. It is part of collective education. We can talk of public broadcasting and education in the same breath. They are fundamental. It is essential for anglophones in Canada and in Quebec to support that pillar that ensures their cultural sovereignty. In Quebec, we do what is necessary with what we have.

I would like to know if you prefer—we were talking about money—one way or another. I ask the question in advance because I do not know what will happen. Everyone agrees that CBC/SRC is underfunded. If there are other methods of funding, what are they in your opinion?

[English]

**The Chair:** Could we have a very short answer, please? You forget to look at me sometimes.

[Translation]

**Mr. Maka Kotto:** My apologies, Mr. Chair.

[English]

**The Chair:** Would someone like to answer?

Mr. Christou.

**Mr. John Christou:** Part of what we're proposing—mandatory carriage and subscriber fees for Newsworld and The Documentary Channel, if the purchase of the channel by the CBC goes through—would go a long way to helping solve that problem.

**The Chair:** Okay.

Mr. Cox, could we have a very short answer, please?

**Mr. Kirwan Cox:** The CRTC just passed an order saying that the off-air broadcasters would not be allowed to get a fee out of cable. I think that's fine. But maybe for the public broadcasters, it might be worth considering a fee, like a national education fee or something, from cable. So when you hook up to cable because you're desperate to get American channels, you end up paying a dollar or something for the CBC too.

• (2040)

**The Chair:** Okay. Thank you for that.

I'm going to move now to Mr. Angus.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you.

Every presentation has been fascinating. Since I have very limited time, I'm going to try to really focus my questions. I'd like to keep them short so we can move through them.

Mr. Christou, I want to begin with you, because this issue of upcoming deregulation in 2009 and what possible impact it's going to have on CBC hasn't been, as far as I'm aware, brought to this committee before. Can you just clarify this, so the committee understands clearly what's at stake here?

**Mr. John Christou:** Yes. Basically what's at stake is that the channel that might suffer the most is CBC Newsworld. Right now, I think CBC Newsworld has 10 million cable subscribers. In 2009, if it's not mandatory that CBC Newsworld be carried, that number will drop by half or more, which will obviously cut enormously into the resources the channel will have to continue to operate. So it's a huge issue and an important one. It needs to have mandatory carriage or else we'll be in worse shape than we are now.

**Mr. Charlie Angus:** Okay, thank you.

Mr. Cox, I read your study, *Through the Looking Glass*, on the continual decrease that appears in the private broadcast licence fees and its effect on Canadian production. If I understand your findings correctly, the drop from the private broadcasters.... Was it 24% in the period, or 41% over—

**Mr. Kirwan Cox:** You're talking about the production money in constant dollars?

**Mr. Charlie Angus:** Yes.

**Mr. Kirwan Cox:** Yes, it was 41% in English over about a 17-year period, and it was 33% in French, I think.

**Mr. Charlie Angus:** So this drop in licence fees, broadcast fees—

**Mr. Kirwan Cox:** That's the drop in production budgets. In licence fees, I didn't look at it over an historical period, I don't think, but it was extremely low.

**Mr. Charlie Angus:** Okay. Then you're suggesting that this rather dramatic drop in production budgets for Canadian programming is in a way perhaps a backdoor subsidy so that they can buy American programming by pushing down the cost of their own Canadian programming?

**Mr. Kirwan Cox:** Yes. But what I think is happening is the commercial broadcasters are of course using every means they can to reduce their program expenses for Canadian programming. They do that partly by reducing the licence fees. They do it partly because they have access to certain kinds of public sector benefits, public subsidy benefits like the CTF. So they take advantage of those.

The problem is that with that money they get by pushing down the domestic licence fees, they take that money and spend it like drunken sailors in Los Angeles, hundred and hundreds of millions of dollars. Our concern is that they shouldn't be spending so much down there. In Los Angeles it's an auction. It's not like it is a car with a set price. It's like it is a car with a price that will go up as high as two or three people will push it. Consequently, Canada, as a whole, spends more money on American programming than any other country in the world. The English Canadian broadcasters spend more. I'm thinking of the off-air broadcasters especially. It's an area that no one is paying attention to—like the CRTC—in my mind. Something that has to be looked at very carefully is how can we repatriate those production dollars.

**Mr. Charlie Angus:** One of the issues that has been raised here at our committee is whether or not CBC is somehow unfairly stepping on the turf of private broadcasters, and whether they should have any role in being able to access advertising dollars, whether they should be in the local markets that private broadcasters are in. I've asked my friends in private broadcast to explain what's in it for the public benefit, for us, and I'm still trying to get a clear answer.

It seems to me we have simultaneous substitution, which puts all of our shows basically into the minor leagues. We have section 19.1 of the Income Tax Act, which gives private broadcasters a protected market and revenues of around \$300 million, and specialty channels much higher. We now have unlimited commercials. We have the ability of private broadcasters to access taxpayers' dollars to produce their shows through the CTF. We have promise of further deregulation. Yet I'm not seeing anywhere in this scenario a balance where the private broadcasters are stepping up to the plate to ensure that we have competitive, interesting Canadian programming that will offset what's not there on CBC.

I throw it out to anybody. If we're going to look at a multi-channel universe, there has to be a balance between public and private broadcast. Does a balance exist right now?

• (2045)

**Mr. Kirwan Cox:** You got the part II licence fees, which the private guys just repatriated, which is about \$60 million or \$70 million more that they now have to spend in Los Angeles.

If they were doing something with all of this money that they were collecting from all the sources you just pointed out, and doing something in the public interest, as they're supposed to.... Radio frequencies are public property; they're not private property. And because they're public property, the private broadcasters are supposed to do something in the public benefit and the CRTC is supposed to regulate it. I don't think the CRTC is doing its job. I think it has been captured, frankly, by the broadcasting lobby.

The private broadcasters are demonstrating an incredible amount of greed in the way they're spending their money, and they're not doing it where they need to do it. Last year \$688 million was spent in Los Angeles. Somebody has to say, "Wait a second, radio frequencies are public property. You guys aren't doing your job. We think there have to be certain standards set." If the CRTC is supposed to set them and doesn't set them, then somebody has to take the CRTC to task, frankly, for not doing its job.

I also think that the broadcasters are a bit disingenuous, in that they make their money because it's a regulated environment. They are protected from competition. Frankly, if they were in a real open environment of free market competitiveness, NBC would come up here and set up a channel in Toronto and get CFTO by the throat. CFTO would scream and say, "Wait a second, we're in a different country. That's unfair. NBC can't come up here and do that to us." But at the same time, they say, "Wait a second. The CBC is unfair. They're competing with us."

Basically, they try to get it every which way they can. That's understandable. They're businessmen. That's the way they want to make their money. Great, but I don't think the rest of us have to be so gullible. I don't think you parliamentarians should be so gullible as to believe that they need 25,000 different ways of making money and they don't need any responsibilities in exchange.

**The Chair:** Thank you.

Mr. Moss.

**Mr. Peter Moss:** I don't at all want to be put in a position of trying to defend private broadcasters, because my heart is with the public broadcaster, but I don't think that's an accurate portrayal of how the system basically works in Los Angeles.

One of the key problems is the 1999 decision of the CRTC, which took away the mandatory spends of private broadcasters. Going even further back, when Keith Spicer was at the CRTC, when the cable industry had the huge upswing in the eighties and early nineties, there was an opportunity to say if you broadcast in this country, you have to pay your share of the Canadian content cost. All cable channels have to pay anywhere from 30% to 47% of their previous year's revenue on Canadian content. Private broadcasters, until 1999, also had to do that. There was a time when you could have said that if you're NBC and you broadcast on a cable carrier in Canada, you too must spend a percentage of your revenue and put that money into the system. That opportunity was lost, and from that time on the system has been underfunded.

I don't think it's a question of Los Angeles. I've been to those auctions. I can't believe that we spend that much money, because I see what the British spend, and I see what the Latin Americans spend, and I have lost rights to.... It's not so much a question of the Los Angeles aspect of it as it is of the choice of how the money gets spent inside Canada. I don't think it's a question of pulling back and saying there should be less advertising.

One suggestion is to follow the Australians to a certain extent and to set up dedicated funds, so that things like the CTF are not there to cover drama and to cover documentaries and to cover entertainment and arts programming. The Australian Children's Television Foundation has money from a parliamentary allocation to provide children's programming to the system. We could have similar things here in Canada for children's programming, for documentary programming, and for arts programming. So it isn't broadcaster-controlled, it's government-controlled, producer-activated, and fed into the system to feed all the channels that can demonstrate it and broadcast it to their public.

• (2050)

**The Chair:** We can have one really short one.

**Ms. Madeleine Lévesque:** Like last time.

What I find tragic also is that it is a missed opportunity. The private broadcasters that came in the past decade or so.... I can only speak to Teletoon. The licence fees I paid over ten years more than doubled, so I can only speak to that. Those other people who are putting money behind the shows and who are getting the ratings are proving again that it can be done, but you have to have a will to do it, and you have to pay for it.

**Mr. Charlie Angus:** Thank you.

**The Chair:** Thank you.

Mr. Scott.

**Hon. Andy Scott (Fredericton, Lib.):** My line of questioning has changed, probably with every answer, so this is going to be very hard to pull together. But I do think you start at the core.

Whatever inspired Canada to invent a public broadcaster and then to deal with television, and reinvent the public broadcaster, whatever the conditions were that made that imperative then, is there any less an imperative now? I'd have to think not—perhaps more, as the world shrinks and all of those things.

So it's underfunded, and we're having a bit of an artificial debate around what it is that CBC is; that is, why would we publicly fund it if it's providing stuff that isn't distinct enough to warrant it? But we're also saying at the same time that the reason they're doing that is because they're chasing a commercial model and they're being underfunded and they're having to get ad revenues. I think we're saying the two things.

If we all agree that it's underfunded, there may be different models of getting revenues to a public broadcaster that are in addition to or complementary to a parliamentary appropriation. If we agree on a more stable, predictable, long-term, and more generous parliamentary appropriation, will we have to clarify the mandate? Because most people who say that have in their mind what that money would go for, and they'll be surprised in two years when they find out that it didn't, and then we're stuck to some extent. So we may have to bring some clarity.

I know on the regional side you don't have the same sense of the purpose of the CBC in St. John's this morning as you have in Montreal today. Coming from Fredericton, it is a different thing. We feel the need not only to be sovereign as a country, but we feel very vulnerable in the context of our own identity within the country.

But I think it can all come together. We all agree on the need. We agree that it's under-resourced. We even have a sense of what its purpose should be, and it's more important now than it has ever been, probably. That seems to be a pretty good place to start.

The opportunity that is presented by the description of our job—and that is the role of the public broadcaster in the 21st century—strikes me as an opportunity to perhaps think about it without getting caught up in....

Oh, and by the way, it was the 1995 budget. It seems strikingly ironic that I would be the one to have to point it out, but it was the 1995 budget that was so brutal. The 1993 budget wasn't ours. But what can I say....

**Mr. Kirwan Cox:** It was a Paul Martin budget, we're all agreed.

**Hon. Andy Scott:** Yes, we're agreed on that point. And I don't know why it would be up to me to tell you.

In any case, if we see the opportunity to reinvigorate the public broadcaster because of new technologies, new media, new opportunities to get the stories out there in different ways, perhaps this becomes one of those historic moments when you do that. If we get caught up in the narrow debate around whether we should do this because it isn't distinctive enough and all of those kinds of things, I think it will be a distraction, frankly.

Now, the other part of this—and I'm all over the place today, as I warned you—has to do with the place of the CBC being one of a series of partners with a general objective. I think in the past the public broadcaster was seen as it, as against one of many, the leader among many institutions that perform this function. I think that may be a part of the mandate we have to rethink.

If people have come from Telefilm Canada, the National Film Board, and other places, even other channels on the range of channels that are available now, with an interest that might be complementary, if we could organize ourselves, if CBC assumes a leadership role on that front, I think we may have an opportunity. But it would have to be in the mandate of the CBC to say that, because right now institutionally they're not structured that way. Most of the other people have complained about that fact, that the CBC's view has been if it's going to be done, we have to do it—and I don't mean just in terms of in-house production, but just generally to be the entity in the country that protects our sovereignty and so on.

There hasn't been a consensus here on whether the mandate needs to be changed. Some have said it does and some have said it doesn't. Very specifically on that question, is it adequate as it stands if it's resourced?

• (2055)

**Mr. Peter Moss:** My experience in television is that the devil is in the details, and that it's never the overarching vision and description of the mandate, it's the execution of the mandate. I think the Broadcasting Act we currently have is incredibly comprehensive and sufficiently flexible to allow the vision that you've just expressed to occur if it were undertaken and it were decided to do that. Tinkering with the Broadcasting Act wouldn't necessarily make the CBC better; not tinkering with the Broadcasting Act wouldn't necessarily hurt the CBC either.

**Mr. Ian Ferrier:** At the same time, though, from my experience in dealing with people in the CBC, I think that because their budget is diminishing due to having no cost of living increases, the CBC are scrambling, and if you want them to take a leadership position, you have to at least give them a platform upon which to stand. They are more concerned about how to fill the number of hours they have: what are they going to fill them with, what are they going to do with this budget cut this year, which person is leaving, which person is there? So they are never in a position where they can comfortably address what it is they should be doing as a public broadcaster.

**Mr. Kirwan Cox:** First of all, I want to agree with Peter Moss about the devil being in the details and that the CBC mandate right now is immensely broad. Clearly, it doesn't have the resources to fulfill that.

The thing is that I think you have to be careful about the idea of saying the CBC can make more money with commercial deals. You have listened to a lot of people come here and say, "Boy, can I make the CBC tons of money! I have a commercial deal for them." Well, all of these commercial deals have a price.

If you just look at advertising as the fundamental commercial deal, it has caused the CBC untold problems for a very long time—TV, of course. If you look at CBC radio as the alter ego of the CBC, you can say okay, there is a public service in a different medium that has zero advertising on it, and what is it doing? Is it able to reach people? If it doesn't have a huge audience, is that good or bad? Look at CBC radio and ask yourselves the questions you're now asking: is the public service able to fulfill these functions? And I think CBC radio proves it is. The problem with television is that you've built a system that requires \$400 million in advertising revenue, and to wean it off that will be very difficult. That is quite a challenge, obviously.

It is important to give that the effort. At the very minimum, I think you people need to accept the fact that advertising is definitely warping the programming strategy of the CBC, and that this is not a good thing.

**Hon. Andy Scott:** Is that an absolute, or is it simply that the reliance is too much?

**Mr. Kirwan Cox:** It's an absolute. To the degree that advertising on CBC could be reduced, you would get more and more of a public broadcaster.

There was a study done by a company called McKinsey about 20 years ago, and it looked at all the public broadcasters around the world. It looked at their advertising and their programming and found out that the public broadcasters that relied most on commercial revenue, whether that was advertising or some combination of things, were actually programming commercial programming the most and were not fulfilling their job as public broadcasters.

If you look here at TV Ontario, which has a very small budget, it is a public broadcaster. Look at children's programming. Look at TV Ontario and ask yourselves what they could do with another \$60 million.

CBC has huge problems, because the advertising is warping much more than its actual value. It is the tail wagging the dog there.

• (2100)

**The Chair:** Thank you.

We have to move on to Mr. Kotto again, please.

[*Translation*]

**Mr. Maka Kotto:** I want to look more closely at advertising as we discuss funding.

In your view, what would be an acceptable level of time devoted to advertising for a public broadcaster, in this case, the CBC and SRC? We are aware of the CRTC's suggestion of an additional minute of advertising time. The proposal would allow up to 15 minutes of advertising between 7 p.m. and 11 p.m. starting in 2008. In the meantime, we would be well-advised to look at the idea and analyze its impact.

[*English*]

**Mr. Kirwan Cox:** Maybe there should be a formula that says that for every minute of advertising that the CBC does not broadcast, Parliament will give them  $x$  number of dollars instead, or they'll have access to cable revenue or something of the sort.

Rather than saying that it should be zero—which I have to say might be unrealistic in the current environment—just simply put it on a sliding scale, but build in an incentive for them to reduce it and then see where it goes in terms of how far down it would go.

I do believe that the CBC, and any broadcaster, needs a certain amount of flexibility, because they're dealing with all kinds of contradictory forces. And you at this table can't really micromanage them, but you can create incentives to go in this direction or that direction.

But there is going to be a cost. Whatever the incentive is, there will be a cost.

**The Chair:** Thank you.

Mr. Moss.

**Mr. Peter Moss:** Many people have sat around many tables, answering that very question.

The best we can come up with is to limit it to sports, and pull advertising out of news, pull advertising out of drama, and pull advertising out of arts and entertainment programming. And of course there is none in children's programming anyway.

Limit it to the big sports events—the Olympics that they get, and the hockey and the football they do—and use that as the basis of commercial funding that they need.

I don't know if this is true, as I'm a little out of touch in terms of years, but from memory, well over three-quarters of the revenue that seems to be generated came from sports anyway.

[*Translation*]

**Mr. Maka Kotto:** That leads me to ask another question.

The fallback would be an allocation from Parliament, the government. If we go that way, are we not reinforcing the public broadcaster's dependence on politics? That could have a direct or indirect influence on program content, either through appointments to the board of directors and to the presidency or in other ways. I am playing the devil's advocate.

[*English*]

**Mr. Kirwan Cox:** Are you saying that without advertising there would be a possibility of political interference with news programming or something? Is that what you're saying?

[*Translation*]

**Mr. Maka Kotto:** As regards that fallback that you were talking about, the government's financial contribution would make up the gap caused, for example, by removing a minute of advertising. Is that not a way to strengthen the dependence of the public broadcaster on politics and its whims? Could the politicians then not want to come back and determine content and programming?

• (2105)

[*English*]

**Mr. Kirwan Cox:** That's the difference between a state broadcaster and a public broadcaster with an arm's-length relationship.

France used to have a state broadcaster, where the government and the broadcaster were working hand-in-hand. And Russia has it now. That's not what we're talking about in Canada. We're talking about a situation where presumably there is an arm's-length relationship, where there is a separate board, etc., etc.

Certainly there have been historic moments in Canada—and John Diefenbaker was involved in one—when the Prime Minister phoned up people in the CBC and said “I'm very upset with such-and-such a program”, and the CBC presidents worth their salt said “Go to hell”. That's probably why the CBC has been underfunded.

But we're talking about a public broadcaster with an arm's-length relationship and checks and balances to make sure.... You know, you do the news this way and you get money and you do the news some other way and you don't get money. But we have a tradition, I think, of public broadcasting, and hopefully every president of the CBC would have that attitude, at least the ones who talk about it. There are some who talk about it and some who don't, but that's another story. Some time when we're at a bar, I'll talk to you about it.



[Translation]

**Mr. Maka Kotto:** But to guarantee that independence, represented by the person at the top, would it not be appropriate that it be Parliament and not the prime minister's office that appoints people to head the CBC?

[English]

**Mr. Kirwan Cox:** There obviously should be a board of directors, as there is, and the board of directors should appoint the president. I don't think the Prime Minister should do that. It would be one way of lengthening the arm.

If Parliament as a whole were to take responsibility, that would be nice. And if there were a period of time, such as five or seven years, of guaranteed funding so that it took CBC funding out of the cycle of electioneering, that would be a tremendous way of lengthening the arm. People wouldn't say, "You'd better do what I want, or next year you're not going to...."

Every time I look at *This Hour has 22 Minutes* and they say something nasty about someone—you know, a prime minister—I say, "Shit, the CBC is not getting an increase next year." Or that's my feeling, anyway.

**The Chair:** Make it very short, please.

[Translation]

**Mr. Maka Kotto:** Earlier I was talking about multiculturalism. You know my position on the subject now. I will not talk about cultural diversity or intercultural relations anymore. From your point of view, how do you see it represented in a public network? When I talk about diversity, I talk about human diversity in its entirety, and the diversity of gender. Society is made up of almost 52% women, but we do not see their achievements as much as those of men. We do not see their perceptions, their viewpoint. How do you see a public broadcaster accommodating that?

**Ms. Jennifer Dorner:** I am going to answer in English.

• (2110)

**Mr. Maka Kotto:** Fine.

[English]

**Ms. Jennifer Dorner:** For our members, we're noticing an increase in the number of media arts festivals and works being produced by culturally diverse groups. We would love to see a lot more of those works recorded and shown on CBC.

In preparing this brief, I looked at new media as a possible interesting area to look into. I realize that a lot of people are still watching television and listening to the radio, but looking at the various ways for short films and so on to be put online, for example, is something we would love to see happen. Definitely we see a strong role for the CBC in putting those works out among the public, especially for indigenous communities.

One of our regions is the National Indigenous Media Arts Coalition, and in that whole area there was a lot of discussion about how successfully the CBC is managing in that whole area. So another investigation might be necessary to look at that question, but absolutely, I think public funding is needed for that to happen.

**The Chair:** Mr. Létourneau.

[Translation]

**Mr. Yanick Létourneau:** We see diversity every day in the street, and in life. I do not feel, for the most part, that diversity is shown on television, in commercial media and on public television. Most of the time, we just have stereotypes. We have clichés; for example, we put a black man in a program like *Watatatow* so that we can say we are reflecting Canadian diversity. It is quite hypocritical. The basic problem is that most people in positions of power, whether in a public institution like the CBC or in private broadcasters, are people from a certain generation who are a little removed from what is going on in the street. There is a communication problem between people in their ivory towers and the grass roots, the people in the street.

There really is a difference and I see it. I am not very young anymore, I am 38, but I generally relate well to young people. I listen to hip-hop, I travel a lot, I make documentaries and I am interested in problems of identity and of youth.

This is a fundamental question for me. There really is a problem. Staff changes already need to be made. I am not just talking about skin colour, but also age. There are many people in decision-making positions in their 50s. There should be a little diversity there. Why do they have diversity in the United States? There are people 25 or 26 years old who are in positions of power, whereas here that is very rare. You have to be 45 or 50 years old to be a decision-maker and the choices that you make are perhaps not the same. There is a lot of work to be done in that regard in public networks.

[English]

**The Chair:** Okay, thank you.

Mr. Angus, do you have another question?

**Mr. Charlie Angus:** Yes, thank you.

Ms. Dorner, I'm interested in the role CBC plays with exposing new artists to an audience and also the role private broadcast does.

I come from the music industry, and I remember when John Roberts was not a famous American newscaster but he was J.D. Roberts, and City TV broke more new bands than any television network ever would; they went where nobody else was going at the time. It was the only reason I ever got on television.

But CBC had a role to play, in that if you were up and coming without a major hit machine behind you, CBC was the only way you could become a national act overnight. In particular, radio plays a role. I don't know, television never seemed to play the same role, but radio has always seemed to me an incubator for arts and the artists. Is that your experience on the ground?

**Ms. Jennifer Dorner:** I absolutely agree with that, especially for young contemporary artists.

Right now we don't get enough coverage, that's clear. Our fear is really if the CBC does go towards commercial advertising as a way to support itself, we're really scared that we won't get any coverage at that point. It's already hard enough for us to get a few minutes, even reporting on an exhibition that's happening. If we do, it's often when there's a controversy or something like that, which is unfortunate. That's why we see that role as being very important for our artists, for video as well as new media and audio as well.

**Mr. Yanick Létourneau:** I love music and I'm very concerned about music. I would like to answer, but I don't see the relationship with documentary.

Again, there are so many quality artists coming out, just from Montreal, from Quebec, and we don't hear enough of it on CBC radio. There could be more space for new artists, new visions that will break out eventually, like Arcade Fire—they've been around for a while.

**Mr. Charlie Angus:** I'm sorry, I'm going to go on to my final question, because I'll get cut off.

I'm just going to throw a real softball. The argument could clearly be made that the Canadian government spends lots of money creating content, maybe another \$400 million or \$500 million, at least. If we look at Telefilm, the CTF, Independent Film and Video Fund, the Feature Film Fund, the tax credit, it would be much higher. Yet we have a national broadcaster that in the summer is showing *Lethal Weapon 3* or something, and there's a question of how many people are seeing all the great content that we're producing.

Is the model that we have a model that worked great in the 1970s, and in a multi-channel universe do we have to rethink all these separate funding silos so we're ensuring that the content that is being created and funded through our tax dollars is actually being seen in a way that all Canadians can enjoy?

I'd throw that out to whoever.

• (2115)

**Mr. Peter Moss:** We can all jump in. I'll jump.

**The Chair:** Mr. Moss, you can go first, please.

**Mr. Peter Moss:** I think it's a question of the specifics and the details. I think we should separate the notion of transmission from content creation. We do have a good system for content creation. We don't necessarily have a great system for dissemination of that content creation.

It's not a question for me of new media, because that just becomes smaller and smaller and smaller niche dissemination. It's a question of how to make it a broad public discourse and engage a broad public in the discourse, both of the arts and of the culture in general.

It's interesting to me that in Quebec one does seem to understand that a public discourse is necessary. In English Canada, a public discourse isn't. There are programs across the broadcast spectrum in Quebec that do engage in the arts, in politics, in literature, in dance every Sunday night for an hour. This is nothing but public discourse, and nothing does that on the other side.

So it isn't a question of content creation or even dollars. I mean, we've looked at the underfunding of the CBC; we've spoken about that a lot. If you were to start from zero, or look at a smaller country

and say you have this much money to make television, and you're complaining...? If you were starting from a zero-based budget, you might find that there were lots of resources. Don't ever say that—of course give them more money. But that isn't the issue to me. To me, the issue is public discourse.

**The Chair:** Mr. Cox.

**Mr. Kirwan Cox:** Content is the key; all the rest is housekeeping. Robert Fowler said that in 1957, and I think it is still true.

I have a vision. I don't have a dream, but I do have a vision, which is that somewhere in Treasury Board the CBC and the Canadian Forces are going to get their budgets mixed up and the CBC will have a budget of \$16 billion and the Canadian Forces will get a budget of \$1 billion. The Canadian Forces, with that money, can only do one thing: withdraw their forces from all around the world and trade in their tanks and what have you for some airplanes, and they will guard the east, west, and north coasts. If Greenland invades Canada, they speed-dial the Pentagon and tell the guys at the Pentagon, "We're being invaded. Do something." And of course the Americans will do something.

But the 49th parallel is where we need to spend \$16 billion in National Defence dollars, and then with that \$16 billion we would find out that, gee whiz, we have so much money that we have to make so much programming, and we'll have to do really good-quality programming; and furthermore, we don't have enough people to do it right away, so we're going to have to get all the Canadian people in Los Angeles to come back. The next thing you know, the Americans down there are going to say, "Wait a second, how come those guys are making more money than I am? I want to move to Canada now." We're going to have a reverse brain drain, and the next thing you know, Canada is going to be the centre of the world.

That could in fact happen in television programming just with a shift like that, which is within the actual total budget of the Canadian government—just by getting the address reversed of those two segments.

Anyway, it's a vision, and maybe you guys can suggest that.

**The Chair:** Thank you.

Mr. Scott.

**Hon. Andy Scott:** I am probably almost as afraid of American soldiers as I am of American television programs in terms of the vision you've just articulated, but I take your point.

I think perhaps the new media piece is about triggering the debate, in that it is complementary. The opportunity is to engage the country in the debate, and I think that might trigger it. I don't think it's the solution; I think it simply might cause it to be discussed.

Everybody here is committed to the CBC or sees public broadcasting as being necessary, for all the reasons we've discussed. They have made some bone-headed decisions—everybody will nod, because they can think of at least one bone-headed decision—and it has never caused you to think you were going to abandon or take off and leave the CBC. I've been on the wrong end of that chicken cannon enough. We're equally able to be engaged as Canadians and take it on the chin from time to time and not waver in our commitment to public broadcasting.

For me personally, the idea that if Rick Mercer gives me a hard time, and he has, it would cause me to actually go into a meeting of cabinet and say I want to chop the CBC—not a chance. Nobody I know would think like that. So if that's reassuring to you, let me

reassure you. This is something much bigger than our personal egos or even our political success. It is a big thing in terms of the identity of the country, and I think that is why we're all so committed. Really, all we're doing now is struggling with how to do it, not really what to do, in the end.

I just want to make that point. Thank you.

• (2120)

**The Chair:** Thank you for that.

With that, I will say the meeting is over. Thank you very much for your candid answers and great presentations.

The meeting is adjourned.

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