



*Statement to the House of Commons
Standing Committee on Finance
September 19, 2006*

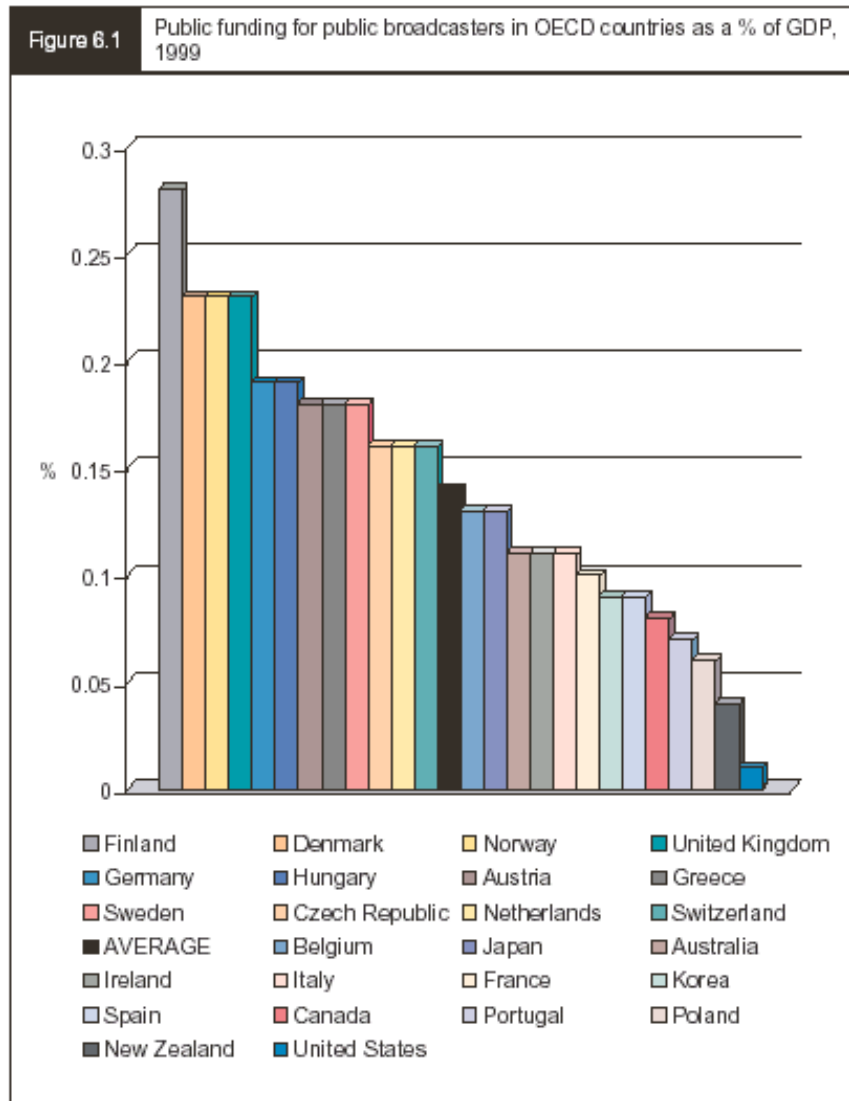
*Ian Morrison
FCB Spokesperson*

Thanks for this invitation. Friends is a watchdog group financed by 100,000 Canadians. Our mission is to defend and enhance the quality and quantity of Canadian programming in the English language audio-visual system.

As citizens of a small country dependent upon international trade for wealth creation, Canadians have a large stake in promoting abroad our identity and brand. In large measure, Canada's branding is a product of our audio-visual system, the export of our images and stories to other countries. Confidence in our cultures, a belief in the integrity of our identity and a projection of these values beyond our borders are key to our national development.

Successful models of national branding among our principal competitors abound. Other than the United States, where Hollywood plays this role, the best international branding models come from countries with strong national public broadcasters, such as Finland, Denmark, Norway, the UK, and Germany. The House of Commons Standing Committee on Canadian Heritage researched investment in public broadcasting by OECD countries in its recent report *Our Cultural Sovereignty*, and identified that Canada

ranks 20th among the 25 countries. These data are reproduced in our written submission and come from page 178 of the Lincoln report.



(Source: *Our Cultural Sovereignty*, page 178)

Canada spends 0.08% of our GDP on public broadcasting, well below the OECD average of 0.14%, and far below the range of 0.28% to 0.19% the

leading countries: Finland, Norway, Denmark, Germany and the United Kingdom.

Friends recommends that the Committee recognize the importance of strong public broadcasting to Canada's identity and branding in the world. As a long-term goal, **funding for Canadian public broadcasting should be increased to at least the OECD average**. In return, Parliament should establish practical benchmarks for Canadian public broadcasting, on which we wish to comment.

Second, **we recommend that your Committee re-adopt a recommendation from your December 2004 report that “the federal government provide stable, long-term funding” to a number of important federal cultural institutions. Specifically, your Committee recommended then that “the government should increase funding for the Canadian Broadcasting Corporation and Radio-Canada”.**¹

The recent CBC lockout demonstrated what a Toronto Broadcasting Corporation would sound and look like. As you know, it has also demonstrated how strongly Canadians rely upon our national public broadcaster. In this respect, you might be interested in data from an Ipsos-Reid public opinion poll Friends commissioned during the week before the writs of the 2004 general election were issued. In that poll, Ipsos-Reid posed the following question:

“Assume for a moment that your federal Member of Parliament asked for your advice about an upcoming vote in the House of Commons on what to do about CBC funding. Which of the following three options would you advise him or her to vote for... decrease funding for the CBC from

¹ Recommendation 11

current levels, maintain funding for the CBC at current levels, or increase funding for the CBC from current levels?”

Ipsos-Reid found that 9% of Canadians would recommend decreasing CBC’s funding, 51% would maintain it at current levels and 38% would increase CBC funding from current levels.²

We also draw to your attention a series of recent recommendations from the Senate Transport and Communications Committee which touch on reforming the CBC’s mandate. Among its recommendations, that Committee called on the CBC to reduce its dependency on advertising revenues and professional sports.

Friends recommends that the Finance Committee endorse a two-part reform of the CBC’s financing. In return for reducing, or eliminating its reliance on advertising revenues, the CBC’s public funding should be increased. This funding could come either from general revenues or from charges to the television distribution system akin to the subscription fees charged for services such as TSN or SportsNet. Friends notes that such a reform would likely enjoy the support of Canada’s private broadcasters, could be introduced gradually over a period of several years, and would fulfill the Prime Minister’s commitment to “reduce CBC’s dependence on advertising revenue and its competition with the private sector for these valuable dollars, especially in non-sports programming”.³

In conjunction with these reforms to the financing of public broadcasting, **Friends endorses the proposal of Heritage Minister Bev Oda that “the**

² <http://www.friends.ca/News/Polls/polls05190401.asp>

³ <http://www.friends.ca/files/PDF/SHarper.CAB.n29.pdf>

government should undertake to establish an independent task force to review the mandate, role and services of CBC-SRC". That task force should be charged with recommending reforms to the CBC's management and governance which would remove political patronage from the CBC's Board and Presidential selection process, in keeping with the best international standards for public broadcasting.

And finally, Friends wishes to remind Committee members of the strong support in Canadian public opinion for measures to strengthen our cultural sovereignty. In the poll referenced above, Ipsos-Reid found that 87% of Canadians agree with the following statement: *"As Canada's economic ties with the United States increase, it is becoming more important to strengthen Canadian culture and identity"*.

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