



More than a round of applause for arts and culture

*At the height of the Second World War, the British cabinet considered increasing funding for the arts. A sceptical cabinet member asked if, given the war effort, funding for the arts should be cut. Winston Churchill replied: "That is what we are fighting for." Certainly public support is critical. **However Canada's arts and culture sector is now an important growth sector that must be accorded serious attention from the Department of Industry as well as from Heritage Canada. The potential to diversify and expand as a vibrant industry with billions of dollars of lucrative commercial activities and the creation of jobs is enormous.***

A nation relies on its artists to tell its own story and shape its identity. Canadians are enthusiastic readers, listeners, and viewers, but we recognize that our culture also needs public support to thrive. Arts organizations, especially the Canada Council for the Arts and the CBC, require steady, predictable federal funding. Public broadcasting is also a vital part of keeping Canadian citizens well informed for effective citizenship, and can also be an important counterweight to media concentration. Many Canadian artists, writers, and performers have international followings, but assistance is still needed to give local talent a fair opportunity to compete in the global marketplace. Ensuring that our cultural sector remains vibrant is essential to our quality of life and delivers economic benefits as an encore.

Canadians spent \$27.4 billion on cultural goods and services in 2008, approximately \$841 for every Canadian resident. Consumer spending was three times greater than the \$9.2 billion spent on culture in Canada by all levels of government in 2007-08. In fact, the total consumer outlay for that year would have been even higher if it also included the money that went to subsidiary industries which rely on cultural spending, such as hospitality, tourism, and transportation.

With our expanding ability to instantaneously connect and share across borders, as well as the democratizing of the means of production, our arts and culture sector is now an important growth sector that must be accorded serious attention from the Department of Industry. The potential to diversify and expand as a vibrant industry with billions of dollars of lucrative commercial activities and the creation of jobs is enormous. For example, with our extraordinary and expanding talent, our television industry should thrive. There is absolutely no reason to let the next *Saturday Night Live*

drift south across the border and lose valuable revenues and the economic entertainment base in Canada. It would be far better if the Lorne Michaels, Jim Carreys and Mike Myers of Canada were paying taxes here, not in California.

Approaching the arts and culture sector as a viable sustainable commercial industry will lead to different kinds of support from the federal government – tax and support measures that can persuade our talent to stay in Canada. We must capture, for example, a much greater share of the business of TV notwithstanding our incredibly porous border with the U.S.

Much to its discredit, the Conservative administration has long downplayed the national importance of arts and culture. Actually, the Prime Minister placed the arts and cultural communities under siege even before the current austerity drive. In 2007, his government cut all funds for the promotion of the work of Canadian artists abroad through Canada's embassies, a relatively inexpensive program that assisted artists while also building good will for Canada around the world.

Successive Conservative budgets have continued to minimize the value of arts and culture. For example, in the early years of minority Conservative governments, provision was made for small investments in eligible performing and visual arts facilities, but these were delivered through the Building Canada Fund, so that cultural groups had to compete with public transit and sewage treatment infrastructure projects for their grants.

Essential long-term funding for organizations, cultural spaces, and heritage properties has never been a priority for the Harper administration, and even current funding is at serious risk. The 2012 budget of the majority Conservative government cut a brutal \$115 million from CBC and Radio-Canada, \$6.7 million from the National Film Board, and \$10.6 million from Telefilm Canada. And this was only the beginning.

Rather than devaluing our rich cultural heritage, our national leadership should expressly acknowledge that both Canada's distinctive identity and a large segment of our economy depend on vibrant arts and cultural communities. For these reasons alone, **the federal government should also make an unequivocal commitment to adequate investments in arts and culture through both Heritage Canada and Industry Canada. To this end, it must establish a stable, comprehensive framework for national support of the wide range of cultural agencies, programs, and initiatives, as well as for individual artists. Reliable funding for significant broad-based institutions such as the Canada Council for the Arts, the CBC, the National Film Board, and Telefilm Canada, should be guaranteed.**

Our trade negotiators have a duty to guard our cultural sovereignty in negotiations at the

World Trade Organization and in regional forums. Any new wording in trade treaties must be studied carefully, so that our cultural industries and national cultural life are clearly and unambiguously defended. Canada was once in the forefront of the negotiations for the *International Convention on Cultural Diversity*. Indeed, the Canadian government was the first in the world to ratify this *Convention*. Now we must insist that trade negotiations and tribunals interpreting existing trade rules fully respect the protections it contains.

The taxation of arts professionals also needs comprehensive review. A specific tax status for professional artists would be beneficial. Another viable initiative would provide more equitable tax treatment for independent contractors through such tools as income averaging and exemption of grants from federal taxation. Finally, the federal government could offer additional assistance to artists paying off student loans. Ontario has taken some steps in this direction with mixed success.

Canadian artists, actors, musicians, dancers, authors, and playwrights rank among the best in the world. In supporting them, our federal government strengthens the voice of Canada at home and abroad.

The CBC

The vital role of the CBC in Canadian public life is particularly important for the federal government to support. **The CBC must be distinctly public and distinctly Canadian. Cable companies must continue to be required to carry existing and new CBC channels on the first tier of their programming. The CBC needs adequate stable funding with a 10-year mandate so it can continue to provide quality Canadian content television and radio programming in both official languages to all Canadians.** Canadians must resist any attempt to erode the special character of the CBC as a public broadcaster, piece by piece, through “commercialization.”

To begin with, the Green Party will reverse the latest cuts of some \$115 million to the CBC budget and will also increase the CBC budget by \$200 million to start rebuilding local coverage.

The CBC must be supported adequately to harness technological developments such as Internet broadcasting, and to incubate and exploit the diversity and wealth of Canadian talent. It could develop specialty channels and services, and sell more programs to the international market, where today there is huge demand for alternatives to Hollywood-style productions. Such initiatives would not only offer our excellent cultural products to more people in Canada and around the world, they also hold the promise of significant revenue generation.

At the same time, the CBC should be restructured to require that its president and CEO be answerable to the CBC Board rather than the Prime Minister. Its Board of Directors, including the chairperson, must be appointed by an independent arts and culture committee comprised of people with relevant backgrounds. They must be accountable to the people of Canada through Parliament, unlike the current CBC Board, appointed by Stephen Harper, which is dominated by donors to the Conservative Party.

Content regulation and the CRTC

The national regulator of broadcasting and telecommunications – the CRTC (Canadian Radio-television and Telecommunications Commission), currently faces challenges in protecting the public interest especially with enormous dominance of the Big Three corporations: TELUS, Rogers and Bell. Democracy requires a diverse media and an informed citizenry. **Canada has one of the most concentrated media markets in the world. We must take action so that Canadians and the Canadian national interest will benefit from more competition while ensuring Canada’s content regulations provide an acceptable level of support for Canadian programming.**

The major players in these industries, notably Bell and Rogers, increasingly control both the creation and the distribution of content, as well as the screens and bandwidths that consumers watch and use to connect with the world. Bell and Rogers even combined forces to buy control of the three major Toronto sports teams in order to secure the television rights for hockey, basketball, and soccer for their channels. Consumer choice may be diminished if big business always gets its way. Meanwhile, the major private broadcasters – Bell (CTV), Rogers (CITY) and Shaw (Global) – are resisting the shift of power to the consumer.

With broadcasting increasingly taking place via the Internet, regulation operates in an increasingly challenging and fast-paced environment. **There is strong support for the principle of “net neutrality” set out in section 27(2) of the *Telecommunications Act* and for treating the Internet as both an information and communications service. However, stronger regulation may be required to uphold this principle.** The long-awaited *Copyright Modernization Act* which finally came into force in January 2015 appears to provide for a reasonable new obligation on the part of Internet Service Providers to send notifications to downloaders whose IP addresses have been identified by copyright holders for perceived violations. The maximum fine for an illegal non-commercial download is \$5K, and for a commercial download, \$20K.

The recent CRTC amendments to the Canadian content regulations are also of concern. Canadian content quotas for daytime TV were dropped from 55% to zero while leaving the 6 - 11 pm high viewership window and overall CanCon spending

requirements unchanged. All Canadian broadcasters will now be required to invest in homegrown production, and pilot projects will be launched to create higher quality domestic programming that can compete on a global stage.

On the other hand, the loss of genre protection by specialty channels such as HGTV, Space, and MTV, together with the new “unbundling rules” is unquestionably bad news for smaller channels and local news. Internet fees will likely go up, especially as millennials abandon television almost completely. The Friends of Canadian Broadcasting estimate that as many as 17,000 jobs may be lost, as well as \$2 billion in revenue annually, by 2020. And U.S. networks such as Viacom and AMC Networks may choose to pull out of the regulated broadcast system completely and use unregulated video portals like Netflix Canada instead of Canadian distribution via local cable and satellite TV carriers.