

APPENDIX B: Lessons of History¹⁰

Canadians could be forgiven for believing that except for details of ownership and funding, our private and public English-language television broadcasters are essentially the same. They all provide Canadians with some measure of high-quality programming. But most of the content aired on our domestic English channels – private or public – could fit seamlessly into the schedule of any commercial network anywhere in the western world.

Canada’s broadcasting system was not designed to be that way. It was meant to have two distinct but complimentary parts – private broadcasters and a national public broadcaster service. Untangling their current similarities and re-establishing clear distinctions is *crucial* to reinventing public media in Canada.

CBC/R-C came into being because our young nation desperately needed a mechanism that would allow Canadians to get to know one another across vast distances and to counter the American programs and commercial messages that were already flooding our airwaves in **the 1920s and '30s when the battle cry became, “It’s the State or the United States”**. We wanted to harness the creative skills and energies of Canadians and use them as the main source of content on our own electronic media.

In Ottawa, the government-of-the-day concluded that a publicly funded radio system was the only way to deliver domestic content across this country that was meant to inform, entertain and enlighten Canadian listeners. Private broadcasters saw little profit-potential in that mission. Now, **as then, Canada’s private radio and television** relied on popular American and American-style content to attract the largest available audiences to the messages of their advertisers. **As the old industry adage goes, “We sell time for money.”**

Serving the citizens of Canada and serving commercial imperatives are two distinctly different missions. Yet, over time, the style and content of our public and private media – especially that of their television services - have become almost indistinguishable. There is a variety of reasons for this.

¹⁰ From ‘Perspectives on Public Media in 21st Century Canada’, PBC21, August 2017.

First, neither our public nor private television networks produce most of the programs they carry. Instead, they lease the rights to broadcast Canadian-made drama, comedy, reality, variety and sports shows made by independent producers. These "**Cancon**" shows are seldom made *exclusively* for the Canadian networks. To generate profit, they must be designed to attract international buyers as well and this inevitably waters down recognizable Canadian features.

Canadian networks pay only a small percentage of the total production cost of Canadian programs, with a portion of the payment often made only after programs are delivered and aired. But the Canadian **broadcaster's conditional letter of interest** in a program proposal unlocks a complex mechanism of domestic tax credits and grants, equity and bridge financing and sponsorship that covers *most* of the cost of production. Often, in order to seal the deal and guarantee some profit, independent producers must also lease their shows to foreign buyers.

Thus, regardless of which Canadian network – public or private - is first to sign on to a new venture, "**indie**" producers must build a good measure of marketability and homogeneity into a Cancon project to satisfy both domestic *and* offshore clients and their multi-national financial partners. As noted above, this too often leads to the loss of the Canadian cultural component of those productions.

This complex Cancon funding system was launched decades ago. CBC/R-C's **participation was then essential to jump**-start the development of a vibrant independent production sector - but the intent was never to denude the public broadcaster of its production capability. Over the years, this strategy has met with success, accelerated the growth of our nascent production industries, created jobs in the cultural sector and, with Canadian content quotas, encouraged otherwise reluctant private broadcasters to air Canadian-made shows. It is, however, a cumbersome, out-dated apparatus, and we have been reluctantly forced to conclude that it has not succeeded in generating a significant canon of *distinctively* Canadian programming. So why does CBC/R-C participate in it? Why not repeat the **successes of the '50s and '60s and make its own unique Canadian** programs just for Canadians and play to its mandate? This leads to considering the second main reason for the similarities that we see between the public broadcaster and its private counterparts.

The current fiscal models barely permit CBC-TV, and to some extent Radio-Canada television, to *address* their mandate, let alone serve it

properly. Successive governments – save for the present one – have cut annual appropriations to the Corporation for a variety of reasons, chief among them being complaints from private media companies that ‘the taxpayer subsidized CBC is **an unfair competitor**’.

Given the distinct differences in their missions and mandates, the idea that public and private broadcasters are in competition would verge on the absurd but for one fatal circumstance: the carriage of advertising on CBC/R-**C’s French and English TV and** specialty channels and online. It is only because of commercial solicitation that competition for audiences and for revenue exists.

These private industry grievances have wedged the public broadcaster between the proverbial rock and hard place. Governments have cut its budgets and directed it to be much more self-sustaining (i.e. increase its commercial sales revenue), while private media protest the resulting ‘**interference in the marketplace**’. Over the years, these constant pressures have significantly eroded the breadth and originality of the program offerings of both CBC and Radio-Canada television services.

Management’s first response to cuts was aggressive lay-offs and attrition, as well as amalgamations, reductions and elimination of services. **Throughout the process, many “old guard” managers** struggled to protect the public service mandate. But as the measures they enacted failed to fully address the revenue short-falls, ‘**new blood**’ was recruited from business and private media, and charged with making the Corporation lean, viable, popular and self-supporting.

Unfortunately, many of the new hires were unencumbered by media knowledge, let alone commitment to the mandate of the *public* broadcaster. They did, however, share in the belief that CBC programs must attract *larger audiences*, who would in turn attract *more advertising* and make the network more *self-sustaining*. Until those goals could be met, they would enact **further ‘efficiencies’** and reductions. In the end an assumption grew that, if the national public broadcaster could not stand on its own as a business, then free-market forces should determine its fate.

The effort to make the Corporation a self-supporting commercial entity has been a dismal failure. In point of fact, it has largely succeeded in achieving the opposite result. While almost all traditional media are suffering the loss of audience and advertisers to online media, declines at CBC-TV have been especially steep.

To address short-term financial shortfalls, the Corporation has had to drop, farm out or sell off much of its documentary programming, sports and music streaming, most jazz, pop, folk, country and classical music recording, as well as staging, properties and costumes, and find **ways to “off-load” its archives and eliminate other activities, heritage collections and revenue streams.** In lieu of responding to requests for immediate additional funding, the Corporation is permitted to operate with modest annual overages, a temporary solution that only delays the inevitable.

Budget cuts and the ubiquity of American media have affected the **public broadcaster’s English services more than those of Radio-Canada.** French-speaking Canada is not immune to the influences of US popular culture, but Radio-Canada TV has remained more attuned to its mandate and mission to provide distinctive programming than has CBC-TV, language barriers not explaining all of the differences. And, sadly, there is little programming cooperation between CBC and Radio-Canada; insufficient effort has been made within our public media to address the two solitudes – or the diversity - of Canadian audiences.

CBC *Radio* has managed to continue to address much of its public service mandate, as well as its excellent ratings. But it too has been transformed. **Corporate management has regularly raided radio’s** budget to shore up television, and the result is radio schedules riddled with repeats. Programming resources and staff have been greatly diminished, especially in the regions. To a large extent, the same can be said of R-C Radio.

CBC Radio has also become – dare we say – more American. Stories and expert opinions are more easily (and often) plucked from south of the border than sourced from the now-denuded Canadian regional operations.

There is more behind this Americanization than budget cuts and competition for audiences. When Radio-Canada International (RCI) closed its short-wave service and moved to online distribution (rci.ca) in June of 2012, it also reduced its broadcast languages from 12 to 5 (English, French, Spanish, Arabic and Mandarin), eliminated delivery of special international language newscasts and skewed more toward North American listeners. Americans already had access to the domestic services of CBC/R-C Radio over-the-air from border stations, online (cbc.ca and ici-rc.ca), and on Sirius-XM radio. As well, the

stations of National Public Radio lease a number of popular CBC radio shows for broadcast in the USA.

Feedback from American stations and listeners may have further encouraged **CBC Radio programs like "q", "The Sunday Edition", "As It Happens"**, and others to air noticeably more content about American celebrities, culture and issues. **"The Sunday Edition" has now been dubbed 'New Yorker radio'** because of regular appearances by *New Yorker* magazine contributors. And while coverage of American pop culture may attract younger listeners to CBC Radio, the attention given to it by some shows has had controversial outcomes, such as when **"Q" (now dubbed "q") accepted 'financial assistance' from a US record company to travel to California and interview its top selling artists.**

Meanwhile, contributions from CBC's regional stations have markedly declined in lock step with cuts to regional resources. We cite here the example of Regina, SK:

- Some 500 people worked for English and French, radio and television in Regina in the early 1990s. Fewer than 50 are employed there now. Even in this digital age, those are very steep cuts!
- In 1995, all **CBC-TV's Saskatchewan regional newscasts were reduced from one hour to 22 minutes, plus commercials. All weekend newscasts were eliminated.**
- During the late 1980s and early '90s, the Regina plant produced ample regional and network content, including a daily and a weekly network television series, a highly-rated network radio series, a popular regional weekend morning TV show for youth and a weekly regional cultural radio program. None of these shows or replacements for them is currently in production. **Regina's television studios and control rooms are empty and dark. Saskatchewan no longer has any regular network presence of any kind, and it is not the only province in that position. We are far from "People talking to people" or "The National campfire".**

Most CBC English-language network programming now originates from the CBC Broadcast Centre in Toronto, a building specifically designed with the capacity to produce all CBC English radio and television network programming should the need arise. The building was completed just a few years before the current Canadian-content funding program was introduced and the independent production industry began supplying all CBC entertainment programming. As with

most CBC buildings across the country, much of the Broadcast Centre is now for lease. Two floors have recently been taken over by private public relations firms, and a large TV studio has become a basketball court. In Montreal, the Radio-Canada building has been sold and most of its studios are in the dark.

Local media play two crucial roles in the democracy of our huge, sparsely populated nation. They serve the commerce and culture of our communities, and they give 'the hinterlands' a voice to speak to the rest of the nation and to contribute to *the Canadian experiment*. **It is certainly important to secure a place for Canada's cultural industries** in global markets, and to seek cultural protection in our international trade agreements but we are concerned that in the process of marketing our cultural products abroad, perhaps too little attention has been paid to the role of media here at home, and at considerable cost to our cultural sovereignty.

In this digital age, immigrants can easily stay in touch with home in their first language at any time of day or night. Social media users can create personalized universes. Each of us can stream content from anywhere. But our local, regional and national media are in imminent danger of disappearing.

Now more than ever, the job of providing Canadians with Canadian content resides with our public media. But after years of study and detailed review, the signatories to this document have concluded that our public broadcaster, CBC television in particular, is straying further and further away from its public service mandate. Further, we feel that the service cannot be redeemed, and that the faux-commercial nature of its current corporate culture needs to be uprooted.

It is time to re-invent the public media system. We must create a contemporary structure where partnerships with other cultural institutions such as the NFB/ONF and the NAC/CNA can thrive, and experienced broadcasters can be harnessed to guide young talents in creating the public media system essential to 21st century Canada.