

# **The CBC**

## **A Canadian Story**

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**by**

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I know you expect me to talk about the CBC today and I certainly intend to do that. But I can't do it without first talking about Canada since the CBC is, in many ways, a reflection of our country.

Canada today faces significant challenges. The national debt, regional and linguistic tensions, the state of the economy and of the physical environment, these are some of the issues that worry many Canadians. And yet, if you travel around the world, you can't help but realize that most of the planet's other inhabitants would gladly trade their problems for ours.

Indeed, as Canadians, we have much to be thankful for. Our standard of living is relatively high and our overall quality of life, with some exceptions, is also excellent. In spite of our proximity to the world's largest cultural, economic and military power, we have built a country with its own identity and set of values, further enriched by a vibrant French speaking cultural presence. On the world scene, in spite of our small population, we are active participants in important clubs such as the G7 and contribute disproportionately to peacekeeping efforts around the globe. Indeed, Canadian citizenship is a valued asset and source of great pride not only for Canadians who were born in Canada, but also for those Canadians who, like myself, were welcomed into Canada from other lands.

This country called Canada is a great achievement. Historically, and now more than ever before, the forces that propel economic activity have been acting in a North-South direction. On that basis, Canada is an illogical country. It is not a country invented by economists. It is a country invented by people of vision who could see beyond the balance sheet and who forged a compact based on compromise, creating a balance among the many linguistic, regional, economic, and geographic tensions that mitigated against the development of a cohesive political entity.

One of the most important factors contributing to the success of the Canadian story has been the recognition by Canadian leaders of the value of public institutions in

complementing and sometimes supplementing market forces in order to achieve public policy objectives. In the case of the CBC, that objective has been to provide what I call "electronic glue" - an invisible link that enables Canadians to speak to each other, to laugh at each other and to understand each other better.

Many other countries have also recognized that cultural development cannot be left entirely to market forces. In fact, it can be argued that public support of culture is the foundation of great civilizations. As Max Frankel recently wrote in the New York Times magazine, "without government subsidy and tax supported philanthropy, there would be no great universities, no great libraries, no great museums, no grand opera or basic science".

How does the CBC perform its role?

It does it in many ways, of course. It provides unrestricted public access to important national events.

It informs Canadians about events around the globe, from a Canadian perspective.

It sets the pace in terms of establishing standards of broadcast quality.

It leads with non violent programming for children, such as *Mr. Dressup*, *Theodore Tugboat*, *Fred Penner's Place* and *Canadian Sesame Street*.

It applies new technology, by bringing digital radio to Canada, for example.

It provides a cultural showcase for Canadian talent of all kinds. It makes it possible for Canadian producers, directors, technicians, actors and musicians to develop and display to the world a country and culture of immense sophistication.

Annual audience surveys consistently give the CBC high marks for keeping Canadians

informed about events across the country, contributing to the public's general knowledge and encouraging Canadian artists. In a national survey conducted last fall, the CBC was chosen as the network with the "best Canadian programs" by almost three times more people than any other network.

Each week, at one time or another, more than 16 million Canadians watch English television, while some 5.7 million people watch French television.

English radio has nearly 3.4 million listeners and French radio has maintained its reach of around one million in the toughest radio market in Canada.

When you add it all up, radio and television, English and French, network and regions, more than 25 million Canadians tune in to CBC every week.

No matter how you look it, a broadcaster whose services are watched or heard by more than 25 million people a week is indeed providing a rich and varied service that is demonstrably valued by its audiences. And the CBC does that at a per capita cost of less than a dime a day, virtually unchanged from ten years ago, in spite of inflation. Can any other public service make a similar claim?

But in spite of its tremendous reach into the everyday lives of Canadians, the CBC's future is being questioned as never before.

First, there is the 500 channel universe. With all these channels, some people ask whether we still need the CBC. Then there is the view that, given the country's deficit, we can no longer afford the CBC. After all, even at ten cents a day, it does add up to around a billion dollars from the taxpayer every year. And finally, some people would leave broadcasting exclusively to the private sector, to be entirely shaped by the market place.

Let's start with the 500 channel universe. It is not here yet, but it is coming, at least in

terms of channel capacity, whether it's through coaxial cable, satellite dishes or optical fibre. The technology is indeed dazzling. But people don't watch coaxial cable, satellite dishes or optical fibre. They watch or listen to programs. And, while distribution costs will certainly drop, the cost of producing programs has not suddenly decreased. Which brings up the question: How much of the content in the multi-channel universe will be Canadian? The answer is that most of that content will not be Canadian and will not reflect Canada's regions. That is because the economics of production favour US domination of cultural products consumed in Canada. This accounts for the fact that in Canada today, 60% of the books, 90% of the records, 64% of TV programs, and 94% of films originate abroad. In prime time, from 7 p.m. to 11 p.m., were it not for the CBC, our TV screens would be almost entirely dominated by US programming.

In a democratic society, of course, we cannot and should not try to prevent access to this vast supply of foreign material. What we must do, however, is to ensure that there is a constant supply of high quality Canadian cultural product in our bookstores, magazine racks, record stores, theatres, TV screens and radio.

Without such a supply, we are at the mercy of forces that seem to conspire to homogenize us -- a global economy, easy travel, global communications, all acting to loosen the bonds that bind us to this country.

What works to keep us together?

After you have said the CBC, what do you say next?

We must have at least one national institution to pull Canadians back together to share, if only for a few minutes, something that is uniquely ours, like Paul Henderson's goal.

And let's not forget the role played by Radio-Canada in the development of a dynamic

French-Canadian culture. At a time when many Québécois feel that the best way to safeguard the French language and culture is to separate from Canada, it is worth noting that one of the most successful instruments of French Canadian cultural development has been, and continues to be, a federal institution called Radio-Canada. In fact, in the words of Chantal Hébert, parliamentary correspondent for La Presse, "Radio-Canada is a rare federal institution that has almost unanimous support in Quebec". There are many reasons for this popularity, not the least of which are the many thoughtful information and musical programs on radio, as well as the famous téléromans and children's programming that have set standards of excellence in French-Canadian television for many years. But there is also Radio-Canada's coverage of international events on radio and television, through a network of French-Canadian correspondents without whom our viewers and listeners would learn of such events largely from foreign sources. No wonder the credibility of Radio-Canada's international coverage among adult francophones is nearly twice that of its closest competitor.

To eliminate the CBC, the only institution that every Canadian can turn to in crisis and triumph, or to strip it of its popular programming or most visible services, would be to lose the vital capacity of the CBC.

And to do that would be to erode our very reason for being, our belief that we as Canadians have created something different and better on the northern half of this continent. Who will believe this of Canada if its television, the most powerful communications medium in human history, is dominated by all things American?

Surely Canada is much more than 27 million customers to be delivered to advertisers.

Is Canada not also a vast set of diverse experiences to be shared? Is it not great purposes to be held in common? Is it not undreamed of opportunities to be fulfilled together? Is it not passing on to a new generation of Canadians what we found when first we came to this country? Only better?

And if it is to be any of these things, is it not essential that Canada have an authentic voice of its own, that our country have at least one way to make sure Canadian voices can be heard, one place to turn to when there is danger to be confronted or triumph to be shared, one means to share with all other Canadians in the experiences of Canada?

Preferably, we should have many ways in which we can come together, but the reality is that we do not have many ways.

We have the CBC.

What other broadcaster allows Canadians to speak directly to other Canadians in every corner of our country through that wonderfully gritty interlocutor, Rex Murphy, every Sunday on *Cross-Country Checkup*?

What other institution offers 99 per cent of Canadians a Peter Gzowski to keep us thinking, a Pam Wallin and a Peter Mansbridge to keep us informed, a *Royal Canadian Air Farce* to keep us laughing and a Don Cherry to keep getting under our skin?

Only the CBC does. Only the CBC can.

So, to those who say we don't need the CBC in a 500-channel universe, I say they are wrong. The very power of the 500-channel universe to fragment Canada makes the CBC imperative.

But, given the deficit, we must ask the question: Can we afford the CBC?

No responsible Canadian would argue that the deficit should not be eliminated. All of us as citizens must do our share.

Is the CBC doing its share? Good question. I'm glad you asked.

Since 1985 the CBC has been in the forefront of budget cutting. In the fiscal year 1984/85 CBC funding from government was \$905 million.

This fiscal year it is 1065 million -- an increase of 17.7 per cent in actual dollars, which is equivalent to a decline of almost 25 per cent when you take into account inflation. During that time the CBC reduced its permanent workforce by 25%, or about 3000 people.

And the federal government's performance?

In 1984/85, it spent \$100.3 billion. This year, it plans to spend \$163.5 billion, which represents a 63.1% increase, compared to a 17.7% increase to the CBC appropriation during the same period of time. In fact, had total federal government spending over the past eleven years increased at the same rate as the CBC appropriation, this year the federal government would be projecting a \$15.1 billion surplus instead of a \$32.7 billion deficit.

So the CBC has done much more than its share to help reduce the national deficit, certainly much more, proportionally, than the federal government.

But the deficit problem has not been solved. More restraint and cost cutting is on the way. Has the CBC asked to be spared further pain? Not at all.

The CBC strategic plan, which I submitted to Parliament last November, was based on a further reduction of \$100 million to the annual CBC parliamentary appropriation. And we did not plan on any funding for salary increases or inflation.

To cope with the financial challenge, the CBC embarked on the most ambitious cost cutting program in its history. We were planning to reduce expenses by \$120 million

per year, cut staff by another 1,000 employees, while maintaining services to the public. In fact, we actually hoped to improve services to the public by becoming more Canadian, reducing advertising, strengthening regional services, doing more children's and performance programming and filling some gaps in our radio services.

The emphasis on Canadian and regional content was a direct response to the multi-channel universe. Only by emphasizing these qualities could the CBC remain distinctive in a sea of Hollywood inspired productions.

The CBC strategic plan did not impress those whose vision of the CBC is that of a national broadcaster without a regional presence. Such a CBC, in my view, would not be a true reflection of Canada, which is anything but a monolithic country.

Unfortunately, the financial assumptions upon which this strategic plan had been built no longer apply. When one combines budget cuts that were already planned with cuts announced in last February's federal budget and cuts contemplated in the government's multi-year operational plan, the overall shortfall faced by the CBC by April 1, 1997 is around \$350 million.

How do you solve a \$350 million shortfall? There are many opinions, I'm sure offered in good faith. But, as you might expect, not all of them will work...

For example, one of the options frequently advocated, is for the CBC to abandon over-the-air transmission of its television services, leaving it up to cable and other developing distribution media to carry its signals.

That will probably turn out to be a very viable idea -- as those new media actually become available. But it isn't viable now.

Right now, fully 35 percent of CBC television audiences are reached over the air. The CBC would lose those viewers if it were restricted to cable. It would also lose the

commercial revenue that's attached to them. And replicating its terrestrial system from space would mean using a lot more satellite channels than it needs now.

Far from saving money, overall, pursuing this option now would cost the CBC at least 50 million dollars a year more than it currently spends -- and would lose over a third of its audiences.

Not exactly an ideal solution, I'm sure you'll agree... In fact, there simply aren't any easy solutions to a \$350 million problem.

For most of us, \$350 million is such a large number that it loses all meaning. So let me illustrate its significance by indicating the net cost to the taxpayer, after deducting advertising revenue, of various CBC services:

- . all of English Television programming, \$270 million network and regional
- . all of French Television programming, network and regional \$190 million
- . all of Radio, English and French, mono and stereo, network and regional \$245 million
- . all distribution, English, French, TV, radio, terrestrial and satellite \$130 million.

No matter how costs are reduced, between 3000 and 4000 CBC employees will lose their jobs. And, of course, it's people who make programs. All the hardware in the world won't produce a newscast or a variety show or a dramatic program without people.

I'm not quoting these numbers to advocate any specific option, but only to illustrate my view that you can't reduce spending by \$350 million without cutting the heart and

soul of the CBC, one of the very few institutions that helps define us as Canadians.

And cuts of this magnitude, to the extent that they would apply to the Television news operations, would place both Newsworld and RDI at serious risk. These two cable all-news channels, currently provided at no incremental cost to the taxpayer, depend heavily on the existing infrastructure of the main channels.

But what about the private sector you may ask? Why not let them do it, so as to eliminate the need for the CBC altogether?

The answer is simple. If the private sector could do what the CBC does, why is it not doing it now? The answer, of course, is economics.

The cost of producing Canadian programs, with few exceptions, such as professional sports, for example, cannot be covered by the available advertising revenue. That is why the private sector does not cover such events as the Canada Games, Les Jeux de la francophonie, the Commonwealth Games, Le Congrès mondial acadien or the Governor-General's Awards, and is able to produce so little Canadian drama or children's programming.

Let me illustrate my point by looking at the TV schedule for Sunday night March 26 between 7 and 11 p.m., the heart of prime time.

On CBC you could watch *Road to Avonlea*; the *Juno Awards*, honouring excellence in Canadian music; followed by *Sunday Report* and *Venture*. Four hours of first class 100% Canadian television programming.

On CTV you could watch *America's Funniest Home Videos*, followed by guess what? Another episode of *America's Funniest Home Videos* - then "*The New Adventures of superman*" and a two hour movie "*Sleep, baby, sleep*".

How much of these four hours of television programming on CTV was Canadian?

Zero, absolutely none.

I'm not being critical of the CTV schedule. It is driven by economic reality. But such a comparison illustrates precisely why Canada needs a publicly funded broadcaster. It is part of the cost of nation building.

At some point, the obvious question has to be asked. Given the heavy dependence of our economy on the US economy, if most of our cultural products also originate in the US, is there any point in pretending that Canada is a separate country? Can there really be political independence without cultural independence?

The CBC is not a perfect institution. Neither is Canada a perfect country. Both need improvement. I hope we can find a way to achieve those improvements without destroying either one.

Thank you.