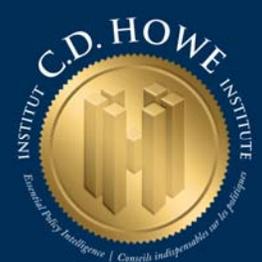


# MANDATE LETTERS



*As Canada forms its next government, the Prime Minister's Office will be preparing ministerial mandate letters. In this special Intelligence Memo series, policy experts highlight key challenges and priorities in each minister's portfolio.*

From: Daniel Schwanen  
To: The Incoming Minister of Canadian Heritage and Multiculturalism  
Date: November 15, 2019

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Cultural activities are central to Canadians' well-being, prosperity and identity. However, the evolution and availability of digital technologies has changed the context in which Canadians access cultural content. Our policies for promoting Canadian culture [must adapt](#) to a technological setting in which content delivery bandwidth is practically unlimited, and viewers are no longer captive to legacy media.

With over-the-top streaming digital options for Canadian consumers, quotas for Canadian content are no longer practical. Since access to digital cultural content uses the same broadband infrastructure as other commercial activities, policies must facilitate Canadians' access and discovery of content without inhibiting the growth of our digital economy and affordability of broadband services.

Therefore, as you embark on your term as Minister of Canadian Heritage and Multiculturalism, and following on the Broadcasting and Telecommunications Review panel report (expected in January 2020), your priorities should be to:

- Work with your colleagues the Minister of Finance and the Minister of Innovation, Science and Economic Development (ISED), to implement policies that will support the availability of diverse Canadian cultural and information offerings, promote engagement with these offerings by audiences in Canada and the world, and build a more sustainable economic framework for the cultural and information sectors.
- Review the mandate and funding for the CBC/Radio-Canada to ensure that its programming serves a distinct role as public broadcaster, while not replicating offerings from private, commercial broadcasters, and that its funding formula reflects its demonstrated contribution to the policy goals just enunciated.
- Ensure that the funding framework for other public cultural agencies and for cultural subsidies more generally, focuses on the production, dissemination, and exhibition of original artistic or literary works for which a commercial market is not yet established; or for which there is a clear public rationale. A clear public rationale may include educational, informational, or community engagement benefits, or the potential to seed long-term international demand for Canadian cultural offerings.
- Work with all Canadian broadcasters and distributors of Canadian content on strategies and development to facilitate the "discoverability" of Canadian content on digitally mediated platforms. In particular, you should consider methods such as search engine optimization, targeted online advertising, mobile applications, and the translation of Canadian works for both foreign and domestic audiences, and encourage collaborative initiatives between content producers, broadcasters and distributors to develop and market Canadian content.
- Work with the Minister of Finance to create a new "Canadian Connections Fund" to streamline a set of existing subsidies and credits not effectively aligned with the above objectives. This fund will focus instead on initiatives specifically aimed at engaging non-commercially available Canadian content with Canadian audiences. This new program would be administered through an arms' length body that would evaluate proposals based on criteria including type and diversity of content, and likelihood of engaging Canadian audiences.
- Work with the Minister of Finance to continue to offer the film and video production services tax credits, as long as it does not exceed the support offered by provincial governments (given the primarily local benefit of these activities), and as long as out-of-province cultural products or producers do not face discrimination in accessing the relevant provincial market.
- Work with Innovation, Science and Economic Development and the CRTC to eliminate mandated funding of Canadian content by cable and satellite providers and mandatory Canadian content quotas for broadcasters, and by reducing these costs, facilitate competitively priced communications services. Toward the same end, you will eschew taxation of Internet services as a means to raise funds to subsidize Canadian cultural industries specifically.
- You will nevertheless work with the CRTC and other bodies to continue to mandate that channels with high levels of Canadian content feature prominently in the programs offered by licensed Canadian distributors.
- Work with the Minister of Finance to [ensure a level playing field](#) with respect to the federal taxes applied to digital services purchased by Canadians. In particular, sales of virtual products delivered over the Internet from whatever source should be subject to the Goods and Services Tax that applies to similar products delivered by Canadian companies. As well, advertising expenses should be deductible if the revenue reported as Canadian income by the vendor (i.e., subject to Canadian income taxes) is commensurate with their activities in Canada.
- With the Minister of ISED, review foreign investment restrictions applying to cultural industries, with the aim of attracting investment in Canada while retaining the right to require of foreign investors undertakings toward boosting the financing and visibility of Canadian content.

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*To send a comment or leave feedback, email us at [blog@cdhowe.org](mailto:blog@cdhowe.org).*

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