

# Intelligence MEMOS



From: The Hon. Konrad W. von Finckenstein, Q.C.  
To: The Hon. Melanie Joly, Minister of Canadian Heritage  
Date: September 6<sup>th</sup>, 2016  
Re: PROMOTE AND SIMPLIFY SUBSIDIES FOR CANADIAN CONTENT

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In his recent *Intelligence Memo*, "[Time to decide if cultural policy is to promote winners or protect the losers](#)," Lawson Hunter ends his memo with the note (my underlining):

*"In summary, your government has an opportunity to fundamentally rethink its role in the cultural industries. If subsidies are necessary for this sector, then the approach to those subsidies needs to be fundamentally rethought. The review presents us an opportunity as a country to assess whether we can truly stand on our own internationally in promoting Canada and Canadian stories. You must decide whether the main government objective for the sector is either industrial policy or cultural policy."*

In my view any rethink of subsidies needs to address two areas:

1. Promotion and distribution
2. Streamlined administration.

Canadian cultural industries produce vast amounts of excellent content. Media production is a multi-million dollar industry in Canada. Currently most subsidies are directed toward funding production. While finding sufficient funds for production will always be an issue, the critical point is promotion and distribution. Although the internet makes dissemination easy, inexpensive, and license free many excellent Canadian movies and shows never reach wide distribution and recognition. They need to be promoted and brought to the attention of audiences in a targeted way. How subsidies can be effective in this area of should be one subject for the rethink.

On the topic of streamlining administration, the current system of administering subsidies, whatever form they take; be it grants, contributions or tax deduction, is extremely complex and difficult to successfully master. In addition, subsidies do not come only from the federal government but also from provincial and/or municipal governments and/or private funds or foundation. As a result, an enormous amount of effort is spent on complying with funding requirements. It is practically a truism that gathering funds requires more time than the actual creation of content. Clearly, streamlining, standardizing, and simplifying access to subsidies is needed.

Therefore any rethinking of subsidies should be centered on these two points.

*The Hon. Konrad W. von Finckenstein, Q.C., was formerly the Chair of the Canadian Radio and Telecommunications Commission, a Federal Justice and Commissioner of Competition.*