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Chair

Ms. Marlene Catterall

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• (1535)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I'm going to call to order this meeting of the heritage committee.

Our main order of business today is the supplementary estimates. The order of reference from the House of Commons, pursuant to Standing Order 81(5), is supplementary estimates (A) 2004-05, votes 1a, 5a, 35a, 45a, 46a, 55a, 60a, 75a, and 95a under the Department of Canadian Heritage, referred to the committee on November 4, 2004.

Before we get into the main business, I wonder if I could have the views of the committee. There has been, as you know, the appointment or nomination to Telefilm Canada of Mr. Wayne Clarkson, and I wonder when the committee would like to review that appointment.

Let me give you our options. We have supplementary estimates today. On Wednesday we have the legislation to amend the Telefilm Canada Act and another act. Next Monday we have the Canadian position to UNESCO on the International Convention on the Protection of the Diversity, etc., and next Wednesday we have the "Tomorrow Starts Today" program. We have a choice of extending one of those meetings or cutting our time with the other topics in half and taking a little less time to interview Mr. Clarkson.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): I'm sorry, I didn't hear. What happens this Wednesday?

The Chair: This Wednesday we have an act to amend the Telefilm Canada Act. I don't know that we can cut our time short on a piece of legislation.

Hon. Sarmite Bulte: Maybe we could discuss this with the opposition. My understanding is that while we would at one point like to have a larger look at the Telefilm act, these amendments that are proposed are simply housekeeping measures. I may be wrong, and I stand to be corrected, but my understanding was that the opposition was in favour of these amendments.

[Translation]

Mr. Maka Kotto (Saint-Lambert, BQ): We were generally in favour of the amendment brought forward through Bill C-18, but we have a problem with clause 9. It will require some discussion or debate.

[English]

The Chair: As I said, the option is that we extend our Wednesday meeting. That's a little more difficult than prolonging a Monday

meeting a bit over the supper hour. Next week on Monday is our review of Canada's position to UNESCO. We can't change that. Do we need the full two hours?

[Translation]

Mr. Maka Kotto: Madam Chair, I want to come back to one point.

Although we do have a problem with clause 9 of Bill C-18, I don't think the rest of it will require a great deal of time. So, if we can wrap up the discussion on the bill quickly, we will have time left over to hear from the new President of Telefilm Canada, Mr. Clarkson.

The issue is pan-Canadian cultural policy. We have a problem with that, and you can understand why.

An hon. member: We will discuss it.

[English]

The Chair: Can we deal with this bill in one hour? Then we could extend our meeting till six o'clock, which would give us an hour and a half with Mr. Clarkson.

Some hon. members: Agreed.

The Chair: You are so agreeable.

Some hon. members: Oh, oh!

The Chair: Our witnesses today are Bruce Manion, assistant deputy minister, planning and corporate affairs; Hilaire Lemoine, executive director, portfolio affairs office—and I had to ask what that is; and Jean-Pierre Blais, assistant deputy minister, cultural affairs.

Monsieur Lemay.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Madam Chair, you may recall that at our last meeting, we discussed the possibility, if everyone was in agreement, of changing the rules with respect to speaking time, so that the five minutes given each member would not include the answer. I believe there was a quick discussion of this and that there seemed to be a consensus. I don't know whether everyone agrees that the five minutes should include the time our guests take to answer the question. If everyone agrees, we could quickly resolve this minor issue.

The Chair: Mr. Lemay, my concern is to ensure that every member of the Committee has an opportunity to question the witnesses. I believe I have been very flexible in terms of giving the member a little more time when our witness gives a very lengthy answer. If we set aside ten to twelve minutes for questions and answers for a single Committee member, the others will suffer.

I would like to suggest that the rules adopted by other committees be circulated to Committee members so that we can look at possible changes. For today, what I would ask is that members try to be more brief in asking their questions. Sometimes a question can take up five minutes of the available time. If the questions are a little shorter, I will be flexible. If the answer is particularly long, I will give a member a little more time.

• (1540)

[English]

Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Maybe at the same time we could request that the answers be limited in some way to the length of the questions. If we are lengthy in our questions, then I can understand a lengthy answer, but I know how the game can be played: I ask a very short question, and it can be answered yes or no or in a short line, then we talk for five minutes and I don't get my second question. So my thing would be that there should be consideration both ways, in questions and in answers, and maybe the answer should be the same length as the question.

The Chair: I'm sure the witnesses have heard your comment.

I think the suggestion has been made that perhaps I should use the gavel on the answers and move on to the next question if necessary. Is that the suggestion?

An hon. member: Yes.

The Chair: Is someone going to make an introductory presentation?

Mr. Manion.

Mr. Bruce Manion (Assistant Deputy Minister, Planning and Corporate Affairs, Department of Canadian Heritage): Yes, Madam Chair. Thank you.

We thought, given some of the discussion at the last appearances of the minister and ministers of state on the documents themselves, the estimates, it might be worth while to have

[Translation]

a brief overview of the Estimates and Supplementary Estimates in order to get a better idea of the context and facilitate today's discussion.

[English]

So what I will do, in as short a time as possible, given the previous comments, is run through the documents and what they are and some of the changes that have transpired in the documents over last year, particularly with the supplementary estimates; we have a different reporting format. So that everybody's comfortable with what we're looking at, we have a plethora of blue books in front of us. I brought everything that could possibly be spoken to today. Traditionally, parts I, II, and III of the estimates are the main documents that we

table in the spring. These are the documents that speak to our requirements, both from a planning perspective and a programming perspective, and seek Parliament's approval to give us our basic supply. The first document is the government summary, which includes all ministries and all of the appropriation acts, and part III is the document specific to a given organization, being either a department or an agency that has money appropriated to it. These are the documents that have been the subject of a number of discussions, including the appearance before the committee of the whole by the minister recently.

These documents are our baseline. These are the things we submit to you for approval, given our best understanding of the current state of play of our approvals from Treasury Board and out of cabinet and around the end of December every year. So going from that timeline until the late fall, we can find that there are a number of changes. Some of our assumptions will change. We have technical requirements that change over the course of the beginning of the year. That leads to the tabling of supplementary estimates, which would be the subject of today's discussion primarily.

Though it's impossible to foresee every possible eventuality, every possible need, every possible decision coming out of cabinet and flowing through to Treasury Board, and given the fact that some of our programming requires that we provide funding to other organizations to help us achieve some of our goals, the supplementary estimates are very useful documents for us, so we can make in-year adjustments to any of our plans and our priorities.

They also reflect a better understanding of where we think our final spending will go at the time they are tabled. Traditionally, there are two supplementary estimates tabled. It doesn't mean there could not be more than two, and there have been exceptional years, when world wars and that sort of thing have broken out, and we've been required to go to a third or fourth. That's not expected to happen this year.

There is an unusual situation this year. You are going to be asked to vote on the main supply and the supplementary estimates on the same date, December 9. That's a result of the prorogation of Parliament in the spring. It is not a usual occurrence. Usually, you would have voted on the main estimates in the early part of the fiscal year, and we'd only be talking about first supplementaries at this point in time.

● (1545)

[*Translation*]

So, that is unusual. It does change the dynamic somewhat, but we are always available to answer your questions with respect to both form and substance.

[*English*]

A major change in the supplementary estimates this year is that we've changed the presentation format. Previously supplementary estimates were shown on a net basis, so all of the pluses and minuses were netted out to a single number. So you'd have a single increase to a vote or a single decrease, with some explanatory notes. That has now changed. We have a full description of all the pluses and the minuses, so we have a more transparent disclosure. That's just part of the reform of the estimates process that Treasury Board has been leading over the last number of years, given comments from the House and committees. So there is more transparency this year. You are seeing all of the changes that are being brought forward in-year this year. That's the first time we've seen that in recent memory. That is a fairly important distinction.

In the supplementary estimates we look for increases to particular votes for programming reasons, we look at transfers between votes, and they could be votes that are voted for a given entity or between votes with other entities of the federal government, including our crown agencies. We also look for technical adjustments in some of the vote wordings of any of the granting authorities that are only approved by Parliament, as well as anything to do with loan or loan guarantees, of which you would find none in our department and most of our portfolio agencies.

So I can tell you that primarily in the supplementary estimates, the first supplementaries are the supplementary A, as we like to call them. We have increases in funding, we have transfers between votes, and we have a couple of changes to existing authorities, in particular, two granting authorities. So in essence, those are what make up our supplementaries this year.

Hon. Sarmite Bulte: On a point of order, Madam Chair, I don't understand what is meant by transfers of votes. Could you just explain that again?

Mr. Bruce Manion: In the course of normal programming we have put in factors by vote, so each of our budgets for the department is set by vote. We have an operating vote, we have a grants and contributions vote, for instance, in the Department of Canadian Heritage, hence roughly \$230 million of operating and some \$800 million of grants and contributions. We may not move money between the votes without express approval of Parliament. We do that, in fact, to get the input factors mix right. Sometimes we need to take some grants and contribution money and put it into operating, or vice versa. That is nothing more than an input factor change.

Hon. Sarmite Bulte: Madam Chair, what was confusing me was the word "vote". You're talking about transferring from one department or agency to another, is that correct?

Mr. Bruce Manion: It would be from one appropriation to another.

Hon. Sarmite Bulte: Okay.

Mr. Bruce Manion: We can transfer within the department, between the two votes that we have, or we can transfer for other programming. For instance, we have a digitization program under the Canadian culture online program, where we actually assist other federal agencies in accelerating the digitization program. You'll see that in these supps we actually have some moneys being transferred to other appropriations within the federal envelope for that programming, the accelerated digitization. Those are the types of transfers. We have some coming in from other organizations as well in these supps. That is the essence of a vote transfer.

That is all we had for an overview. They have traditionally been fairly arcane documents. Unlike the public accounts, they're a little simpler, but we're working on those as well. We think that the current supplementary estimates document is a much better document than what you've seen previously. It does allow for more granularity and more transparency.

I guess we'll just turn it over to you for questioning.

The Chair: I'm wondering if it would be helpful to have an overview of what money's coming from and what it's going to. In the spirit of expenditure review, you might indicate why you haven't been able to reduce less relevant or useful projects. What are the major shifts between?

Mr. Bruce Manion: On the transfers in or out, we have a number of major items. We have the transfers out for digitization, as I just noted, that are around \$13 million.

● (1550)

The Chair: Do you mean money going from your estimates to another department? Is that what you're talking about?

Mr. Bruce Manion: Correct. This is in the context of the digitization fund.

The Chair: Where are they coming from and where are they going to?

Mr. Bruce Manion: If you'll bear with me for one second, I do have the—

The Chair: You're right, the documents are very arcane.

Mr. Bruce Manion: I'll switch to another program.

We have the IPOLC, which is the interdepartmental partnership with the official language communities, through which we will provide funding for other government departments to engage official language communities in worthy projects that go to our program objectives around fostering official languages communities across Canada. In the supplementary estimates for this year, you'll find a transfer out from the Department of Canadian Heritage of just over \$2.6 million. That money is going to Health Canada; Citizenship and Immigration; Western Economic Diversification; Fisheries and Oceans; l'Agence de développement économique du Canada pour les régions du Québec; Agriculture and Agri-Food Canada; Industry Canada; Telefilm Canada; and the Canada Council for the Arts. This is done based on submissions and MOUs that we get into with them on a multi-annual basis. That would be one example of a large item of transfers out.

The other is the digitization program I spoke about earlier. The transfers, as I said, represent about \$13 million for this fiscal year, and they're going to Veterans Affairs; the National Film Board; Library and Archives Canada; the Canadian Museum of Civilization; the CBC; the National Arts Centre; the Canada Science and Technology Museum; and Parks Canada.

We have a number of other smaller transfers that are usually for single projects. I could compile a list and send it to you, but I don't have a master list right now. They would be for small amounts for given projects. For instance, we might partner with Industry and they would send us \$100,000 because the programming is more in our area of expertise.

The Chair: Are there any major increases to your program?

Mr. Bruce Manion: We have a number of significant increases. The major ones that account for the bulk of our total increase across the department include just under \$60 million for the increase for sport funding. We have \$37.5 million for the top up to the Canadian Television Fund, which brings the contribution by the federal government up to \$100 million, which has been a traditional amount over the past several years. We have a number of other smaller increases that are for new initiatives or for initiatives that will continue but for which we did not have a funding line. We would find things there like the campaign against racism, at \$1.7 million. We have some other items that are not in our A-base that we will get top-ups for, and we have a few items there for the Council on Canadian Unity.

The Chair: What does "A-base" mean?

Mr. Bruce Manion: Our A-base is what we get built into our annual appropriations. This is the amount we receive every year that is continual, in contrast to an amount that would be a sunset amount that has a finite life. We can get a sunset amount that is given to us for three years, and after that it will come out of our appropriations. Our A-base is the permanent amount that's given to us.

The Chair: Those are some of the highlights of increases, but what about programs that aren't going to spend what you were allocated?

● (1555)

Mr. Bruce Manion: We do not make adjustments in the supplementary estimates for amounts that are under.

The Chair: Shouldn't we?

Mr. Bruce Manion: That's a good question.

The Chair: Can you tell us what they are nonetheless?

Mr. Bruce Manion: I must admit that I wouldn't be able to tell you. It's not in the context of the supplementaries. We could tell you at the end of the year what we wound up spending against various appropriations, but once we're under the appropriations, we are deemed to have the flexibility to be able to manage to meet diverging or evolving priorities. For instance, we can have a program that's demand-based and for which we have a call every year. We may find that, in the program, by the end of the fiscal year, we haven't had as significant a demand as we've had in the past year, so we'll make adjustments.

I'm not in a position right now to tell you every single one of the programs and what their final forecast would be. Right now, we're forecasting that most of our programs will come in at what they've budgeted for, which is *grosso modo* what you'd see in the estimates.

The Chair: So the supplementaries are only about increasing spending, not about adjusting spending.

Mr. Bruce Manion: That's correct.

The Chair: Mr. Schellenberger, you're first on the list.

Mr. Gary Schellenberger: Thank you.

I have two questions that would be relevant to this when I do look at the estimates. In my business, I always relied on my accountant to tell me what things were. When I look at this, I do realize that the total ministry budget is \$3,249,546,006—am I right? Yes? There we are. At least I got that much.

My one question is again on the \$59.6 million for Canadian sport development. I know my friend down at the other end of the table is very interested in that. I sat on the all-party sports committee last year, and I was taken aback when the former minister came out and said he had received \$30 million for the sport ministry. That took us up to \$100 million in the budget. I knew the budget was \$90 million before that. I didn't know how the \$90 million and \$30 million made \$100 million, but unknown to us, \$20 million were sunsetting. I hate this sunset business, because that means it's the end. I would have said I received \$10 million more for sport and I was lucky to get \$20 million put back in. That's just one question.

In sport, most of this money goes to the elite in sport. I look at sport as a pyramid, and if you keep funding the top of that pyramid, it has a tendency to blow out the bottom. A lot of these elite athletes come from small towns all across Canada. I feel that if there's going to be \$60 million more going into sport, there should be at least maybe \$10 million or \$15 million somewhere sent down to help some of the small organizations as they come through. What triggered the requirement for the supplementary funding in sport, this \$60 million, and where is it destined to go?

And I'll be very short on my second question. The government-wide reallocation initiative will cost the Canadian Broadcasting Corporation \$10 million in 2004-05. Given the financial pressures already facing the CBC and Radio-Canada, how do you justify asking corporations to contribute \$10 million to this initiative?

I do know that, especially when the president suggests \$100 million more in funding per year is required, it has to be stable funding. Everybody I talk to, whether it be in Telefilm or any other place, looks at stable funding. With stable funding, you have to be able to look forward two or three years. If it all of a sudden comes up and sunsets, people are sitting in limbo again, like the Tomorrow Starts Today program right now. Is the funding going to be there?

Those are my two questions.

• (1600)

The Chair: At 3 minutes and 34 seconds.

Mr. Bruce Manion: I'll ask our ADM, Jacques Paquette, who is responsible for Sport Canada, to answer your first question, and I'll address your second question.

Mr. Jacques Paquette (Assistant Deputy Minister, International and Intergovernmental Affairs, Department of Canadian Heritage): Your question was about this new money that was announced. Basically, as you know, part of that was sunsetting. Of the \$60 million, \$30 million was new money and the other \$30 was in fact being renewed, so that's what we're talking about. When the minister announced \$30 million new, that's what it was.

Out of that, \$10 million went to support the participation aspect, and the rest was allocated to high-performance sport. If you look at the elements of the new one, part of that was direct support to athletes; support to hosting events, like preparing for the Olympics, for example; support targeted to Olympic and Paralympic sports; and also support to sport organizations. That's where the money went, basically.

Mr. Gary Schellenberger: Nothing for people down at the bottom?

Mr. Jacques Paquette: Yes, there was \$10 million. The first \$10 million that I referred to was for participation. That was in addition to some other initiatives that are taking place.

Mr. Gary Schellenberger: How is that money accessed?

Mr. Jacques Paquette: There is a program. It is all grants and contributions, and it goes to support groups, projects in schools, and so on. There are some terms and conditions when organizations apply, and then it's funded when they meet the terms and conditions.

Mr. Gary Schellenberger: Thank you.

Mr. Bruce Manion: On your second question, on CBC, first of all, we'll support your view; we're not in favour of sunsetting program funds. It is a very difficult and unwieldy thing to use. However, I'd like to put some context around the \$10 million for CBC.

Our share of the reallocation that was announced in the 2003 budget and then reconfirmed in the 2004 budget was just under \$100 million for the entire portfolio of Canadian Heritage. CBC's appropriation represents roughly a third of that. So when you do the math very quickly, notionally, if they had been targeted their fair share, it would have been over \$30 million.

It's not the best answer, but when we do apply these types of reallocation targets, we look at ability to pay, at impacts. It was felt that CBC, notwithstanding the fact that they are short of cash, by their reckoning, had received top-up funding in the amount of \$60 million, which we are trying to regularize in our discussions with the centre. But that less-than-1% hit on a \$1 billion budget was still achievable, it was still doable, compared to reductions for other organizations in the portfolio, which were closer to 2% or 3%.

I'd cite the department as having taken just over a 3% hit to accommodate some of the portfolio agencies that were less able to pay.

Mr. Gary Schellenberger: Thank you.

The Chair: Thank you very much.

Monsieur Kotto.

[Translation]

Mr. Maka Kotto: Than you, Madam Chair.

I certainly appreciate all the debate around numbers, obviously, but I would like the debate to be predicated on a political vision. This is what I call putting the cart before the horse. I'm no expert in accounting, but just on my initial reading, I note that Telefilm, CBC and the Canada Council's budgets have been cut. The Canada Council's budget has gone from the \$151,031,250 to \$150,911,250, a drop of about \$120,000.

We have had some discussions with the Mouvement pour les arts et les lettres au Québec, a group representing some 15,000 members, and it was decided that we should be pushing for a doubling of the Canada Council's budget, which would mean bringing it up to about \$300 million, so that people can have a decent living. We also note that the Canada Council's budget has been cut.

Bill C-18, which will be debated next week, will officially expand Telefilm's mandate. However, here we see a cut of \$1.4 million to its current budget.

The Canadian Television Film has also been saying that its funding should be stabilized at \$100 million and that this should be recurring funding. But I really don't have the sense that the Department is moving in that direction.

As regards the Canadian Broadcasting Corporation, we see a cut of \$8 million in here.

If our reading of this reflects reality, do you have any answer to the comments I've just made?

•(1605)

Mr. Bruce Manion: As regards the reduction of about \$120,000 for the Canada Council, you're right: your reading is correct. However, it should be noted that since 1994-95, the Canada Council's base budget has risen from \$98 million to \$151 million. Of all the agencies in our portfolio, it has seen the highest growth over that period of nine or ten years.

Mr. Maka Kotto: This is what I call number crunching with no political vision. The Canada Council for the Arts has consistently asked for a sizeable budget. This funding level already does not meet expectations. It represents only about 10 per cent of what people expect in the way of funding.

That prompts me to ask you this: in setting budget allocations, did you sit down with these organizations to come to an understanding regarding their requirements and expectations, or were the decisions made unilaterally with no consideration given to the reality on the ground?

That applies to all my comments regarding the other vectors.

Mr. Hilaire Lemoine (Executive Director, Portfolio Affairs Office, Department of Canadian Heritage): I would like to comment on the Canada Council's budget.

The final Supplementary Estimates, as regards the Canada Council, provides for a cut of \$120,000 out of a total budget of \$150 million. Once again, that is due in large part to the fact that the Canada Council had to make a \$1.5 million contribution as part of the \$1 billion reallocation exercise.

Mr. Maka Kotto: You say it had to contribute. Was that a decision made voluntarily by the Canada Council for the Arts or was it the Department's decision?

Mr. Hilaire Lemoine: They made the decision together. All departments, agencies and Crown corporations were approached to determine the extent to which they could...

Mr. Maka Kotto: It's to take the pressure off me from these organizations, which we meet with as well. So, you are clearly telling me that they took part in the process which resulted in these numbers.

Mr. Hilaire Lemoine: They took part in the sense that they were obviously consulted regarding the need for the Department and its portfolio...

Mr. Maka Kotto: But you are not answering my question.

They may have been consulted as to whether they agreed or not, but they did agree—that's what you're telling me—with what we have here in front of us.

Mr. Bruce Manion: Yes. I can even confirm that during the first reallocation exercise in 2003-2004, we did not ask the Canada Council to contribute. When the process began for the second contribution—which, beginning in 2004-2005, is a permanent contribution—the Council offered to contribute the amount of \$1.5 million.

The Canada Council asked to participate in the process, since it felt that contributing to reallocation exercise was in fact a priority for the government.

Mr. Maka Kotto: Fine, but you are doubtless aware of the literature circulating, which was produced by the Canada Council for the Arts and which states exactly the opposite—namely that the Canada Council is in desperate straits. One demand goes so far as to suggest that its budget be doubled in order to meet the needs of people on the ground—the artists and craftspeople.

I just don't understand this kind of double talk.

•(1610)

Mr. Bruce Manion: If you don't mind, just to avoid...

Mr. Maka Kotto: I'm not talking about you when I refer to double talk, but about them—based on what you've just told me.

Mr. Bruce Manion: Yes, but if you surveyed all the groups we deal with, you would clearly see that all of them are always asking for more. We try to identify priorities within the entire range of our programming, and we then submit our proposals to Cabinet, which makes a decision based on relative priorities. However, it is certainly not up to us to say whether the Canada Council for the Arts's budget should be increased or doubled.

Mr. Maka Kotto: So, it did not make that explicit request?

Mr. Bruce Manion: No.

Mr. Maka Kotto: I see. That will help me in my correspondence with the Canada Council. That's why I need that information.

However, as regards Telefilm...

[English]

The Chair: Merci, Monsieur Kotto.

Madam Bulte.

Hon. Sarmite Bulte: Thank you.

I think Mr. Kotto actually caught on to some of my review of the figures as well. However, we shouldn't forget, Madam Chair, that from 1997 to the present the Canada Council's budget was also increased by 69%.

I appreciate you all coming today, and I appreciate the fact that you're here to interpret numbers. It's almost a shame that the minister isn't here to help establish where the political will is. You can interpret the numbers for us, but you can't really explain.... And please don't get me wrong; I think that's great, because you're helping me understand. I'm not very well versed in the estimates, so I think this is a good first exercise for the future. I just think perhaps next time it would be more useful for the committee if the minister were here.

Having said that, I'm going to follow up on the same thing on the Canada Council. I know what you're going to tell me, but I guess maybe I'll just put this on the record if the whole point is to examine the supplementary estimates.

I, too, caught the amount of the reduction to the Canada Council. I, too, understand that there was a government-wide requirement to find \$1 billion in savings under the former finance minister, if I'm correct—under Mr. Manley.

Also, when I looked I saw that the National Arts Centre Corporation is receiving an additional \$800,000. If I go to the footnote on why that \$800,000 is being used, it is funding for—at least part of it is—the development of the Alberta Scene Festival in Ottawa, showcasing the very best of Alberta's theatre, music, and dance.

I think that's a wonderful thing. However, isn't that the role of the Canada Council? As much as I think Peter Herndorf has done a fabulous job putting the “national” back into the National Arts Centre, he's using money to tour that we don't have in the Canada Council for touring.

Again, I think the National Arts Centre has done a fabulous job—please don't get me wrong—but I think we need to examine here why these moneys are going to the National Arts Centre. I know that Mr. Herndorf and I have always had this debate as to my asking him to tell me why the National Arts Centre is no different from a regional theatre. I know many regional theatres that would love to have \$32 million as base funding to start.

I know you can't tell me why, but it just seems to me that we have here.... And Mr. Kotto, let's become political here. Why is it that moneys...? It's my understanding that development of festivals comes under “Tomorrow Starts Today”, under the arts presentation. I'm just concerned that money...and again, I'm not saying the Alberta Scene Festival should not get the money. But how was it decided, and why shouldn't the Canada Council, which has a jury, decide where the money should go?

Who decided that it should go there?

Mr. Jean-Pierre Blais (Assistant Deputy Minister, Cultural Affairs, Department of Canadian Heritage): I can try to provide you an answer.

In fact, the Canada Council and the National Arts Centre have a memorandum of understanding to work in collaboration. We try to work at support of the arts on more of a network basis, where each group has a part to play in a very complex system. Certainly the Canada Council has a very important role with its peer jury process to identify individual artists, but there's also a role through the arts presentation program in which the minister, through the department, makes sure that opportunities for those creators and artists are afforded.

I'd hate us to be in a situation where it's one or the other. In fact, it all works together.

On your point about touring for Canada Council, it is an issue, and we've identified it as an issue. We are working on bringing together proposals for consideration by ministers on this particular issue as we move forward, because in fact it's important for the system as a whole to be creating artists, but also to be getting those artists to Canadians and around the world.

The situation as it is now is not perfect, but we know where the gaps are, and the touring is a gap we've identified.

● (1615)

Hon. Sarmite Bulte: Again, Mr. Blais, everyone here believes we should have more programs. It isn't just one thing or another. And, yes, they do build. I've never said it's one or another.

Are you telling me that this \$1,000 came from the arts presentation package of Tomorrow Starts Today that went to the National Arts Centre? Is that what you're telling me?

Mr. Jean-Pierre Blais: I'm not actually sure where the actual money was sourced from. Maybe somebody in the back can help me.

Mr. Bruce Manion: I can speak to that.

When we did our resource allocation for fiscal year 2004-2005, we looked at our priorities. We do have the capacity, with some flexibilities that are generated across the department, to fund worthwhile initiatives. This one is based on the success the NAC had with a similar undertaking last year called Atlantic Wave. It brought a fairly substantial number of performance artists, as well as culinary experts, from Atlantic Canada. The NAC put on a festival here in Ottawa that showcased their talents. It was started with a showcase event with Rick Mercer at the NAC.

This is, again, part of its outreach programming to try to get the NAC to become more relevant across the country. And there were some reciprocal agreements done as a result of this that allowed some programming from the NAC to go down east. It was a very successful exercise. It received fairly high ratings as far as participation.

Hon. Sarmite Bulte: Again, I still don't understand where this money came from. It's not like the NAC doesn't get a substantial amount of money. It's over \$31 million. I understand that part of it is for capital. I understand that. But it's not just for capital. I'm surprised, when an organization already receives \$31 million from the government. I know that there are many arts organizations across Canada who would love to have \$31 million so they would have the opportunity to become "national". I don't understand where this additional money came from.

That's just for the record. I know that you can't explain it to me. We're not talking about the arts groups that work so darn hard just to balance their budgets, to try to get a few thousand dollars. And here's an organization that gets \$32 million. I'm just surprised. Why can't it find that money from what it has there already?

Mr. Hilaire Lemoine: If you allow me, I'm not necessarily here to defend the way the National Arts Centre spends its money, but I think it's important to note—as Bruce was mentioning—that the success of the Atlantic Scene a couple of years ago was quite formidable for the Atlantic region. The whole purpose behind these events is to bring to Ottawa, showcase in Ottawa, some of the artists who would not normally have the possibility of coming here. The Alberta Scene, obviously, is the next step. There also are other ideas, I'm sure, for other scenes.

The \$1 million, though, a portion of it came from western diversification. About \$200,000 came from there and \$800,000 came from the department.

Hon. Sarmite Bulte: Again, Madam Chair—

The Chair: Your time's up, Ms. Bulte—in fact you're over. I've been a little lax.

Mr. Brown.

• (1620)

Mr. Gord Brown (Leeds—Grenville, CPC): My question is about sport and funding for elite athletes.

I agree with my colleague that if we don't fund the bottom of the pyramid, we won't be able to keep feeding the elite group, but we hear stories. I know we had some visits just a few weeks ago from our Olympic medallists. I happen to know one of them who was a gold medallist in the Olympics in Athens. He and I had a little discussion about the fact that overall the elite athletes—and I know one from my hometown who also attended the Athens Olympics.... The funding they need in order to devote the necessary time to training to be able to compete at the high, elite level is not really there.

What I want to throw out is, do you think we have enough funding for our elite athletes? I guess it's really a question for the minister, but it seems to me it's not enough for our elite athletes to be able to compete at that level. How much of this funding goes directly to

these elite athletes? Is it really enough to satisfy what's needed in this area?

Mr. Jacques Paquette: The developing of sport, and especially high-performance sport, requires looking at different angles. There is the direct support to athletes, the program that provides money directly to the athletes. But you also have to provide support to the sport organizations that organize these core functions, coaches. That's also included, the organization of sport events in Canada so the athletes have the opportunity to develop, which is also an element.

You cannot just look at the support directly to an athlete to see how we can develop athletes. We have to look at it from different aspects because it involves different aspects. When you look at the way the money is spent, that's exactly the approach we're taking. We know that very professional, highly qualified coaches are essential to be able to get to this level.

The same thing goes for the money that was announced by the minister. There was an increase in terms of allocation given to the athletes, the ones who have reached the senior level and the other ones in development as well. I'm sure that, if you talk to people around, this money was welcome. It's always possible to say that more would be even better, but at this stage I think very serious efforts have been made to be able to deliver what we think should be the development of high-performance sport in Canada.

The Chair: Thank you.

Mr. Lemay.

[*Translation*]

Mr. Marc Lemay: Madam Chair, I understand that when the Minister of State for Sport appears on December 13, you will be with him. I will save my questions for that meeting. I guess I can let you off the hook because I think \$59 million is woefully inadequate. But that is another debate.

This time, I won't stay with sport. I think the elite, emerging athletes and development constitute the pyramid. But it's the provinces who aren't doing their job.

Having said that, I would like to discuss the National Archives. I'm not necessarily in agreement with this, but I'm wondering why there is a cut of \$36,797,250 to their budget, as per this document. Can you explain what the reason for that cut is? That's my first question.

While he is looking for the answer, Madam Chair, I would appreciate it if you didn't shorten my speaking time.

And to the Assistant Deputy Minister, I want to try and understand one thing about the structure of government. Do you have Treasury Board guidelines or directives telling you how to allocate the funding they give you?

•(1625)

Mr. Bruce Manion: All amounts allocated by the Treasury Board are for programs for which we have recognized objectives that we are required to meet. Having said that, however, there is some flexibility in the system that allows us to manage things so as to be able to deal with contingencies and requests that can vary from one year to the next.

Mr. Marc Lemay: Do you plan your requests for funding or assistance from the Treasury Board? You are receiving \$1 billion—actually, much more. Do you have a one-year, two-year or three-year plan for these monies, or do you have to go back to the Treasury Board every year to request funding?

Mr. Bruce Manion: No. It depends on the nature of the funding we are receiving. It is very rare for us to go back year after year. There are certain types of activities where that is the case, but most of the time, it is in our base budget, formerly known as the A-base, which sets out the reference level. Otherwise, the amounts are included in the resource allocations that are sunsetted. That funding can be based on a three- to five-year horizon.

Mr. Marc Lemay: While you're looking for the answer to my question on the National Archives of Canada, I would like to ask another one. If a certain amount is allocated to a given project—say, for example, Cultural Spaces, is there a deadline for spending that money, meaning that if the money isn't spent by that date, it goes back to you or the Consolidated Revenue Fund?

Mr. Bruce Manion: I'd like to make one clarification. We obviously have a deadline, which is the fiscal year end—in our case, March 31. But within the Department and our own management system, we prepare forecasts per program, per sector, for operating and programming expenditures, including for programs that are delivered from our regional headquarters. Throughout the year, we do some reality checks and question our basic assumptions, looking at whether demand for a particular program—for example, Cultural Spaces—is steady. Is there less demand? Is there more demand? After that, we have the ability to rebalance budgets in order to meet the demand, if it has changed, through the system.

At the present time we, in our Department, conduct a semi-annual fall review to see whether internal programming is needed to restore balance in the face of changing needs.

Mr. Marc Lemay: Basically, to avoid having to give money back, you still have to be sure it is allocated.

Mr. Bruce Manion: The goal is not to avoid having to give money back, but to truly use the resources allocated to us judiciously, in order to meet the needs and attain our goals. Of course, we are able to say that we won't spend all the money allocated to a given program in the course of the year and give that money back.

Mr. Marc Lemay: Since I don't have much time left, could you just tell me why the \$36 million was cut from the budget. Do you not need that money anymore?

Mr. Hilaire Lemoine: This is how you should interpret those numbers. In the course of the year, we merged the National Library and the National Archives of Canada to create a single organization called Library and Archives of Canada. So, when you see that \$63 million was taken away and then put back, well, that is really

just an allocation exercise, if you will. The budget has not been cut. It's simply a transfer from the two former organizations to the newly created one.

Mr. Marc Lemay: Which is now called Library and Archives of Canada.

Mr. Hilaire Lemoine: Yes, which is called Library and Archives of Canada.

Mr. Marc Lemay: Are we to understand that the National Archives of Canada is going to disappear or be merged?

Mr. Hilaire Lemoine: The National Library of Canada was one entity and the Archives of Canada were another. However, the two organizations have been merged to create a new entity called Library and Archives of Canada, which has a budget of \$63 million.

Mr. Marc Lemay: Do I have a minute left?

[English]

The Chair: Mr. Rodriguez.

•(1630)

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Madam Chair. I'm very happy to see that my colleague from the Bloc Québécois shares my interest in the National Archives of Canada. That is greatly appreciated.

The fact is, there are a great many cuts made in a number of places. Should we expect further cuts, or do you think you have met your objectives? Should we be concerned about additional cuts to some of the Department's budget items?

Mr. Bruce Manion: I am going to answer your question on the basis of the portfolio as a whole.

Obviously, proposals were made in the context of the on-going spending review exercise. We have not yet been informed of decisions in that regard. Those proposals were aimed at identifying activities that are less of a priority so that money could be reallocated to activities having a higher priority that are identified in the current government's election platform. Those decisions will be communicated to us as part of the budget process, and the results will be announced after Christmas, in about the month of February, when the federal budget is brought down. At this stage, they are only proposals. We have not yet received any feedback as to whether those proposals will be accepted or rejected.

Will there be further cuts? That is a reality for us. There are always monies being reallocated. We must be very cognizant of public expenditures and ensure that we achieve the desired results. Based on our own assessments, our program analysis and the outcomes we have achieved, we sometimes decide to reallocate funds internally. It even happens at times that a program that is ending—a sunsetted program—or one that has not delivered the goods is cancelled. So, to say there will never be further cuts or budget or resource reallocations associated with our programs...

Mr. Pablo Rodriguez: You're obviously dealing with an on-going process, but I was wondering whether, in the short term, these were things that were in the works. You say you reassess your programs and that based on those reassessments, you sometimes decide to cut or reallocate funding.

In the case of the Canadian Broadcasting Corporation, for example, whose budget has been cut by \$8 million, don't you think this kind of decision is completely inconsistent with the desire to increase the development of regional content?

Mr. Bruce Manion: I want to come back to the answer I gave earlier. It is a net decrease of \$8 million out of a budget of more than \$1 billion, which is less than 1 per cent. As part of the reallocation exercise to attain the \$1 billion threshold announced by the former Minister of Finance, it could have been \$20, \$30 or \$40 million. Based on our analysis, however, we felt that in the case of the Canadian Broadcasting Corporation, the amount of \$8 million was still affordable.

Mr. Pablo Rodriguez: So, you didn't want to cut CBC's budget as much, is that right?

Mr. Bruce Manion: We reviewed the entire portfolio of our agencies. Some were able to give more; some, less. It was based on an analysis of their ability to pay, or contribute.

Mr. Pablo Rodriguez: Could you clarify the amounts for Telefilm Canada? I'm trying to understand what it says here on page 109. If I look at the total for Telefilm Canada, I see that its budget has been cut by \$1.4 million. Is that right? If you look at Vote 120 on page 109, there is supplementary funding related to the development of official language minority communities. Is that correct?

Mr. Bruce Manion: Yes. That was what I was describing earlier with respect to transfers of funds. We had identified two amounts, two major programs: IPOLC, which relates to official languages, and another program related to a transfer from the Department to set up a program to assist young Aboriginal producers. It was an initiative that involved Telefilm, the NFB and the Canada Council for the Arts.

• (1635)

Mr. Pablo Rodriguez: Included in that, are we also talking about a program called OLSP?

Mr. Hilaire Lemoine: Yes, indeed. It's for the program known as IPOLC, the Interdepartmental Partnership With the Official Language Communities. As regards Telefilm, the additional amount of \$400,000 requested is a transfer from OLSP—Official Languages Support Programs—from Canadian Heritage to Telefilm. This is an agreement with Telefilm under which young film directors and producers living in minority communities—in other words, in provinces and territories outside Quebec—are able to access training sessions.

So, once again, coming back to our opening presentation, this is an example of the transfers from the Department to another department or, in this case, to a Crown Corporation.

Mr. Pablo Rodriguez: With respect to OLSP, I know that there is a great deal of concern among minority communities. Has the envelope for this program increased? I don't know what the overall envelope is. I believe it is \$24 million. Is that possible? We had asked that it be increased to \$42 million, I believe. A request to that end was made of Canadian Heritage.

Mr. Hilaire Lemoine: The OLSP's annual budget is approximately \$35 million. That budget was recently increased: it was previously \$28 million, but it has now risen to \$35 million. The

increase came about as a result of new funding allocated at the time under the Official Languages Action Plan, known as the Dion Plan.

Of that \$35 million, approximately \$25 million is being transferred to communities under the Canada-communities agreements. The other \$10 million is being used for a series of one-time projects and initiatives, such as community centres, cultural centres, and so forth.

You are right: the communities did in fact request that the Canada-communities agreements envelope be increased.

Mr. Pablo Rodriguez: And that isn't in here?

Mr. Hilaire Lemoine: No, it isn't here because it is not a request for supplementary funds. That is funding that has already been added to the Department's A base. So, it is not part of the request for supplementary funding; it's in the Department's A-base budget.

Mr. Pablo Rodriguez: And are they going to be given the \$42 million?

Mr. Hilaire Lemoine: That decision has not yet been made. It's a decision that will be made by the Minister. She has not decided yet.

Mr. Pablo Rodriguez: By the Minister?

[English]

The Chair: Mr. Schellenberger.

Mr. Gary Schellenberger: Thank you.

I have just one question. We've perused these papers here, but where is the money for multiculturalism, and how much might there be in this budget?

Mr. Bruce Manion: There are no increases or transfers impacting multiculturalism.

Mr. Gary Schellenberger: It doesn't show, then.

Mr. Bruce Manion: The exception is the additional amount for racism, which is \$1.7 million. You'd find that in the baseline budget in the actual main estimates.

Mr. Gary Schellenberger: Okay.

One thing I did hear today—and I don't know if this is right, but maybe the honourable member across from me... I look at the National Capital Commission. Is the National Capital Commission involved in bridges? Did I hear today that we're thinking of building an interprovincial bridge—a new one or two or three—when we're crying poor on international bridges? I would only hope that the National Capital Commission doesn't get into the bridge building before we have another international bridge. I didn't see anything in the estimates here for bridges, so I just wanted to mention that one.

One thing I know from when I was on the fisheries and oceans committee, in the capital expenses, at the end of the year, so much money would have been allotted and it had to be spent within that year. But I know that one year, I think the capital expenses were estimated at \$72 million and \$32 million was spent.

Where does the money go? Will we find out that \$3 billion, etc., will be spent at the end of the year? What if \$249 million is not spent out of this? Does it just go into a slush fund? Does it go back into the general thing?

The slush fund I'm talking about would be just back into the general fund. No, I'm not suggesting anything wrong here. It's just that whenever these estimates are presented, we always hear the amount that is spent, but the true amount, it never seems to end up. A lot of these dollars are regurgitated dollars. They go back and forth and around.

So that's just my thing. Will some of this, any moneys that are left, be re-appropriated to some of the funds, or does the money again sunset with everything else?

• (1640)

Mr. Bruce Manion: The technical answer is all moneys appropriated by Parliament and not spent by March 31 lapse, including those appropriated for crown corporations. In other words, they go back into the treasury. They vaporize. There is no capacity to reallocate them.

However, there are some provisions for administrative operations. For instance, all federal departments have a certain operating budget carry-forward that allows them to avoid what had been noticed in the past, what people called March madness that would require that dollars be spent by month's end. Back in the early 1990s, an operating budget policy was put forward that allowed a 5% carry-forward.

Now, the 5% carry-forward is limited only to the operating vote, not to the grants and contributions vote. Any moneys unspent in grants and contributions, or in major capital—and we have no major capital vote in the Department of Canadian Heritage and there are very few capital votes in any of the agencies under Canadian Heritage—would also lapse. But we do have the right to apply, subject to availability of funds, for up to 5% of unspent operating dollars. For us last year that was just over \$9 million.

Mr. Gary Schellenberger: It's just that I know over the years I've watched hospitals and various other organizations that, when it came again to the end of their fiscal year, went out and wasted money just to make sure, because they had been told that if they didn't spend they would be cut back the next year in their appropriation. I would hope that doesn't happen in this organization.

Mr. Bruce Manion: As the former head of finance of this department, I would tell you that this does not occur. We don't have a very large base to be able to make what I would call recapitalization investments. Most of our dollars go to just keeping the lights on. We do look at some flexibilities in the last half of the year to see if we can make more strategic investments around updating our infrastructure, mostly around our computer networks, our core programs, our core applications for running our business.

Anything we do as far as strategic investment goes has to meet one single parameter—that is, be something that would have been a pressure for us in future years, so it's a smart investment to make now, or it's something that will save the crown and taxpayers money by making the investment today, rather waiting until the following fiscal year. And we hold this line fairly carefully.

Mr. Gary Schellenberger: What is the sport budget for this year? With the \$30 million that's going to sunset, and the \$30 million that's coming in—

Mr. Bruce Manion: It's \$120 million.

The Chair: The sunset increased its budget by 50%, then—no, by 100%, from 60 to 120.

Mr. Gary Schellenberger: It went from 90.... Add 30, you get to 100, and you add another 30 and you've got 120.

Mr. Bruce Manion: That's called estimates math.

Some hon. members: Oh, oh!

Mr. Bruce Manion: We could make you familiar with it, but I don't think you want to go there.

Mr. Gary Schellenberger: I don't want to go there.

Mr. Bruce Manion: Having done it for 42 years, I know you don't want to go there.

The Chair: Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): I want to touch on something Sam touched on earlier, and that was about money here for the regions. Obviously, when you talk here about the National Film Board discussing the SPARK initiative, I understand the importance of that, and everything else, and I also see here an Alberta Scene Festival in Ottawa showcasing the very best of Alberta's theatre.

Tell me what is out there and what is allocated so that you not only provide money to some of the regional theatres and regional initiatives through Canadian Heritage, but you also give them the ability to decide how to do this—how to market it, how to operate it, and that sort of thing. For instance, with Atlantic Wave, it seems to me you invest money to bring them here to Ottawa, correct? And they do their show.

So I don't see much of an initiative to help regions develop, when it comes to this particular department.

• (1645)

Mr. Jean-Pierre Blais: I think Cynthia White-Thornley, who's the director general of arts policies, is in the best position to answer.

Ms. Cythia White-Thornley (Director General, Arts Policy Branch, Department of Canadian Heritage): We have a number of initiatives. The Atlantic Wave was the National Art Centre's initiative to bring together a whole bunch of different genres to Ottawa, and then market them. That's one way of developing regions.

The other way we have flows through all of our programs, and in particular the arts policy program. We do it through three main avenues. One would be our cultural spaces program, in which we invest in the physical infrastructure, whether to upgrade existing facilities or purchase new equipment. We also invest through the presentation network—Arts Presentation Canada—in which we've set about to deliberately develop and fund presenters across the country to bring in artistic experiences to various communities. So far, 58% of that funding has gone to rural and remote communities, rather than the large urban centres. That program, Arts Presentation Canada, is valued at about \$27 million a year.

In addition to that, of course, we have the Canadian arts and heritage sustainability program, and that program has a number of specific instruments, one of which is a partnership that brings together the public and private sector to amass a pool of funds and help organizations in Atlantic Canada. We have one in Nova Scotia, one in New Brunswick, and now one in P.E.I., and we help these organizations through a long-term change process that gives them the strategic and the business planning and the marketing skills they need to further their artistic development.

Those are three of the ways we do it.

Mr. Scott Simms: Okay. Some of these numbers you're putting to me now are news to me. Maybe I don't get out much, but on the other hand I've got a funny feeling that a lot of these organizations do not necessarily know the full extent of these programs.

A suggestion, I would say, would be to.... I'm sure you're in contact with many of these cultural groups.

Ms. Cythia White-Thornley: Yes.

We made a deliberate decision with regard to the arts programs and Tomorrow Starts Today, particularly those that serve the region, to deliver those regionally. For example, we have a number of offices spread throughout Atlantic Canada and we have staff devoted to making sure we're in touch with those organizations and they are aware of the mechanisms available to help them.

We've just been through a number of evaluations of all of our programs, and we're looking at what works better in some regions than others and how we might refine our terms and conditions that Treasury Board provides to us in order to best meet the needs of those areas.

Mr. Scott Simms: I have one final question. What input did you receive from the minister in this whole process, in the sense of how involved has the minister been? Correct me if.... I'm new here. Tell me what input the minister had in the estimates.

Mr. Bruce Manion: In the estimates?

Mr. Scott Simms: Yes.

Mr. Bruce Manion: She is fully briefed on all of the submissions going to Treasury Board, which allows us to actually draw down

through the estimates and table something in the estimates, and she will sign them all. She has to be briefed on every single one of those initiatives.

Mr. Scott Simms: Every one. Okay.

Mr. Bruce Manion: Again, she would also be involved in the decisions that lead to resource allocations being done through the cabinet process. She's aware of any of the items that would be reflected in our main or supplementary estimates.

Mr. Scott Simms: Good. Thank you.

Mr. Bruce Manion: You're welcome.

The Chair: Perhaps the committee will permit me a couple of questions.

I noticed that your operating expenditures are going down by \$2.7 million, then up by \$9.1 million, and you end up spending \$7 million more. Can you explain what that's all about? That's only the operating expenditures.

Secondly, to pull the three pieces together, the CBC lost \$10 million out of its production budget specifically for Canadian production, and Telefilm lost money out of its budget, but the Canadian Television Fund had an increase. Why did we decide that CTF can do better productions than Telefilm or CBC?

• (1650)

Mr. Bruce Manion: In the area of increases to operating expenditures, you have an increase of \$9 million, with an offsetting amount of \$2 million, which is reflecting some of the—

Hon. Sarmite Bulte: Could you say that again?

Mr. Bruce Manion: We have an increase of \$9.1 million in the operating vote for the Department of Canadian Heritage, with an offsetting amount of \$2.7 million, which reflects a transfer as a result of the machinery-of-government changes of December 12. You'll find that on page 97.

This represents the transfer of the voluntary sector initiative from the Department of Canadian Heritage to Human Resources Development. For the most part, the balance of the increase in operating would be for adjustments partially driven by some of our programming requirements, as well as some end-year increases around collective bargaining, and that sort of thing. That's why you will see an increase in operating. It's not necessarily the case for some of our agencies that are full commercial crown corporations. They don't get the same kind of treatment, and they don't get the same kinds of funding lines. That would be the difference on the operating vote.

I'm not sure I quite understood your question on Telefilm.

The Chair: The CBC has \$10 million less this year. I understand that was out of its Canadian production fund of \$60 million. I think that Telefilm is down by \$1 million.

Mr. Bruce Manion: Telefilm is down by \$1.4 million.

The Chair: But the Canadian Television Fund gets additional funding. It seems to be a statement that somehow the department thinks CTF can do a better job of Canadian production than either CBC or Telefilm Canada.

Mr. Jean-Pierre Blais: I don't think it's necessarily the conclusion one could draw, because remember the CBC also finances its productions from the CTF fund.

The Chair: What is the rationale for the shifting of funds?

Mr. Jean-Pierre Blais: I think my colleague Mr. Manion answered earlier about the philosophy behind the CBC and the size of the budget.

The Chair: Right. But that doesn't explain more money for CTF.

Mr. Jean-Pierre Blais: For the CTF, you'll recall there was a proposal to reduce the financing quite considerably from the historic \$100 million every year, which was pretty standard from 1996 to 2002. I think it was in the 2003 budget. There were a number of representations made that this would have a considerable impact on the broadcasting system and production, particularly for high-quality drama.

As a result, there was in fact more money taken—at the time, from the 2003-04 budget, and moved forward a year—from the CTF in terms of allocations to bring it up to a higher number. Recently, in the 2004 budget, it was decided to bring it back up to the \$100 million level. I don't think the decision was made precisely in the way of “puts and takes” that you articulated.

The Chair: That's the effect.

Mr. Jean-Pierre Blais: The CTF does contribute to the programming the CBC puts on air.

The Chair: Mr. Manion.

Mr. Bruce Manion: It depends. On your point, though, I wouldn't necessarily validate the view that the \$10 million came off the production fund. We don't get a final confirmation from CBC on how they've applied that \$10 million reduction, given the arm's-length relationship. They know they have to absorb that. They will look at the best way to do that. I don't have any confirmation that it was taken out of the production fund.

The Chair: Mr. Brown.

Mr. Gord Brown: No, I'm fine.

• (1655)

The Chair: Mr. Schellenberger.

Mr. Gary Schellenberger: I have one little short one. I will be short and then I'll give it to my neighbours next.

I've heard something on sport again here. I know you're probably the wrong people to be asking here, but I want to look at Baseball Canada. I know there was one tournament they had to back out of again. I'm quite interested in our national teams, whether it be hockey or whatever. I know it's been suggested that Calgary become the home of all our sports teams and training.

In the interest of heritage, in my riding I have a place called St. Mary's, and in St. Mary's is the Canadian Baseball Hall of Fame, which is our heritage, as you look at it. They have some tremendous

ideas of how to put this whole ball diamond or whole area together. They need some funding to promote baseball and the heritage that we do have in baseball here in Canada.

Part of that thing would be an ideal place to have the Canadian national team. If there were training facilities put there, it could work the whole thing together. It's just a suggestion that maybe somewhere down the line you might get the ear of someone who might go that way. Being that we have some representation from sport here, I would love to have people to come to St. Mary's, Ontario. I would show them the plan that's there. Maybe we could use some of that fund that will be left over at the end of the year to promote some things like this.

Hon. Sarmite Bulte: Madam Chair, I think we're starting to have an infomercial here.

The Chair: Save it for the minister's appearance.

Mr. Marc Lemay: Mr. Schellenberger, we can discuss the national training centre when we come back with the Minister of State for Sport.

Mr. Gary Schellenberger: So we'll work on that. Thanks.

The Chair: Sam.

Hon. Sarmite Bulte: I don't see the CTF here in the supplementary estimates. Am I missing something? Maybe I have the annotated, short-form version, the executive summary. Where does it fall under? Is it a separate line item? Hang on. I've been told it's page 102.

Mr. Bruce Manion: On page 101, the third line in vote 5, for \$37.3 million.

Hon. Sarmite Bulte: So my understanding is that's what was brought up after...because there was \$12.5 million that went in after there was a huge uproar for additional moneys, and the industry was talking about cuts, and it was supposed to sunset. Then, as a result of that huge outcry, another \$12.5 million was added. In the last budget, my understanding is that Minister Goodale—actually the Prime Minister—promised that he would reinstate the funds. So there's actually not an increase, then; it's just a reinstatement of what was there.

Mr. Jean-Pierre Blais: That's correct, because historically the amounts were always at \$100 million, except for the 2003-2004 year, when it was \$86.5 million.

Hon. Sarmite Bulte: What's the status of that fund right now? Is it one of those things that's going to sunset again, or has it become part of the A-base funding?

Mr. Jean-Pierre Blais: I don't believe it's part of the A-base funding. In fact, we have somewhat longer than an annual deadline. It has been renewed till 2005-2006 at the \$100 million.

Hon. Sarmite Bulte: That was for the two-year funding of the \$100 million?

Mr. Jean-Pierre Blais: That's correct. And the \$37.5 million was the amount required to bring it up to \$100 million.

Hon. Sarmite Bulte: CTF and Telefilm.... To date, Telefilm has administered some of those CTF funds. Is that correct?

Mr. Jean-Pierre Blais: Telefilm transfers some of the funds to the CTF and they manage it together.

Hon. Sarmite Bulte: In addition to the \$100 million, then?

Mr. Jean-Pierre Blais: That's correct, yes, because the total amount of the CTF is.... Telefilm transfers are about \$45 million—

Hon. Sarmite Bulte: From Telefilm to CTF?

Mr. Jean-Pierre Blais: That's correct.

Hon. Sarmite Bulte: And then they manage it together?

Mr. Jean-Pierre Blais: There are additional moneys as well. There's the cable and satellite that contribute to it as well.

Hon. Sarmite Bulte: Which keeps increasing every year, which is great.

Mr. Jean-Pierre Blais: Which increased substantially between 1996 and 2004 because of the growth particularly of satellite distribution, but that is leveling off now. It's not that exponential growth.

Hon. Sarmite Bulte: But it would be fair to say that CTF is one of our biggest success stories?

Mr. Jean-Pierre Blais: The number of hours of high-quality drama and other forms of programming that came out were out of that fund.

Hon. Sarmite Bulte: Let me ask you another question. I know that you did say that CBC is able to draw on that fund as well, but at one time when the fund was first started, CBC had designated moneys put for CBC's use. Is there any consideration or any review of going back to allow you designated funds?

Mr. Jean-Pierre Blais: The short answer is there is some discussion going on at this time for an envelope for the CBC.

• (1700)

Hon. Sarmite Bulte: Would that be in addition to the \$100 million or within the \$100 million?

Mr. Jean-Pierre Blais: I wouldn't say within the \$100 million. It would be within the \$268 million, which the total fund has.

Hon. Sarmite Bulte: So that's not just out of the \$100 million? That's the public and private—

Mr. Jean-Pierre Blais: Yes.

Hon. Sarmite Bulte: —funds of Telefilm?

Mr. Jean-Pierre Blais: That's right.

Hon. Sarmite Bulte: Great. Thank you.

The Chair: Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: I'd like to come back to one detail, my inspiration still being the political vision that underlies this reallocation exercise, that could be called re-engineering. I would like to know what is behind this exercise. Is there a political vision

behind it, or is it simply an accounting vision? That my first question.

Secondly, I'd like to know—since we were discussing this earlier—when, where and how you met with the person or persons in charge of Canadian Heritage agencies in order to come up with the proposal that's now on the table. I had an opportunity to participate in the work of the Standing Committee on Finance when we were discussing Heritage Canada's next budget. I was surprised to see that all the witnesses around the table had prepared a brief in order to clearly identify the place they occupy within Canada's cultural space and to present reasoned requests. Do you have this kind of material from the people you met with, to help you arrive at these results?

I have one last question. I don't know whether you're aware of the comments made by Ms. Fraser with respect to management of the Canadian Television Fund. She talked about turbid management and problems with access to information related to the management of public funds.

Mr. Bruce Manion: I will try to answer your first two questions and then ask my colleagues to round out my answer to the second one. As for the third, I think I'll ask Jean-Pierre to take that one.

The motivation behind the re-engineering process, when we're talking about reallocation, is the realization that as the federal government, if we wish to fill our commitment to not allow deficit financing of our operations, we must break the back of a resource allocation cycle that is continually expanding, meaning that things are always being added, without anything ever being removed. This goes back to World War II. We realize that was really part of our culture inside the federal public service. There have been several attempts, since the period of major expansion between 1950 and 1960, to break that cycle, but we have never been able to do so.

Now that we are in a situation where we have budget surpluses, we believe we have a greater capacity to do this. The primary motivation for introducing a reallocation system is to change the management culture within the federal public service and the government as a whole. If we want to do new things, we have to take a look at what we are currently doing to see whether some things are no longer meeting the needs of Canadians or are not necessarily yielding the desired results.

We want to introduce a system of management based more on outcomes, and that is what these programs aim to do, rather than continually adding to our spectrum of programming and our program resources. That is our main motivation.

Mr. Maka Kotto: If I understand you correctly, this is about accounting.

Mr. Bruce Manion: I could also argue that this is about policy, since Canadian taxpayers want value for their money.

Mr. Maka Kotto: But we're still talking about accounting, because even the public can count. What I mean by political vision is a projection. What is the vision, over time and space, of Canada's place and Quebec's place from a cultural standpoint? Once we have defined that vision, where are we coming from and where are we going? That is the question.

In the Soviet Union, they had a vision at the time they overturned the tsar. In France, Malraux had a political vision that was clear: making France a world force. The entertainment industry in the US also has a vision: conquering the global market. But what is the Canadian vision? That's what I'm missing here in terms of trying to support or defend the numbers you have given us.

• (1705)

[English]

The Chair: If you'll forgive me, both Mr. Manion and Mr. Kotto, I think that's the kind of issue the minister is best able to address.

[Translation]

Mr. Maka Kotto: This goes back to Mr. Simms' question. What is the Minister's role in all of this, since it is the Minister who should be presenting the vision?

The Chair: The Minister would normally be here for this discussion. She was here a week ago, and she will certainly be back in March or April.

Mr. Maka Kotto: It will be too late then.

Mr. Jean-Pierre Blais: Madam Chair, perhaps I could answer the third question about the CTF.

You're absolutely right when you say that this was identified as part of an assessment of the program in 2003, but the complex management system associated with the Canadian Television Fund was also identified in the Lincoln report. Indeed, in the government's reply in the fall of 2003, it noted that it was working to simplify that structure. Last April, our Deputy Minister organized two series of consultations with representatives of the community, and we continue to develop that simplification process, in the hope that it can be implemented between now and the end of 2005.

Mr. Maka Kotto: Would it be possible to provide us with briefs or with some of the material made available during these hearings?

Mr. Jean-Pierre Blais: Certainly. I believe the positions of the different parties have been made public. However, if they are not on our Web site, I can certainly make them available to you through the Committee Clerk.

Mr. Maka Kotto: Thank you.

[English]

The Chair: Three people want to ask another question, and I would ask them to keep it very short, because we do have to deal with some votes here.

Mr. Rodriguez should be next in turn.

Mr. Pablo Rodriguez: Thank you. This will take 30 seconds.

[Translation]

In answer to Mr. Simms' question regarding the Minister's participation or involvement in the budget allocation process specifically, you answered: "She was briefed". Is it not rather odd

that she would have been briefed about the allocations or budgets that she is responsible for? It's as though she were being put before a *fait accompli*. Did I get that right?

Mr. Bruce Manion: With your permission, I'd like to briefly describe the process. We have initiatives that flow from the policy process that come to the Department to be developed and are then discussed in Cabinet. These discussions result in decisions that then go into setting priorities for the allocation of resources, which are then reflected in the budget.

After certain things have been identified as funding priorities for the upcoming year, we seek approval from the Treasury Board, as guardian of the public purse. There is always the possibility that last minute changes or technical adjustments will be needed, so that it is when the Estimates are finalized that we inform the Minister of the final results. That is when the briefing occurs. But the process is initiated from the policy side, with the government's new initiatives. She is aware of that.

Mr. Pablo Rodriguez: So, she is briefed on the final results, but she has in fact been part of the process from the beginning.

Mr. Bruce Manion: Yes. However, she can ask officials in her Department to develop an initiative that she has thought of and give instructions to that effect. We prepare something, which is then submitted to Cabinet. However, we always have to close the loop technically. What you see here is the technical expression of the government's program decisions. That is what you are being asked to vote on as members of Parliament represented in the House of Commons.

Mr. Pablo Rodriguez: I see. Thank you.

[English]

The Chair: Monsieur Lemay, and then Mr. Schellenberger.

• (1710)

[Translation]

Mr. Marc Lemay: With respect to the Canadian Unity Council, you are requesting \$181,000 more. What is that all about? I suppose you're going to tell me it's for the Centre for Research and Information on Canada, in which case, you needn't bother answering. However, I do want to know what this Council does. Can you provide us with some details as to how the \$181,000 is to be used? Will it be used for polling? We are here to ask questions!

Mr. Bruce Manion: The difference of \$181,000 is a small operating amount for evaluation activities.

[English]

We have Diane Fulford, who is our assistant deputy minister responsible for public affairs and communications and is also involved in some of our regional programming.

Ms. Diane Fulford (Assistant Deputy Minister, Public Affairs and Communications, Department of Canadian Heritage): I think what you're asking about is the Council for Canadian Unity and the information, research, and communication—the CRIC, the Centre for Research and Information on Canada program. It is basically an information and research type of program for a number of offices across the country that support this. It's designed to provide non-partisan communication products to inform Canadians of the basic systems in Canada—the parliamentary systems, the political systems—just in terms of education to Canadians. It's binding Canadians to the kind of Westminster system we belong to. It's more information about the kinds of institutions that form the backbone of this particular country. That's what it's really designed to do.

[Translation]

Mr. Marc Lemay: Thank you.

[English]

The Chair: Mr. Schellenberger.

Mr. Gary Schellenberger: Thank you.

I'm not going to be promoting too much stuff this time.

I understand that the program “Cultural Spaces” works for thousands of small museums and archives across Canada. Could you tell me how much money was placed into the Cultural Spaces program budget? I haven't been able to find it. And how much of it was used?

Ms. Cythia White-Thornley: The Cultural Spaces Canada program had a total of about \$30 million a year allocated to it. In the first three years of its operation, it spent about \$75.5 million.

Mr. Gary Schellenberger: That's \$30 million a year for three years. So there's still a little bit left—right?

That's fine. I think it's very important that Cultural Spaces stays there, maybe more because there are a lot of small museums and archives across this country that are very integral to heritage.

Again, here we go with this pyramid and these places are at the bottom. So I'm not really promoting, but I really hope the small museums are being looked after.

Some hon. members: Hear, hear!

Mr. Jean-Pierre Blais: We take note of that, and it's part of the renewal of—

An hon. member: A take-note debate.

Mr. Jean-Pierre Blais: The heritage part of this program gets about 39% of the global envelope.

Mr. Gary Schellenberger: Thank you.

The Chair: Okay, I think we're about ready to begin voting.

If we've learned anything about this, Mr. Manion, considering the needs of new members of Parliament, as well as those of us who have been around a little longer, it is that while you have a format for the estimates you have to adhere to, a little more explanatory material on the balancing of the books might be very helpful.

I have one final question. How much of your operational budget is going to gender-based analysis of your programs?

• (1715)

Mr. Bruce Manion: I don't have a figure for you on that. I'd have to go back and check.

The Chair: Could we have some information from you on what is being done on gender-based analysis? I can assure you that I will be asking you these questions when your budget comes before us in the spring.

We have votes listed. It would be really nice to have “Vote 1a is...”, “Vote 5a is...”, etc., etc., etc., so we know what we're voting on. Meanwhile, I think we've covered most of the subjects.

Madam Bulte.

Hon. Sarmite Bulte: Madam Chair, with the opposition's permission, we did go through reading into the record what it is we are voting on. Can we not, again with everybody's consent, just vote on all of them together?

The Chair: If the opposition's agreeable, we have nine votes connected with the supplementary estimates. I shall put them in as a group, and if anybody wants to pull out one for a special vote, they may.

Shall Votes 1a, 5a, 35a, 45a, 46a, 55a, 60a, 75a, and 95a carry?

CANADIAN HERITAGE

Department

Vote 1a—Canadian Heritage - Operating expenditures.....\$9,147,571

Vote 5a—Canadian Heritage - The grants listed in the Estimates and contributions.....\$93,381,746

Canadian Museum of Civilization

Vote 35a—Payments to the Canadian Museum of Civilization for operating and capital expenditures.....\$1,598,750

Canadian Radio-television and Telecommunications Commission

Vote 45a—Canadian Radio-television and Telecommunications Commission - Program expenditures.....\$500,000

Library and Archives of Canada

Vote 46a—Library and Archives of Canada - Program expenditures, the grants listed in the Estimates and contributions and pursuant to paragraph 29.1(2)(a) of the Financial Administration Act, authority to expend revenues received to offset related expenditures incurred in the fiscal year arising from access to and reproduction of materials from the collection - To authorize the transfer of \$36,797,250 from National Archives of Canada Vote 50, and \$26,454,000 from National Library Vote 90, Appropriation Act No. 1, 2004-2005 for the purposes of this Vote and to provide a further amount of.....\$7,700,617

National Arts Centre Corporation

Vote 55a—Payments to the National Arts Centre Corporation.....\$800,000

National Battlefields Commission

Vote 60a—National Battlefields Commission - Program expenditures.....\$106,248

National Film Board

Vote 75a—National Film Board Revolving Fund.....\$2,889,031

National Museum of Science and Technology

Vote 95a—Payment of the National Museum of Science and Technology for operating and capital expenditures.....\$149,094

(Votes 1a, 5a, 35a, 45a, 46a, 55a, 60a, 75a, and 95a agreed to)

The Chair: Shall the chair report said votes to the House?

Some hon. members: Agreed.

Is there any other business?

The Chair: Before I forget, your briefing book for the Telefilm bill is available here if you wish to take it home for bedtime reading tonight. Alternatively, you may ask to have it delivered to your office tomorrow. Could you let the clerk know?

I officially adjourn this meeting of the heritage committee. I thank you all very much.

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