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• (1535)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): This is meeting number 22 of the Standing Committee on Canadian Heritage. I'd like to call this meeting to order, pursuant to Standing Order 108(2). This is our study related to Canadian museums.

Welcome today to everyone. I'm very pleased that you could make this meeting today.

I understand that Mr. Vadeboncoeur, president of the board, will be making a presentation. Afterwards, each person will have his or her own presentation.

We'll start from the top. I'll introduce everyone. We have Mr. Gerry Osmond, from the Alberta Museums Association; from the Canadian Museums Association, we have Mr. John McAvity; from the Heritage Canada Foundation, Ms. Nathalie Bull; I have already mentioned Mr. Vadeboncoeur, and with him we also have Mr. Michel Perron.

Who will go first? We can start at the top.

Mr. Osmond, if you'd like, sir, go ahead.

Mr. Gerry Osmond (Executive Director, Alberta Museums Association): Thank you for the invitation to speak today to this committee. It is greatly appreciated.

I also want to start by thanking the MP for Peace River for introducing, a few meetings ago, the motion to study museums. We thank you for that.

Canada is blessed with a rich and colourful cultural and natural heritage. To preserve and interpret this heritage for present and future generations, dedicated and passionate Canadians created museums to tell the stories of our nation from the perspectives of our diverse communities and regions. Today there are museums in every region of the country. With the help of thousands of volunteers and staff, these institutions provide programs and services for the benefit of the communities they serve. As community centres and educational resources, they assist Canadians to understand their heritage, to have a sense of place and to feel a sense of pride, thereby playing an essential role in improving the quality of life and in building strong and progressive communities.

Canada's museums want to continue our contribution in helping to build a strong and vibrant Canadian cultural identity. We want to ensure that heritage remains a vital part of communities across Canada and that Canadians learn more about themselves and each

other. We want to ensure that our institutions are reflective of and responsive to the communities we serve, providing all Canadians with a sense of place and community pride.

However, recent factors have created significant challenges for Canada's museums. These include succession leadership issues; greater expectation of professional museum standards; greater expectation of community engagement; increased operational costs; pressures to incorporate new technologies; and increased accountability and expectations of the public for up-to-date exhibits, programs and services. These factors have been compounded by a lack of predictable multi-year funding.

Despite diligent efforts to generate revenues, museums are still unable to secure enough stable funding to sustain their operations in the long term. As much as they attempt to operate using business models, museums will never generate enough revenue to fully offset operational costs. For this reason, governments worldwide directly support museums. In Canada, all three levels of government have a role to play in supporting the essential function that Canada's museums provide to our communities. The federal government's role has three fundamental components: to ensure stewardship of the national museums; to preserve and protect Canada's rich heritage for present and future generations; and to assist with the preservation, interpretation, and dissemination of collections of national significance, quality, and specialization that exist throughout Canada's regional museums.

To support this role, a pan-Canadian approach is required. Over the past two years, the Canadian Museums Association, in consultation with the national museum community, has been working intensively to develop a new national museum policy. The consultations with the museum community were comprehensive and inclusive. The findings provided a realistic and honest assessment of the challenges and needs of the sector. Not surprisingly, the issues have not changed over the past ten years. What has changed, however, is their severity. Based on the consultations, the Canadian Museums Association created a framework proposal to guide the development of a new policy. A cornerstone of this proposal is predictable multi-year funding for museums. As a sector, Canada's museums have done their part in this process; we have clearly articulated our needs to the Canadian Museums Association's consultation process in 2005. Consequently, we feel that now, more than ever, the time has come for the federal government to develop and implement a new national museum policy that includes improved and predictable multi-year funding.

For any federal museum funding to be fully effective and responsive to the needs of Canada's museums, it must include more flexible and accessible eligibility guidelines and a competitive application process; peer juries from across the museum community to adjudicate applications based on consistent and clear criteria, which will ensure transparency and effectiveness by putting the decisions in the hands of individuals who understand the needs of the museum community; more efficient turnaround timeframes; and a mechanism to allow the community to provide ongoing feedback.

On September 25, \$4.6 million was cut from the museum assistance program, the only museum specific federal funding program. To say the museum community was surprised is an understatement. We were even more surprised to hear recently, through this committee, that not all of the funds allocated to the museum assistance program were distributed over the past few years. If this is indeed the case, it is unquestionably not the result of a lack of need for funding in the museum community; on the contrary, it is a sign of a program and a bureaucratic process that require a redevelopment to better align with the realities of the 21st century. While we agree that a review of current museum funding programs is required to ensure they effectively meet the needs of Canada's museums, cutting the modest amount that was available is not a constructive or logical starting point.

●(1540)

It is especially disturbing and disappointing that the September 25 announcement gives the impression that museum funding is wasteful and unnecessary. Headlines referring to the government's trimming of the fat are detrimental to a sector that has consistently striven for years to have responsible, accountable, and valued community centres. While we commend the federal government for providing \$245.3 million per year to Canada's museums, the reality is the majority of this funding stays in Ottawa and does not find its way to community museums across the country.

Despite being critical to Canada's museums, federal museum funding levels have been appallingly insufficient for many years. In light of the recent museums assistance program cuts, the need for a new national museum policy with increased predictable multi-year funding is even more acute and critical.

Thank you very much.

The Chair: Thank you.

Mr. McAvity.

Mr. John McAvity (Executive Director, Canadian Museums Association): Thank you, Mr. Chair. *Je voudrais dire un gros merci à vous, monsieur le président*, and to all of the members of the committee.

I'm not going to read our brief to you. You have a copy of it. Instead I'd rather just focus on a couple of points and some of the recommendations. The brief that we've submitted I think is quite comprehensive. It includes a number of very clear recommendations.

I want to first say a little bit about the association I represent. It was founded in 1947, so it's been around a long time. We undertake a high level of consultation with our members, as you've heard from my colleague from Alberta. I think it's safe to say we're experienced and well recognized. I, for example, have been the executive director for over 25 years. I've worked in the sector for about 35 years. My colleague, Guy Vadenboncoeur, used to be the president of the association in the early 1980s. So there's a strong network within the museum community across Canada.

The recommendations that we have before you are built upon what was looked at last year by the Government of Canada. We have updated those and made some revisions to them. We've done that based on consultations. In fact in the middle of October of this year, we held a meeting with about 20 to 25 representatives from across Canada. They came to Ottawa. We took the policy apart. We came at it with some new ideas to face the realities that are there. For the most part, the situation has not changed, but we think there are some new opportunities we could build upon. In addition, my board has met. All of this has just been in the last couple of weeks, since the cuts have put museums much more in the public eye.

The other thing I want to touch upon before I get into the recommendations is that there is unanimity within the museum community on this. I think there is a very high level of unanimity within the general public that museums are in fact important. We have heard from cities, from councils, from towns. We've heard from the tourism industry and the municipalities. We know the provinces are all inside in official consultations, and we've heard from all political parties that do believe in the importance of our museums. So I think we've got a win-win situation here.

We met last week with the Minister of Canadian Heritage. At that time, we presented her with these recommendations in a slightly different-looking document, using, as we say in Ottawa, a “deck”. We’ve asked her to consider bringing in a new museum policy as soon as possible. She has in turn asked us to work with her department immediately, which we’ve agreed to, and deliver recommendations to her before Christmas. We’ve asked if she would actually see about delivering a new museum policy as early as early 2007, and we’ve offered her the opportunity to announce it at the Canadian Museums Association conference, which will be in Ottawa.

The recommendations we’ve made I think are quite clear:

We’ve asked to have the policy as soon as possible.

Secondly, we have presented them in short-, mid-, and long-term approaches. The first one, being the most immediate one, would be to revise or replace the museums assistance program with a new mechanism that will meet the needs of museums today. We have laid out a number of criteria for your consideration: multi-year funding; a competitive basis; a program that’s more responsive, more flexible, and more efficient. We’ve suggested in fact that grants be turned around in a four-month period, noting that the Honourable Perrin Beatty, when he was minister, had guaranteed a three-month time, which he did deliver on. We currently have museums waiting many months for approvals.

Thirdly, we recommend that you consider how such a new program should be delivered. There are a number of criteria that we present to you about qualitative decisions, efficiency, effectiveness, low cost in administering the program, and the principles of having peer review.

• (1545)

That takes us to basically two scenarios. One is that it stays within the Department of Canadian Heritage. The other, which is our more preferred option, is that the programs be moved out to an independent arm’s-length agency—and we can discuss that in further detail.

In terms of a mid-career approach, which was the short-term approach, we recognize that there are a lot of other programs that the department—and elsewhere in the government—provides to museums. We think many of these programs need to be evaluated just as the museum assistance program was evaluated, with external appraisers. That’s going to take a little bit of time. There are other client groups that would be affected, but we think that would be in the overall best interest to ensure those programs are meeting needs today.

A longer-term recommendation we’re making—not one that we have to wait for long term, but one that will take a number of years to get set up—is to create a public-private partnership to help fund preservation of important collections across Canada. You’ve heard from a number of the railway museums and so on. This is coming from the conviction we have that museums are best when they are funded by many different sources. We don’t expect the federal government to come in and solve all the problems overnight. We want to have a realistic approach.

We’ve seen models that exist in other countries where endowments are created with the new tax incentives that have been recently brought in. We think there’s an opportunity there to build up a fund that would complement the federal granting programs. We believe that this could be developed—it will require a bit of seed money—but it will take us a couple of years to really get something like that going and have a board of very prominent Canadians and the usual campaigns that would be associated with it.

In addition, we recommend a further tax incentive that would help in the building of such an endowment, and that would be to exempt capital gains on donations of land, property, and other elements that could go in as assets to such a foundation.

Finally, one of the other issues that face the government is the growth of new museums. There are new museums that keep popping up, and the federal government does help many of them out with capital funds. We think we need to get a better handle on this whole area. Further, we need to see better coordination between the left hand and the right hand of government. At the very least, we suggest a study be done with a five- to ten-year horizon that identifies upcoming major capital projects. This will help in the planning for those so that they’re not so much of a surprise to us.

Secondly, we also believe there needs to be coordination with those programs that fund capital, which are often out of regional development agencies or in other areas—they’re not out of the museum assistance program. It’s something I think we’ve all heard for a number of years, and I think that would be very useful.

Those, in a nutshell, are the key recommendations we’re making.

I’ll turn it over to my colleagues. Thank you.

• (1550)

The Chair: Okay. Next is Ms. Bull.

Mrs. Nathalie Bull (Executive Director, Heritage Canada Foundation): Mr. Chairman, members of the committee, thank you very much for this opportunity to appear.

I’m Nathalie Bull and I’m the executive director of the Heritage Canada Foundation, not to be confused with the Department of Canadian Heritage, although many make that mistake every day.

We are a national charity dedicated to promoting and protecting historic places across Canada.

When I say historic places, you should be thinking of the places all around us, of beloved community landmarks such as St. Marys Junction Station—in your riding, Mr. Chair—the commercial and residential districts like Edmonton’s Old Strathcona, and industrial complexes like the McIntyre Gold Mine in Timmins. These are all historic places.

Like you, we believe that historic places shape and reflect our identity. They tell the stories of who we are and they contribute to a vibrant economy for this country.

I just want to tell you a little about what Heritage Canada Foundation does. We've given you all a copy of the issue of our magazine featuring the endangered places list. We use this attention-getting endangered places list to bring national attention to places in this country that are at risk. You may have seen just last week a story on the national news that talked about two of these places, and a full-page story in *The Globe and Mail* last week, also, that looked at the plight of one of these buildings. The endangered places list, in addition to bringing attention to individual places, lets us bring attention to the root causes and the issues underlying the problems for these places, such as inadequate funding or inadequate legislation.

We also promote the benefit of conservation in communities. Many places across Canada are still showing the benefits of our ground-breaking Main Street program. In Quebec we continue that program. Our subsidiary *Rues principales* is continuing that tradition. They actually have a project in Verchères currently where they're involved in helping revitalize an historic community.

But that's enough about us.

I'm very pleased to have this opportunity to address the Standing Committee on Canadian Heritage. I wanted to assure you that our members fully support the call for a new museums policy and for stable funding, so eloquently expressed by our museum colleagues here today. We also applaud the careful attention this committee has brought to this very important matter. I bring an additional perspective to the impact of the proposed cuts.

The majority of Canada's 2,500 museums are in historic buildings. Think of the Stephen Leacock Museum in Orillia or the Old Carleton County Court House near Woodstock, in New Brunswick. These are museums, but they're also using historic places.

A building without a use or without funds to support its purpose is a building at risk. Quite simply, the cuts to MAP, and potentially the cuts to the young Canada works program, ultimately may put historic buildings at risk because they put the museum function itself at risk.

I'm also here to tell you today that this is really only part of a larger related problem. Among G-8 nations, Canada is the only one without a coherent and effective system of funding programs and policies for its built heritage. Because of this, desertion, decay, and demolition are taking their toll. Over the past 30 years, we've lost 20% of our heritage buildings in this country.

Why is that happening? It's happening because there are a lot of sticks out there that make it difficult to reuse historic buildings, but there are very few carrots or incentives to encourage private investors to take these buildings and rehabilitate them.

What support is out there at the federal level? Frankly, not much. You may remember the cost-share program, which was created as a bricks-and-mortar project funding program to give some assistance to some of the 700 national historic sites that are in the hands of private owners or voluntary organizations. That program did benefit

museums like Ruthven in Cayuga, Ontario, but the program is now dormant and without funding.

The Auditor General in 2003 noted that there have been 118 requests for funding under that program, and they've all gone unfulfilled. Places that many of you, I'm sure, know in your communities, like Craig Heritage Park in Nanaimo and Sharon Temple in East Gwillimbury, Ontario, are national historic sites operated by groups of volunteers as museums. They are trying to keep body and soul and bricks and mortar together with no federal assistance and no federal leadership. This is really a serious problem.

• (1555)

There has been a recent new program for built heritage, the commercial heritage properties incentive fund, known as CHPIF, a \$30-million pilot contribution program announced in 2003. However, CHPIF was wound up early as part of that same round of recent cuts that affected museums. That was a serious blow.

CHPIF was designed more as a tax incentive for rehabilitation, something the built heritage sector has been requesting decades. CHPIF was successful in attracting developers and investors to historic buildings on the edge, buildings on death row all over this country. The first 17 projects announced will leverage more than eight times the federal investment. That federal investment will also kick-start these buildings into revenue-generating independence, increase local taxes, and spark adjacent revitalization. A great example is the distillery district in Toronto; a CHPIF-funded rehab project contributed to the exciting transformation of that once derelict area.

Many buildings out there need a program like CHPIF. I'm sure you all know examples in your own communities. I urge you to ensure that a comparable incentive for rehabilitation of commercial heritage properties is included in the next federal budget. A tax credit would be ideal.

At the same time, let's not forget the museums. Let's not forget that approximately 70% of heritage buildings in Canada, including museums, would not benefit from a tax-based measure. In that case, a renewed cost-sharing program or some sort of public-private partnership is also needed, with a source of federal funds to leverage greater private investment and again to show leadership. The Heritage Canada Foundation made the case for both of these financial measures in our recent appearance before the Standing Committee on Finance.

In conclusion, the federal government must do its part to help Canadians keep landmarks from becoming landfill, so we ask this committee to endorse the museum community's request for a new Canadian museums policy and stable new funding. We also ask you to support the call for financial incentives to encourage private investment in the rehabilitation of historic places.

Thank you very much.

The Chair: Thank you.

Mr. Vadeboncoeur is next.

[*Translation*]

Mr. Guy Vadeboncoeur (President of the Board, Société des musées québécois): Thank you very much, Mr. Chairman.

With me today is the Executive Director of the Société des musées québécois, Mr. Michel Perron, who will also be able to answer your questions.

My presentation will be quite brief and to the point. Since I'm speaking last, I think I am repeating what has already been said.

Like the other provincial associations, the Société des musées québécois is in full agreement with the position taken by the Canadian Museums Association. This network of national and provincial associations has been working cooperatively and effectively for some 40 years now. In fact, a number of our associations are offspring of the national association, and this allows each of us to have our own interests.

The actions of the Société des musées québécois and of the Canadian Museums Association, as well as those of all the other provincial associations are designed to promote their best interests. However, our chief concern is the best interests of museums generally.

The Société des musées québécois has been in place since 1958 and represents over 300 institutions, museums, exhibition and interpretation centres, as well as the individuals and professionals who work in museums or in connection with museums.

We have over 2,000 institutions throughout Canada and they receive quite a number of visitors. In Quebec, the 420 museums have a total number of visitors of some 12 million. I would point out that although some of these institutions are not members of the Société des musées québécois, they do the same work and share our objectives.

I've been working in this field for 36 years, for the same museum, and I have seen the network develop. Museums are a symbol of stability, a reliable place that people can come back to at difficult times. Despite the dedication, work and competence of the managers and volunteers who work in this field and despite the magic we try to produce, the current situation facing the museums is precarious and is affecting everybody.

We are aware that we have a public mission and mandate to achieve in the context of a society that is constantly evolving. One of the challenges we will have to meet in the next few years will be to meet the requirements of an increasingly demanding and informed public—one that grew up with us. They are therefore accountable to our public.

This new reality is expressed in different ways. First of all, there are the baby-boomers, who have taken early retirement or who have simply retired. These people are well educated and want high-quality products. And then there is the role museums are required to play in integrating newcomers into our multicultural society. This role will become increasingly important.

Of course, museums must play to their strengths. One of their strengths which should not be forgotten is their hallmark: the collections they house and the conservation of these collections.

● (1600)

I totally agree with my colleague that the buildings and spaces that house museums are also part of our collection and deserve to be protected and preserved.

In order to carry out our mandate, over the years we have developed a talent for unifying people. We work with universities, schools and communities, bearing in mind that we have a research and conservation vocation and that we must offer high-quality products. People no longer buy just anything.

We try to balance our various responsibilities, and in order to do that, we have to make some compromises. We have become experts at compromise, because we have to make compromises every day. We have also developed a talent for getting financial and human resources and in using them efficiently.

We have achieved many things. We have used the expression "With a little help from my friend" in our paper. Museums need their friends, including the municipal, community, provincial and federal levels of government. We cannot disregard of these levels, nor of the private sector. We have become masters at seeking assistance from the private sector and from volunteers.

Museums face a problem of perception. I am speaking to you as a practitioner and on behalf of the Société des musées québécois. We provide people with an essential service, and a number of our institutions are private, not-for-profit organizations. This role is dear to us, and the public supports us by visiting museums.

I can only say that I strongly support what my colleagues John McAvery and Gerry Osmond, from Alberta, or the other representatives of provincial associations have told you about the role the federal government should play with respect to museum culture. It must play a stewardship role with respect to the national museums so as to conserve and protect Canadian heritage and to promote the conservation, interpretation and dissemination of this rich heritage.

In the last two years, the Canadian Museums Association invited us to take part in developing guidelines for a new federal museum policy. We contributed as an association. We arrived at a general consensus that is understood by everyone, and this gave us a certain momentum.

Multi-year funding is one of the cornerstones of the new museum policy. The principle is that to manage our institutions properly, we need multi-year funding in order to do long-term planning. Nothing happens instantly, nothing is decided overnight. When a program is slow in getting back to us, we have difficulty managing our institutions properly.

So we support John and the Canadian Museums Association. There is an urgent need for a museum policy complete with funding.

•(1605)

The cutbacks announced on September 25th of this year are unfortunate and absolutely unjustifiable, particularly the arguments put forward to explain them.

During the 2004-2005 fiscal year, 58 projects were subsidized by the Museums Assistance Program. The 58 projects never received the funding requested. Each project received some money, but not necessarily the amount requested—that is part of the rules.

If we apply the 25% cutback over two years, the \$2.3 million that Quebec received for the 2004-2005 fiscal year will be reduced to \$1.7 million. That would mean a reduction in the number of projects from 58 to 33. It's quite a simple mathematical calculation. However, I have been on peer review boards for these programs and applications, and I can tell you that that is not how things work. The peers themselves give preference to certain projects over others and make recommendations to the minister.

These budget cutbacks will create instability for the institutions that take the trouble to prepare these projects, which are designed, we should remember, for Canada-wide dissemination. Travelling exhibits go around the country and promote dialogue with others. Setting up an exhibit of this type is a long process and that requires a great deal of planning. And now all our efforts count for very little.

I see that I have gone over the time I was given, but it is important to make these arguments. These cutbacks will result in the disappearance of these projects and will reduce job opportunities for graduates of museology. These students find jobs and get contracts as a result of these projects.

People who justify these cuts by saying that museum management is ineffective are extremely unfamiliar with the situation. The response and reaction of the museum community are clear evidence of the real situation.

I will not go over in detail the two requests and resolutions passed unanimously at the annual general meeting of the Société des musées québécois. I would just say that in order to restore confidence, we need first and foremost a federal museum policy complete with funding, as well as a stay on the government's decision to cut back the Museums Assistance Program by \$4.2 million.

•(1610)

[English]

The Chair: Thank you.

We'll go to questions. When we ask our questions, to get as many in as possible, we'll try to stick close to the five minutes for questions and answers. So try to keep the answers—

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Five minutes?

The Chair: I'm usually lenient.

Mr. Bélanger.

[Translation]

Hon. Mauril Bélanger: Thank you, Mr. Chairman.

Thank you for your presentation. I am wondering what the reason for today's meeting is, if only to criticize the government. That is good in itself, but I am not sure how that can help museums.

Following your appearance earlier this year, before the summer recess, all the committee passed a resolution that was put forward by my colleague Mr. Kotto, I believe. It urged the government to come forward with the new museum policy quickly. This resolution was tabled in the House and passed unanimously.

However, with the cutbacks that were announced in September, things turned for the worst. I agree with you, Mr. Vadeboncoeur, that funding must be increased and it must be multi-year funding. Funding was in fact discussed during the consultations held during the two years we were in government.

These consultations resulted in a consensus, and we were about to adopt a new museum policy or at least come forward with it. We find it surprising when people tell us now that this could take another year or two. That is why we tabled a motion to urge the government to come forward with a new policy, because it has all the tools it needs to do that.

I know that some of you felt betrayed when the budget cutbacks were announced in September. Furthermore, the committee was given some figures that did not correspond with the actual situation. I tried to get the figures. I want to make sure that my figures and yours are the same.

These are the figures I got from the departmental officials, and a representative from the minister's office was present as well.

During the current fiscal year, the government must get \$600,000 from the funds that have not yet been allocated and \$1.7 million from already-allocated funds, in the hope that the \$9.4 million will not all have been spent. The other amount—and this is where there is some confusion, is for Young Canada Works, and has already been spent.

Are your figures the same as mine?

[English]

Mr. John McAvity: If I may, first of all, we don't really have those figures. When we heard evidence presented at this committee that the museum assistance program was underspent, we were surprised and shocked. We can assure you that many more museums are applying for funding than is available. We can assure you that those museums are very sophisticated in how they make applications.

Part of the complexity there has been that the program has grown up, and a lot of demands have been placed on it. Museums have to match each one of those dollars. Sometimes, if you don't get an approval within a reasonable period of time, if you have to wait eight to ten to twelve months to get an approval, the train has already left the railway station. The project is now dead, or is no longer viable. The money is returned to Ottawa. A credit therefore develops.

That's what we believe is happening. We don't run that program, and don't have immediate access to it, but I can assure you, right off the top, that the needs of the museum community are far in excess of \$9.4 million.

•(1615)

Hon. Mauril Bélanger: I have to go quickly here. Five minutes is just too constraining.

The estimates have been changed from 2005-06 to 2006-07. Where it was \$9.4 million for the museum assistance program, and the rest, \$2.3 million or \$3 million, was for Young Canada Works, the \$9.4 million is now split into two. One is for grants and one is for contributions in 2006-07.

The public servant in charge of that, when I asked her that very question in terms of the comments we had about underspending, did not know where those numbers came from either. We're thus in a bit of a vortex of numbers here. At some point, before we go forward as a committee or as a Parliament, we'll need to get some precision in those numbers.

Another thing that's going on and that's concerning me greatly is this advocacy chill that is being created across the country on a number of fronts. Whether it's women's groups or the court challenges program, we've seen this government basically cut funding for what could be seen as advocacy.

I'm aware that some of your associations receive funding from the museum assistance program. Has there been any indication of that funding being cut? Have you received any such indication?

I hope the answer is no.

Mr. John McAvity: In the case of the Canadian Museums Association, the answer is yes, we do receive funding from the department, both sustaining and project money, and we raise a fair amount of money independently.

We've had no indication of cuts. In fact, on how the \$2.4 million cuts are going to be applied, we really are as much in the dark as you are.

I also want to point out that the funding we receive is for very specific activities. They're professional development activities, communications activities, and so on. Not a cent of any of our money would go into lobbying. We're not a lobbying organization anyway.

Hon. Mauril Bélanger: Are there any others?

Then I have a final question, quickly.

[*Translation*]

Mr. Guy Vadeboncoeur: I can comment on the current situation facing the Stewart Museum. We received \$90,000 to organize a traveling exhibit called "Normandy and the Americas, Five Hundred Years of Shared History". The application was submitted in October 2005, and we received an answer in September 2006.

We had to submit an application by November 1 at the latest for the traveling part of the exhibit. Meanwhile we had not yet invested a penny, because we had not received any funding from the federal government. And I cannot spend this money or my institution's money on this project, because it will not be eligible.

Hon. Mauril Bélanger: That was not my question.

Mr. Guy Vadeboncoeur: I know that. I am simply describing one situation. When we asked departmental officials whether we should reapply given what had—

Hon. Mauril Bélanger: They are in the dark too.

Mr. Guy Vadeboncoeur: They are completely in the dark.

[*English*]

Hon. Mauril Bélanger: There is a flip side. I was hoping that you would not have received any indications of cuts to any funding that the associations receive. I'd like to know about the flip side. Have you received any assurances that there will not be cuts? That is as important. Have you received any such indications? Have either the heritage or the museums associations had any indication that your funding would not be cut?

Mr. John McAvity: We have no indication either way.

The Chair: Mr. Kotto.

[*Translation*]

Mr. Maka Kotto (Saint-Lambert, BQ): Thank you, Mr. Chairman.

I would like to welcome our witnesses. Personally, I do not have much to ask, because your presentation was very clear even to the persons who are not familiar with this issue. Nevertheless, I will play devil's advocate and ask you a few questions.

How many years have you been waiting for a museum policy with proper funding?

[*English*]

Mr. John McAvity: As I said, I've been the executive director for a little while, and the issue of funding really started in the early 1980s when the cuts started happening. At that point, we had regional conservation centres, and they were closed. We had regional national museums—for example, the museum in Saint-Constant was recognized as a specialized entity because of the quality of the collection. That program came to an end. I could go on and on with the lists.

I have appeared before successive finance committees making recommendations in pre-budget consultations for as many years as I can think of. Frequently the finance committee does recognize the needs of museums. The history has been that sometimes we receive a little increase, then a program review comes along, and it's sort of like this. But overall, when we step back and look at it, our sector has been neglected a very long time. It has not had a truly comprehensive policy review.

In 1990 Marcel Masse did update the museum policy. The best thing to say is that it was updated and funding was doubled or tripled, but it was quickly lost a few years later.

We've had a "one step forward and one step back" kind of situation, and we're basically back at 1972 levels right now.

• (1620)

[*Translation*]

Mr. Maka Kotto: I do not want to turn knife in the wound, can you wait much longer for a museum policy with proper funding?

Mr. Guy Vadeboncoeur: No.

The Chair: You have the floor, Mr. Perron.

Mr. Michel Perron (Executive Director, Société des musées québécois): Honestly, no, and I will explain why.

I too have been working in the museums sector for a number of years. Museums in Canada are facing situations that would have been unthinkable of 10 years ago.

Let me give you some specific examples. Some museums have closed. People often see museums as forces of stability similar to libraries, educational institutions, and so on.

Some museums that are not-for-profit organizations close because they can no longer fulfil their mandate. The situation is paradoxical, because we have an extremely well-developed network of museums that perform very well. The paradox is, on the one hand, that we have tremendous potential—collections, programs and museography that is recognized throughout the world—and on the other hand, a cash flow problem makes it difficult to face the music.

Sometimes municipalities or other organizations cannot withstand this pressure. Time spent waiting for responses to applications under various programs is hard to take for both small and large organizations.

To state it clearly, museums have to take out lines of credit and negotiate with banks with relatively few assets. Museums are actually the depositories of collections that are managed by the Cultural Property Commission or other bodies—they're not the owners of the collection. The collections belong to Canadians collectively.

So the museums find themselves in a paradoxical situation. They must at the same time be an extremely promising and well-organized community, while being at the end of what they can do without any harmonized, more logical and rational assistance from the federal government.

For us, a policy is a way to optimize and harmonize our efforts.

Mr. Maka Kotto: Mention has been made to this committee of having another brief consultation process on a new policy. Once again, I do not want to turn the knife, but what do you think about this idea?

Mr. Guy Vadeboncoeur: We will repeat exactly what we have been saying throughout the other consultations held 2, 3, 4 or even 10 years ago. It is as simple as that: The situation has not changed.

Mr. Maka Kotto: Mr. Osmond.

[*English*]

Mr. Gerry Osmond: To put it in layman's terms, we've been there and done that. You will not hear anything different on consultations any more. We would have been very clear in the last consultation, and delaying this process any further will not give you any new information.

The Chair: Thank you.

Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you very much.

When the MAP was announced for cuts, of the hundreds of millions of dollars the heritage department oversees, that was one of the few programs specifically targeted. I was there when the Treasury Board minister made the statement and said they are going after the wasteful, inefficient, and out of touch programs.

Then the heritage minister came before us, and during that meeting, as Mr. Bélanger explained, Mr. Fast dropped what I thought was somewhat of a bombshell, in that he produced numbers showing that millions of dollars weren't spent year after year in the MAP program. So we specifically asked the minister.

We weren't talking about Young Canada Works, we were talking about MAP, whether or not MAP money had been used or hadn't been used. The minister's assistant said on the record.... I asked how it could be possible that all these museums have been begging for money and never bothered to use this money, and he said it was an issue of sophistication.

So someone's playing fast and loose with the facts here, and I'm wanting to know, at the very least, do you feel your organizations are country bumpkins and can't fill out forms that can be used by the Department of Heritage?

• (1625)

[*Translation*]

Mr. Michel Perron: I will try to answer your question, Mr. Angus.

I am very familiar with the four components of the Museums Assistance Program, or MAP. The program is made up of four components, but in actual fact or in the field, things work out very differently. Let me give you an example.

In Quebec, about one application in three to the MAP is accepted, and I think the percentage is about the same for the rest of Canada. In the last fiscal year, the vast majority of the grants or contributions were less than the amounts requested. The requests are never accepted in full, and we are never given any explanation for this. So only one application in three is accepted, and it is accepted in part only.

As Mr. Vadeboncoeur said, peer review boards, like almost all committees, do two things. They draw up a list of priority projects for the minister who, of course, has the final say. That is as it should be. Then they establish other projects that are on hold. These are not projects that remain in application baskets; they are projects that are extremely interesting, but that cannot be considered priorities.

If we do not draw on these lists of projects on hold, and if the subsidies are below the amount requested, where is the money? If there is money left over, why is it not being used? In light of our analysis, the problem seems to have to do in large part with closed budgetary envelopes. These are reserves based on territorial divisions, the nature of various client groups or certain components compared to others; in this case we talk about envelopes by component.

If there is money left over in one envelope, for example for one of the components or for one of the territories that have not used the amounts for whatever reason, we think it would be logical that these funds be made available to the general program. In other words, that would make it possible to fund the projects on hold.

We think this is a sort of plumbing or bureaucratic problem, because quite clearly, the amounts being provided fall far below the needs.

[*English*]

Mr. Charlie Angus: Well, I'd like to ask you about that, because it seems to me we're dealing with three major problems that have run over our museums. Number one is the declining dollars, year after year. Number two is being a victim of political games, that now you're back at square one and you'll be invited to round-table discussions and stakeholder discussions, and preliminary papers, which means action will be put further and further down the road. But number three is the issue of the bureaucratic rigidity of the heritage department and whether they are the ones who are wasteful, inefficient, and out of touch with the needs.

In light of my having had experience on many juries at the Ontario provincial level, I would like to ask whether or not you would support a notion of taking the funding outside of the heritage department completely, not just for museums but for other heritage programs, setting up a jury system to administer the programs and having all these programs administered at arm's length from the present bureaucracy within the heritage department. Would that at least begin to alleviate the plumbing problem?

• (1630)

Mr. John McAvity: Yes. In fact, in 1984, I think it was, the Applebaum-Hébert report, which was a major task force that looked at funding of the arts in Canada as a whole, recommended in the museum case the establishment of a heritage council similar to the Canada Council. This is where you would focus programs, not just for museums but for libraries, archives, historic places, a variety of different types of programs. That, to us, makes a lot of sense. We've called for that in our brief to you. We would very much support it.

It would not only be delivered more efficiently and effectively, but I think it would also give the opportunity to engage other Canadians in that process. A board is put in place, high-profile people, and it lends to a critical mass that I think is also very important. The peer juries are absolutely critical.

Mr. Gerry Osmond: I would echo John's comment. In my brief I mentioned the need for peer juries, and I fully believe that, but as a member of an organization that has been an arm's-length funding body for museums in Alberta for almost 20 years, I can tell you that the process is very effective and it's very efficient in terms of

accountability; we are perhaps even more accountable, because we have to ensure that we spend the money in a responsible manner.

We also have our ear to the ground. We know the needs of the community, and they have a sounding board at all times through to us. A model like this would certainly make the process more efficient and, I think, more effective as well.

The Chair: Thank you.

Mr. Abbott is next.

Mr. Jim Abbott (Kootenay—Columbia, CPC): Thank you to our witnesses. I think your testimony here today is very helpful.

There are perhaps some small, and I'm sure unintentional, misunderstandings between ourselves on the committee in terms of the pace at which the Minister of Canadian Heritage wants to get moving forward on a new museums policy. I know she is very keen on it. As a matter of fact, I dug up some testimony. When she was at committee, she responded to Mr. Angus:

...that is why I would suggest that we're undertaking a review of our approach and our program regarding museums. That is why I've also indicated that I really welcome the work you will be doing in your discussions

—that's referring to the committee, of course—

with the museums sector, just as in my discussions we hope we will be able to bring back some very good, valid information with some strong, firm recommendations.

I was also interested in Mr. McAvity's testimony today, in which he pointed out that the minister has asked him for further input before Christmas as she moves forward with her policy development. So if there has been some misunderstanding, that's unfortunate. Unfortunately, the opposition members of this committee have tied up the committee days between now and the Christmas parliamentary recess.

The government did make an irrevocable decision on the court challenges program. I understand the persons and organizations affected by that decision wanted to be heard on the record; that's absolutely their right, and I would support that, but we learned just on Monday of this week that the justice standing committee has already begun hearing the witnesses. I think it's an obviously redundant initiative that in spite of that, the opposition members of this heritage committee have decided to use up our future committee time hearing some of the same court witnesses. I note that they decided to use not one—

[*Translation*]

Mr. Maka Kotto: This is completely off topic.

[*English*]

Hon. Mauril Bélanger: It was a committee decision, Mr. Chair.

Mr. Jim Abbott: That's fine.

Hon. Mauril Bélanger: How do you know who decided?

Mr. Jim Abbott: I believe we had.... Did we not have a recorded vote?

Hon. Mauril Bélanger: In camera. Do you want to go there? Do you want to break in camera? I'm willing to do that.

• (1635)

Mr. Jim Abbott: That being the case, I take your point, and you have my full apology. I was out of order in making that statement.

However, there has been a decision by this committee to use up the remaining three days of time between now and Christmas, so I am going to be tabling a motion today for a debate to take place as soon as the next committee meeting, hopefully to get a commitment from this committee to complete a study of the federal government's role in museums. I think it's really important that this committee contribute to the process the minister is undertaking. I think it's very important that they contribute to the process, particularly prior to the forthcoming budget.

However, that's a choice the committee is going to have to make. As a point of relevance for this committee, if we can come to that conclusion—that is, that we should be having a hearing—I wonder if the witnesses can give us a bit of an idea, some suggestions, or some recommendations. In addition to your reports, who else should we be speaking to? I think it's really important that we break out of the paradigm. Who else should we be taking advice from?

Mr. John McAvity: Do you mean in terms of developing a new museum policy? I think you've got a representative sample here and in the hearings that you've already undertaken.

We recognize that a lot of work has been done by this committee. You've had representatives here from several railway museums, which are very unique institutions. We appeared in June as well, and recommendations are on the record of the finance committee from many of these organizations and others here. I see there's a member from the finance committee sitting here today as well too.

I think the work is there. I think we're very close to the political will being there. I should also share with you that I have had a conversation with Mr. Flaherty, the Minister of Finance, who has invited me to meet with him very shortly—before December 1—to explore possibilities as well.

Now, these are not firm commitments, but I think we're moving, so I would urge you as a committee to undertake what work you deem essential to ensure that this does go forward as soon as possible. We would certainly very much appreciate that.

Mr. Jim Abbott: Can you make any recommendations or suggestions for us to consider as to what other steps we should take? Perhaps following this committee meeting, would you care to provide the names of who else we should be talking to?

I think it is really important. For example, the initiative you've outlined that was brought out by Mr. Angus today is very helpful. That's one of the things that might help us break out of the current situation.

Are there other people you could recommend to help us in this job?

Mr. John McAvity: I really want to reiterate that we've come together with a pretty solid view. If anything, you may want to

consider looking at some of the international models that exist. In the United States, for example, there is a program called Save America's Treasures, which is largely a public-private model. I think it would be interesting to see how it works and whether it works. It appears to bring in about \$100 million a year.

In other countries there are different approaches for funding museums and libraries. We've looked at them, read their websites, and asked questions of them. In some cases we've met them over the years. To a large extent we've cherry-picked from some of them, and have come to you with this combination package that shows short-term, mid-term, and long-term goals.

In arriving at these goals we have undertaken our own internal consultations, so we haven't just pulled them out of the dark. We want to make sure that our members in the museum community have been involved and are behind us. I can confidently say today that they are.

The Chair: Thank you.

Mr. Bélanger.

Hon. Mauril Bélanger: Just out of curiosity, you say you were asked to give recommendations to the government by the end of this calendar year. When did that happen?

Mr. John McAvity: We met with the Minister of Canadian Heritage last Monday, October 30. We had a meeting that was scheduled for 30 minutes. It went on for over one hour. It was a very interesting, frank, small, intimate meeting, and we are very encouraged. Of course, the minister did not make a firm commitment. We didn't expect that.

• (1640)

Hon. Mauril Bélanger: You were asked to provide that last Monday.

Mr. John McAvity: Yes. It was on October 30.

Hon. Mauril Bélanger: That was significantly after the cuts were announced. Do you think the popular reaction of all the museums across the country and the three opposition parties in the House of Commons might have had something to do with encouraging the government to move forward?

Mr. John McAvity: I don't know how the decision to make the cuts was made, but I think we've been able to show that museums are very popular. In the latest report from Statistics Canada, attendance was up by four million people.

Museums are central to our lives. So I think that message got through.

Hon. Mauril Bélanger: Since we're into that kind of atmosphere, do you think that highlighting the contradiction between what was said during the campaign and what was done after the campaign might have also led to the government realizing it should pay greater attention to getting museum policy going?

Mr. John McAvity: I think we've been able to bring that issue forward and remind Canadians of that. It may not have been one of the five big priorities, but there were other promises made. Our strategy has been to focus on the need for new museum policy. We haven't been really focussing on the cuts, for example. There are too many questions as yet unanswered on that. My own organization has barely mentioned the cuts.

The minister stood up in the House of Commons and said they intended to bring in a new museum policy because museums had been neglected for too long. That was three days after the cuts. That was the news we were waiting for.

Hon. Mauril Bélanger: Before that, had you been given any indication about the time horizon we were looking at for a new museum policy?

Mr. John McAvity: Yes. I had been informed by her office initially that it would be several years down the way.

Hon. Mauril Bélanger: I have no further questions, Mr. Chair.

The Chair: Mr. Malo.

[*Translation*]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): I would like to thank our witnesses.

As you know, establishing a new museum policy should be an apolitical matter, I would say. In fact, this new policy should have no political connotation whatsoever. As you said in your presentations, it should be based on multi-year funding in order to give the museums of Quebec and Canada the tools they need to do their job properly in the years ahead.

I would remind our colleagues, as you said yourselves, that there is nothing more to be said. For example, I have here a copy of the roundtable report. In addition, you had other discussions for many years. You tabled a report, made some presentations, and you told us clearly that there was nothing more to find out. You have already passed on all the information. This would be redundant, because there is nothing new to be tabled.

I would also remind the colleagues that in September, a notice of motion was tabled in the House and a report was passed. The motion read as follows:

Standing Order 108(2), the Standing Committee on Canadian Heritage recommends that the government maintains the funding for the Museums Assistance Program, MAP, at the level it was at during the 2005-2006 fiscal year until a new museum policy is in place. The committee also recommends that the adoption of this motion be reported to the House by the Chair as soon as possible.

This was done, and the motion was voted on and passed by the House. So as of September 27, the minister had 120 days to come forward with a new museum policy and to comply with the committee's request.

If we begin a new round of discussions, when will we have this new museum policy? We would be postponing things indefinitely. I do not think that is what you want. Is that what you want?

Mr. Michel Perron: Obviously not, Mr. Malo. I think you have summarized the situation very well. There are actually two factors that come into play here.

We need this policy very quickly, because our sector is regressing. The lack of a policy has some genuine negative consequences. In addition, there are the cutbacks. I'd just like to refer to them once again. I think it would be logical to review this cutback, and that it be cancelled and that we be given a guarantee that this will be done. I think this is required in order to restore the trust required for us to move towards developing a clear policy with the government.

How can we hope to have a clear, generous and forward-looking policy that really does the job if, at the same time, we are already slashing the only program for museums? Obviously, there is a huge paradox here. We are waiting for two signals. The Société des musées québécois has made two requests of this type, as we say in our brief. We ask that the trust be restored, and in order to do that, the government must have the courage to review this decision—something that would be much appreciated, and then deliver this policy we need so badly.

● (1645)

[*English*]

The Chair: Okay.

Mr. Fast.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you to all of you for coming. I think your input today is invaluable in moving forward with drafting a new museums policy.

I want to go back for a second to comments Mr. Bélanger and Mr. Angus made regarding the possible underfunding of the programs, or perhaps the failure to spend the total budget for MAP. I can't tell you why that may or may not have happened.

There was a comment from Mr. Osmond, as well, that he's been working for ten years, presenting the same arguments to the government at this table, and nothing has really changed. Again, I can't tell you why that happened. Presumably, you'd have to ask the previous government, the previous minister, who I believe was Ms. Frulla.

I do know that there appears to be general consensus at this table that we do move forward with a new museums policy. Having heard your discussion and your input here, one set of comments, to me, was very instructive, which doesn't diminish the rest of your information.

Mr. McAvity I think touched on something really important. When the finance minister and the Treasury Board president talked about trimming the fat, Minister Flaherty also explained what he meant by that term. He focused on, first of all, eliminating programs that were obsolete. He talked about eliminating programs that don't reflect current Canadian priorities. But he also talked about refocusing resources and making sure we have programs that deliver clear and measurable results.

Mr. McAvity, you actually mentioned that. You talked about what you'd like to see us do going forward, and I'd like to touch on that. You mentioned a number of things. One of your colleagues referred to predictable multi-year funding. You referred to tax incentives. You talked about getting a better handle on capital funding, perhaps on a ten-year program. You talked about external evaluation of programs, which I think is important as well. Also, you talked about public-private partnerships.

I think that is the kind of information we are really looking for here. Even though I've only been on this committee for some eight months, you're bringing a wealth of experience to the table. I believe there is goodwill not only at this table but at the minister's level to move forward with this.

We've talked about some of the financial aspects of your challenges. Mr. McAvity, could you give me some additional things you would like to see in a museums policy that don't necessarily affect the funding aspect of it—and I understand that is important—perhaps some other aspects that would make the program more accountable and more efficient in delivering what it's supposed to?

• (1650)

Mr. John McAvity: I think the program is highly accountable and all of the applicants are highly accountable. I don't think, in the history of this program back to 1972, there has ever been found to be a case of abuse, fraud, theft, or anything like that. You're dealing with museums here, you know. These are honest folk who are working very hard for very low wages. There's no private gain—all of that sort of stuff.

In terms of efficiency, yes. We believe there's a lot of efficiency that can be achieved by moving the programs out to an arm's-length agency. The Canada Council, for example, operates on an overhead allocation of about 15%. Don't hold me to that figure, but it's somewhere in that range, which is a very reasonable figure. About eight to ten years ago it was actually operating at about a 25% overhead allocation, which was too high. It has made itself a much more efficient organization. It makes qualitative decisions, sometimes difficult ones, using the peer juries. I think it is, in fact, a model of a well-run program.

We would like to see these museum programs moved to such an agency. It would expedite the process. The same level of accountability can be there. The paperwork can be less onerous than it is at present. We have some museums right now that have been waiting eleven months, twelve months. They applied last November 1, and still haven't got a yes or no. And that's just no way to run a railway—or a national railway.

We need to see how the program itself can be efficient, and I'm quite sure that is possible. Being at arm's length is one idea. We mentioned setting up a heritage council, but there are other structures that already exist that could take on such a program.

The Chair: Are there any other questions?

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): I don't know if this was raised in my brief absence, but we had a witness come before us who suggested that Heritage Canada stop directly funding museums through the MAP program, for example, and that an arm's-

length funding agency like the Canada Council be created. He said if you look at the history and the facts and the evidence, you'll see that when the federal government did that for the arts, in the long run the funding for the arts went up. Somehow creating a Canada Council had the effect of creating a lobby group at the same time, and for whatever reason, the empirical evidence shows that it was good for arts funding in Canada.

I'm just curious as to what you think of that idea.

Mr. John McAvity: We fully support it. One of the suggestions there is that such an agency can receive funds from private individuals. In fact, the Canada Council was set up with two very large endowments, and since then there have been additional private funds that have been added to it. So you have a synergy here between public and private partnership. In the case of the Canada Council, most of it is.

Mr. Francis Scarpaleggia: I'll tell you what my reservation is—and maybe I'll overcome it. I find there's too much hiving off of government responsibility to independent third parties. Sometimes it's good, and sometimes it's necessary. In the case of the Canada Council, I believe it's necessary. I don't believe that government should be choosing among art works.

But I think when we're talking about museums, we may be talking about a different kettle of fish. I must admit that I kind of like the idea that somebody can appeal to the government and say they're not being fairly treated here, whatever, by this trust or this body, for some reason, that there's some internal politics. And we heard evidence of some internal politics from our witnesses at last Wednesday's meeting.

So I like this idea that there can be counterbalancing forces, and I don't think it's so dangerous for the government to be making funding decisions about museums, not as dangerous as it would be, for example, for the government to be micro-managing the CBC or the Canada Council. That's where my reservations come in, but I really appreciate your input on that issue.

Thank you.

• (1655)

Mr. Gerry Osmond: If I can just respond very quickly, another benefit of an arm's-length body is transparency. One of the frustrations I've had with this process is that the criteria for eligibility for projects are not consistent across the country.

Mr. Francis Scarpaleggia: Do you mean across the federal government?

Mr. Gerry Osmond: Well, I mean across provinces in terms of who can apply for what. I know that for a fact, from first-hand knowledge.

So in using arm's-length bodies, we can ensure there are clear, transparent criteria for grant applications and adjudications, and it takes the politics out of those decisions.

Mr. Francis Scarpaleggia: Let me see if I understand you correctly. You mean within the federal program there are different criteria and different—

Mr. Gerry Osmond: I've been told different things.

Mr. Francis Scarpaleggia: That's an interesting point, and I don't disagree with you in terms of your concern, but I would suggest that it should be possible for parliamentarians and yourselves to shed light on this and for government officials to work this out. I don't think that because it resides in government it's not transparent and somehow it will be more transparent in a third-party trust.

Anyway, I think your point is interesting. Thank you.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you very much, Mr. Chairman.

Thank you very much to every one of the witnesses. It's certainly great to have you here today to share with us your expertise in this area.

First, I should just thank you, Mr. McAvity. I know this summer you worked with museums across the country to be involved in the campaign and to inform. Many of us would have met with local museums who talked to us about these important issues. And even before that, you're aware that I was quite involved in trying to push the museums agenda here in this committee, and I'll continue to do that with the hope that we'll get some movement towards a resolution.

Certainly I enjoy the time that I spend in my community at my museums, and I know that each member of this committee does the same.

You talked earlier about the important step that was made in the last budget with regard to the exemption of capital gains on donations of stocks to charitable organizations. Can you explain to the committee your sense of whether that has changed the propensity for people to make donations, and if it has, if that's a step that you feel would be important or if we would be well advised to continue to encourage our finance minister to work towards increasing those types of tax exemptions for donations to charitable organizations?

Mr. John McAvity: First of all, with respect to the latest changes that the Minister of Finance made on exempting capital gains for listed public stocks, not very many museums have benefited from that so far. Most likely some have, and they probably have done it where there have been major capital campaigns, such as in Edmonton and Toronto.

Most of the very high-profile donations, such as the one last week in Toronto, have been to a hospital. So those are all good causes as well.

I think museums, as part of this new museum policy, need to be better positioned to be more effective at fundraising, themselves. Many are very good at it, and some simply have not had that experience. In my opinion, it's almost as good as it gets with tax

incentives right now. So how do we ensure that we're benefiting from those?

Some museums need development staff. They need people in place and systems in place to develop. It takes time and it takes money to raise money over a period of time. You have to have a climate that's established. It's developing relationships, friendships—

Mr. Guy Vadeboncoeur: And networks.

Mr. John McAvity: —and networks. It takes time, and for that reason, we think this public-private endowment, sort of the national United Way for museums, would have appeal.

Mr. Chris Warkentin: It's very interesting that you mention that. We've talked about endowments today, and obviously that's an important step forward.

I've been advocating this whole endowment idea for quite some time, both within this committee and also in my community, and the issue there is obviously that it's tough to get it started.

I'm curious as to whether there is anything that you could see the government being involved in. Obviously the government, if it chose, could make huge contributions, museum by museum, but I think that may be more difficult. Other than that, is there something the government could do to help with the creation of endowment funds?

• (1700)

Mr. John McAvity: There are a couple of ideas. There is a small endowment-matching program right now, but museums are not eligible to participate in that. It is benefiting performing arts events and organizations. We're not in that. Basically, for every dollar, another dollar or so is matched. It is subject to a capacity. That's one thing. So that would be a major effort.

The other thing would be to help some of the truly small museums. They're the ones that do not have a fundraising capacity. Place a development officer—I'll call them that—a fundraiser, in their organization for a period of three years, on a declining fund basis. The first year, you pay 100% of the salary. Then they raise a little bit of their salary, and by three years it's at least self-sufficient. And then you have something going.

For the very small museums, you could have one person who would serve an umbrella of five or ten such organizations in a given area, and they could work together and rationalize their roles.

Mr. Chris Warkentin: Talking about that, you bring me to another question. It's a question that I ask with some sensitivity, because I'd hate to ever be seen as wanting to limit the number of museums that are developed within a community.

Every other week I'll be driving through a constituency and there's somebody talking about possible new museums. I'm wondering how we decide how many museums the country could sustain and if there's any involvement that the government should have in terms of trying to decide which ones the federal government is going to assist and which ones it is not. How do we get away from choosing winners and losers and ensure that there are not a whole bunch of losers?

Mr. John McAvity: It's a very good question. I don't have very firm answers for you on that, but I think a couple of things are paramount. We have to recognize that as time moves on, knowledge grows in our society. Libraries don't get smaller, they get bigger. It's the same thing. Museums are the places for things, and they do grow.

We've debated this ourselves, and in fact one time we even called for a moratorium on new buildings, because the priority to us is what we already have. Let's maximize and better use the facilities that are in place. If they need an elevator, they need an elevator. They need a new roof....

Let's build upon what we have instead of creating new institutions. Yet there is a thirst and a popularity for these major ones, like in Winnipeg. I don't have to mention names. I had a phone call two weeks ago from a group in New Brunswick that wants to set up the national beer museum.

So I don't know where you put the boundaries on this. I honestly don't know. But that's a good place for peer juries.

To some extent, the collections in museums should be unique. They should not be duplicating what exists elsewhere. Many of these new institutions could be encouraged to work within an existing facility, rather than to have their own stand-alone place.

I think we just need to be reasonable.

[*Translation*]

Mr. Guy Vadeboncoeur: Such a question calls for the answer of the Jesuit.

Mr. Maka Kotto: A Spanish answer perhaps.

Mr. Guy Vadeboncoeur: Or a Spanish answer perhaps. It calls for the answer of a Jesuit, as we say in Quebec.

Most of our institutions come to being because of a community desire to establish them. Some people say that it is important to honour their heritage by building an institution called a museum, and no one can do anything about that.

The state must determine whether this museum in the current context has merit or not. Should it be given a few years to assume its position, to get established to collect resources, to prove its professionalism and so on in order to finally reach the time at which the local, provincial or federal government will perhaps have to support it in one way or another?

This situation has always existed and there were historic times in the 70s and 80s when a number of museums came into being. These

initiatives originated in the public. People decide on these things among themselves. We cannot tell them that they do not have a right to do this.

• (1705)

[*English*]

Mr. Chris Warkentin: That's the question: how do we ensure that there is sustainable funding for the museums that exist, without creating too many so that they're pulling resources from one another?

In my own community, I see situations in which there are announcements of possible new museums, and then museums that are already there say, "They may be addressing a different part of society, or a different issue, but it's going to pull resources away from us". So now we're just spreading it too thin, and then it causes even more of a problem. I'm just wondering how we resolve that, because obviously there is a limited amount of funding in every level of government.

Mr. Gerry Osmond: One of the challenges in addressing that question is that there are no restrictions on the use of the term "museum".

Mr. Chris Warkentin: Right.

Mr. Gerry Osmond: So anyone can get a building and call themselves a museum.

We do have definitions at the national level and at the international level of what a museum is, but they're never enforced. So there have to be some criteria at some level to say, "You know, what you're doing is great. It's wonderful. It's grassroots. It's fantastic. But it's not a museum." We haven't come to that point yet. So the challenge is what is a museum as a starting point?

Mrs. Nathalie Bull: I'd like to just add another perspective.

Often the impetus for starting a new museum is that there is a historic building that has no other use, and the community wants to make sure that it's protected. The tax incentive, the CHPIF program that I spoke about, is one way to attract developers to those buildings and to give them a new life that does not represent a long-term drain on the public purse. It puts them into a revenue-generating occupation. So that's again something that I think we need to consider in this discussion.

Mr. Chris Warkentin: I'm sure my time is up, so I'll quit.

Thank you.

The Chair: Go ahead, sir.

[*Translation*]

Mr. Michel Perron: I would like to make a few comments regarding your questions. It must be said that in Canada, there are neither nor fewer museums than there are in other countries in the world. Similarly, the number of museums in Quebec compared to its population is in keeping with the average in the United States, America or Europe. Generally speaking, it can be said that in Quebec and Canada there are not more museums than elsewhere in the world. We fall in the average range.

As regards the other issue, I find it extremely interesting, but it must also be said that culture comes from the people, and that it is in constant evolution. That is all that must be considered. This is maybe an argument that is even more important than that for having a good policy, because a good policy is a way of managing the demand. So it is a reference framework, and when we say we want a policy, we are saying we want a more attractive and more established reference framework.

[*English*]

The Chair: Thank you.

Mr. Kotto, Mr. Angus isn't here, so we'll give you another question, sir.

[*Translation*]

Mr. Maka Kotto: Yes, I would like to make a final comment. I hope this will be one of the last times we hear you trying so hard to convince committee members who are supposed to be here to defend culture, not destroy it. That is rather the job of the Standing Committee on Finance. That committee is definitely not our friend, because figures and art, or culture in general, do not always get along well together. These people generally have a great deal of difficulty even understanding the role of culture in society. It is our job to defend it and you can count on our intellectual support now and in the future.

I hope your frustration will disappear as quickly as possible so that you are in good shape between March 28 and 31 of next year, when you will be celebrating the 60th anniversary of the CMA.

Thank you.

• (1710)

[*English*]

The Chair: Thank you.

Mr. Del Mastro.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you, Mr. Chairman.

It's an honour to be here today, sitting in with the committee on Canadian heritage. I feel proud and privileged to be Canadian, and I think it's incumbent upon us to preserve and promote the history of Canada. I believe our museums do a very good job of that.

I wanted to start with Mr. Osmond. You made a couple of points, and I think they're really quite important. You talked about predictable multi-year funding. I assume that you're talking about core funding, something you could apply for and could know is coming.

Mr. Gerry Osmond: It can be project funding, as long as the projects can extend over a multi-year period. Right now, there's a very short timeframe, so we need something we know we have over the long term.

Mr. Dean Del Mastro: For clarification, right now funding turns into a pumpkin on March 31. If you haven't spent it, it's gone. You'd like to get away from that, so you could plan a little better?

Mr. Gerry Osmond: Planning, absolutely. Museums need to know on a two- and three-year basis, if not five years, what they have in terms of grants.

Mr. Dean Del Mastro: I come from the business world, and one of the things I never wanted to hear is that I might be at some form of competitive disadvantage with one of my competitors. MAP is a competitive process, so in your opinion that specific program wasn't necessarily level across the country?

Mr. Gerry Osmond: It was level in terms of having criteria. How the criteria were applied across the country, I'm not sure. I've heard different things.

In terms of the competitive process, that is essential. As my colleague says, we can't fund all museums, so we need some mechanism to determine who gets that funding. There has to be a competitive process. I don't see it as winners or losers, but we need to have some mechanism. At the same time, we need criteria consistently applied across the board.

Mr. Dean Del Mastro: Right. Okay, thank you.

Mr. McAvity, you made a number of very good proposals for a new museum strategy. I just completed a tour of the entire country with the finance committee and spoke to a number of museums. One of the things I heard over and over and over again was how much work it was to get funding from the MAP, that it was very labour-intensive. I notice that's one of the comments you've made.

Did you want to comment on that a little bit? A lot of museums said it was almost a full-time job for them.

Mr. John McAvity: The cost to administer, particularly with the new accountability regimes that have been coming into place, has been onerous. In museums it's quite frequently said that costs to apply and administer and be accountable are probably in the 25% to 35% range. I don't have any firm figures on it, but that's a gut feeling.

I wouldn't even want to know what the total cost is for the government departments that have to administer it, but it is going to be close to the amount of money that's spent, or a very high percentage, at least. I don't know what those figures are, but it's going to be a significant cost.

We're interested in seeing a system that works—that works fairly, judiciously, quickly. We think there could be special consideration for very small applicants, grants that are under a certain dollar level. There needs to be a bit more flexibility to make sure that money is getting out, it gets out quickly, and to the people in need.

Those are the general comments. We believe in a third-party delivery model, let me use that terminology. It works in Alberta, with the Alberta Museums Association doing it for the province; it works in British Columbia with the museum association there; in Saskatchewan. So there are very different ones.

I'm not looking for a new job for our organization, but we need to be prepared to do what is going to work, and how it works. As you may know, we deliver Young Canada Works, a summer student employment program, and that's delivered at less than 15% of cost.

• (1715)

Mr. Dean Del Mastro: Okay, good.

An issue that Mr. Warkentin brought up, and this is something else I heard a lot, is the growth in total numbers of museums. I've heard this from local museum operators as well.

Is there anything you could do? Are there criteria the CMA could set up that would qualify people for federal funding or make recommendations? Could this be in the recommendations you might make by Christmas? Quite frankly, we know there's going to be a finite amount of money. Any time it looks as if the picture may be brighter, you may have a bunch more museums. Ultimately, it could mean no one museum gets anything more and the new programs aren't any more helpful, if there are a whole bunch more players on the horizon. I'm just wondering if that might be something you might consider putting in your recommendations to the minister.

Mr. John McAvity: In part that's why we've called for a study to look at the needs of these new ones that are coming up, and over a number of years I think a reasonable projection can be made, so we're better informed about them.

You asked if there were ways in which the playing field could perhaps be limited, and the answer is yes. The answer is in two parts. First, what is the federal role and how narrowly do you want to tie it? And second would be setting up a criterion or accreditation program, as operates in other countries, saying that for museums to be eligible—just as with the indemnification legislation this committee's been looking at—there is a defined clientele group of institutions that meets national standards on conservation, standards on humidity and light control, or in all of these technical areas in museums, and also in terms of community relations, with the museums having a board that is open and accountable, and published annual reports and audited statements. All of those can go in there.

Such programs do exist in the United States, and in Europe there are well-developed accreditation programs recognizing those who need to get up here. In an interesting way they also help those who aren't making it, because if the program is done correctly, it's like a doctor going out to visit the patient: he does the diagnosis and writes a prescription, and that prescription becomes what your business plan must be in the next five years to rectify the following areas.

Mr. Dean Del Mastro: Thank you.

I have nothing further, Mr. Chair.

The Chair: Thank you very much.

I must say it's been very interesting today to hear all of the presentations and answers. I think they've been great; I think they've been beneficial to this committee.

I always try, if I have time at the end, to give a couple of my comments as chair.

I think it was back in 2004 or 2003 in a meeting not about museums, but about copyright, when I said at this committee table that copyright was very confusing to me and that I wished we got onto things that I had come to the committee for, such as small museums. I was told at that time that it was one of the first times museums had been mentioned for quite some time in the committee.

I am very, very interested in heritage and museums. I've been fighting very hard for three or four years for the Dr. Frederick Banting homestead, which right now is in the hands of the Ontario heritage organization, but which I feel has been neglected.

When you're talking about new museums coming up, I live not too far away from a town in Ontario called Lucan, and there've been a lot of books written about the Donnellys of Lucan. It's terrifying how the Donnelly tradition has lived on around that area. But they do have something they've been working hard on, having fundraised almost \$100,000 for their museum, which would help stimulate the economy of that small town, because there are a lot of people who are very interested in the heritage of that area. So there are things like that.

Something else that was mentioned besides museums was libraries and archives, and I think there's a knitting together of all three of those entities. I know that archives have had some real problems and that archives are really a museum—

• (1720)

Mr. John McAvity: Good, we like that.

The Chair: I think so.

Again, as chair, those are some of the things....

There's one question that I have, which we talked about a little bit the other day, and seeing that we have you folks here, I'll ask you about the travelling exhibition indemnification program. One of the things we were looking at were the maximums and minimums; I think \$1.5 million was the maximum and the minimum was \$500,000. We were wondering in this committee whether a lowering of the minimum, such as to \$200,000, would help any of the small museums.

Mr. John McAvity: It would help, but not the truly small museums. It would have to go down to a lower level.

The Chair: Okay. It would have to go down to a lower level, but again, the criterion for receiving that is that you've got to have all the right stuff. So will some of these museums have that?

Mr. Guy Vadeboncoeur: Yes, some of them in small communities do have it. That's a fact.

What we are really looking at when we're talking about indemnification is the types of objects that travel. It's certainly not a small community museum that will have Picassos travelling around the country. And all the big museums, like a natural science museum, will probably never organize a travelling exhibition valued at over half a million dollars. So what's the use of it for them?

The Chair: Okay.

Hon. Mauril Bélanger: Mr. Chairman, just as a comment, the maximum is \$100 million.

The Chair: The maximum is \$100 million. I see that.

[*Translation*]

Mr. Michel Perron: In our opinion, for a compensation program to be really of help to a significant number of institutions as the

organized travelling exhibitions, it must take two factors into account. First, the large exhibitions with high market value that would probably take good advantage of the program.

The problem lies with all the things that do not directly concern the art market, like scientific or historical exhibits, that have a much lower market value. In this respect, we think that it would be very useful to add a second part to this program where insurable values would begin at \$50,000, not at \$200,000 to \$500,000. This would be of great help to travelling exhibitions. For instance, institutions are left on their own to insure exhibits that might be worth \$70,000 or \$100,000 in insurable value, if there is no assistance program. Insurance companies have very little competition, and museums are left on their own to battle with them. Of course, in such cases the cost is very high.

We think that the compensation program is working well for high-value exhibitions, but what really should be done would be to lower the floor of insurable value to \$50,000 and create a second phase. This could partly remove what is thorn in the side of travelling exhibition organizers.

[*English*]

The Chair: Thank you very much. I hope we around this table can take that as we study the program a little bit more.

Again, on behalf of all my colleagues around this table at the heritage committee, I thank you very much for your answers and presentations.

The meeting is adjourned.

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