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Thursday, November 29, 2007

—
Chair

Mr. Gary Schellenberger

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•(1205)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): I call to order this part of the meeting of the Standing Committee on Canadian Heritage.

Welcome, Minister, and your associates.

Pursuant to Standing Order 81(5), we're considering supplementary estimates (A) for 2007-08: votes 1a, 5a, 10a, 15a, 30a, 35a, 45a, 50a, 55a, 65a, 75a, and 105a, under Canadian Heritage, referred to the committee on Tuesday, October 30, 2007.

The chair calls vote 1 under Canadian Heritage.

Again, welcome, Minister. We await your statement.

[Translation]

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages): Thank you, Mr. Chairman.

On behalf of myself and my colleagues — Ms. Judith LaRocque, Deputy Minister of Canadian Heritage, and her colleague, Mr. Jean-Pierre Blais, Assistant Deputy Minister for Cultural Affairs, I would like to thank the members of the Committee for inviting us here today.

As you know, as Minister of Canadian Heritage, I am assisted in my duties by the Minister for the Pacific Gateway and the Vancouver Whistler Olympics, the Honourable David Emerson, and by two Secretaries of State, namely Helena Guergis, who is responsible for Foreign Affairs, International Trade and Sports; and, Jason Kenney, Secretary of State for Multiculturalism and Canadian Identity.

I am delighted to be here today. Several of you, including Gary and Mr. Bélanger, are long-standing members of the Committee. I know that you share my conviction that culture is essential to our quality of life and our sense of identity.

[English]

Each year, the cultural sector contributes over \$40 billion to the Canadian economy and employs 700,000 people. More importantly, thanks to support from Canadian Heritage, all Canadians have access to their culture. By participating in cultural activities, they gain a sense of cultural ownership and help to forge our collective identity.

This past fall I met with a number of representatives from the public, private, and community sectors. As elected officials, it's our responsibility to develop policies and programs that are in line with our constituents' expectations and aspirations. That is my objective and it's the objective of our government.

The Speech from the Throne is clear on this matter, and I quote: Canadians expect their government to help them build on this legacy. They want a government that sets clear goals and delivers concrete results. A government that is accountable.

[Translation]

Where culture and heritage are concerned, Canadians expect their government to contribute actively to the cultural vitality of our society. In collaboration with the organizations and agencies of the Canadian Heritage portfolio, my department is working to achieve that goal. I am proud to share some of our most significant accomplishments with you today.

In the arts, culture and heritage sector, our government has allocated an additional \$50 million over two years to the Canada Council for the Arts; \$20 million in 2006-2007, and \$30 million for the current year. And, to mark the Council's 50th anniversary this year, in July, we announced that the Council could count on receiving that \$30 million on an ongoing basis.

Two weeks ago, I took part in the Montreal Cultural Metropolis Rendez-Vous. The event attracted over 1,200 delegates with the common goal of positioning and promoting Montreal, over the next decade, as an international centre for creativity and innovation. I took advantage of this ideal opportunity to join forces with the Government of Quebec, the City of Montreal, artists and industry representatives, in the true spirit of open federalism. Our government also announced funding of \$40 million for the *Quartier des spectacles de Montréal*, the city's dedicated arts district.

In September, I announced annual funding of \$30 million for ongoing support of local arts and heritage festivals and related activities.

In addition, our department has allocated nearly \$100 million over the next five years to address the infrastructure needs of several of our national cultural institutions. And, speaking of national cultural institutions, we are pleased to report some innovative developments on that front. Last April, the Prime Minister announced the creation, in Winnipeg, of our first new national museum in 40 years. With public and private sector support, the Canadian Museum for Human Rights will promote the values that all Canadians cherish.

•(1210)

[English]

In the same vein, we recently issued a request for proposal to locate the Portrait Gallery of Canada in one of nine Canadian cities.

In the museums sector, we eliminated the capital gains tax on gifts of listed, publicly traded securities to registered charities such as museums. Museums report that they are already seeing the effects of this measure.

As well, the 2007 budget includes an annual amount of \$5 million for our qualified students to work in museums across Canada during the summer.

Finally, as announced in the Speech from the Throne, our government is committed to protecting intellectual and cultural property rights in Canada. I'm working with the industry minister, Jim Prentice, on a bill to amend the Copyright Act. The bill will be introduced in Parliament very soon.

[Translation]

Besides providing opportunities for Canadians to engage in rich and diverse cultural activities, my department strengthens the connections that bring us together.

Canada's broadcasting industry plays a leading role in this regard. At the recent Canadian Association of Broadcasters Convention, I reminded the delegates that our primary objective in this area continues to be making high-quality Canadian content available on radio, on television and on-line.

I could go on at some length about our accomplishments in the broadcasting sector, but I want to mention a few of my department's other achievements.

I'm thinking in particular of our work on UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions. We have agreed to contribute to the International Fund for Cultural Diversity, and Canada has been elected to the Intergovernmental Committee for the Protection and Promotion of Diversity of Cultural Expressions. In this context, next week it will be my honour and pleasure to welcome representatives of the Committee's 24 member states to Ottawa.

Canadian Heritage has also increased its efforts to promote Canada's linguistic duality and to support official language minority communities. I will be addressing this topic in more detail in a few days, in my presentation to the Standing Committee on Official Languages.

[English]

As you know, Canadian Heritage administers several other programs. I'd like to conclude by mentioning two that are close to my heart, if I may.

Tomorrow I will officially launch the 2008 Canada Day poster contest. This is one of my department's most popular initiatives and a concrete example of a program that truly appeals to all Canadians.

I know that even as I speak, teachers and students all across the country are busily working on creative entries that express all their pride in being Canadian. Next July 1, thirteen talented young people from every province and territory will join us at the Canada Day celebrations on Parliament Hill.

[Translation]

Another exciting initiative is the celebration, in 2008, of the 400th Anniversary of the City of Quebec. I have followed the preparations with interest, and I participated in the programming announcements made by the Société du 400e, the National Battlefields Commission, the Huron-Wendat Nation, and our military forces posted in Quebec. This festive event will underscore the significance of this date in the history of Canada and North America. The founding of Quebec also marks the founding of Canada, and this will be a wonderful opportunity for Canadians to gather to celebrate their culture and heritage.

Thank you for your kind attention. I am now available to take your questions.

•(1215)

[English]

The Chair: Thank you for that.

I just would like ask all members of the committee and our witnesses to try to stay within five minutes each. If we keep our questions relatively short and to the point, maybe the answers can be that way. That way, everyone will have an opportunity, because we only have three-quarters of an hour for questions.

Mr. Scarpaleggia.

[Translation]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): I will be very brief.

Thank you for being with us, Minister. As you may know, I represent a sizeable part of the minority anglophone community in Quebec. You and your government talk about open federalism, but you have closed one of the doors available to minority language communities in Canada by eliminating the Court Challenges Program. Even the *Montreal Gazette* is disappointed with the decision to do away with that program. It even recommended, a few days before the Speech from the Throne, that the government, at the very least, restore that program for the language communities.

Do you think the case law has effectively come to an end as regards language rights in Canada? Is it your opinion that there will be no further cases coming out of the language communities—anglophone or francophone—and for that reason, we no longer deserve that program?

My second question has to do with the Canadian Railway Museum, Exporail. As you know, most Members of Parliament voted in favour of your department incorporating this exceptional and internationally-renowned museum into the firmament of the federal government's national museums network. At the time, we were told that the national museums had to be located in Ottawa, in the national capital, but since then, there has been talk of moving the Portrait Gallery and, in addition, funding is to be provided for the Canadian Human Rights Museum in Winnipeg.

I would be interested in hearing your comments on those two topics.

Hon. Josée Verner: Thank you for your question.

As regards the Court Challenges Program, as you know, a case dealing with that is currently before the courts. As a result, I will not be commenting on it.

With respect to the anglophone community in Quebec, we have already had several meetings. We have opened up real dialogue, which is both constructive and positive.

I would like to remind you of a certain number of facts. In the Speech from the Throne, we undertook to move ahead with the second phase of the Official Languages Action Plan, an initiative we were commended for by your leader. We have close relations. We announced a further injection of \$30 million in the 2007 budget. I have undertaken to hold consultations with a view to hearing the concerns of official language communities across the country. They should begin very shortly. Those are the points I wanted to make with respect to the anglophone community in Quebec.

If I am not mistaken, in May 2006, I attended one of their meetings that was taking place in Gatineau. They told me that it was the first time a government minister had attended one of their meetings to say a few words and open up a dialogue with them. Indeed, I will be appearing before the Official Languages Committee in the coming days.

As regards the museums, I did, in fact, recently meet with representatives of Exporail. We are attentive to their needs. As you know, the government funds the national museums. Still, we are looking at how we can be of assistance to them.

• (1220)

Mr. Francis Scarpaleggia: It could become a national museum. It is already one of the best railway museums in the world. I see no reason why it could not be folded into the National Museums network, even if it's located in Montreal, rather than Ottawa. You have already taken steps to move the Portrait Gallery outside Ottawa, and you are funding a museum...

[English]

The Chair: Mr. Scarpaleggia, a question...?

[Translation]

Mr. Francis Scarpaleggia: We are wondering why you cannot simply incorporate it into the National Museums network, by making it a national museum or, for example, making it part of the Museum of Science and Technology, given that the railway is connected to both science and technology.

Hon. Josée Verner: I just want to set the record straight with respect to some of your comments. We have not decided to move the Portrait Gallery outside Ottawa. Ottawa-Gatineau is one of the nine cities that have been identified and which will have an opportunity, we hope, to submit a project under the Request for Proposals recently initiated for the Portrait Gallery. I think it's important to clarify that point.

As regards the Exporail Museum, we are continuing to review the situation with museum management. I know they received a grant of \$230,000 a few years ago through the museums' Summer Internship Program. That is another way of providing assistance to them.

[English]

The Chair: Okay, thank you.

Ms. Mourani.

[Translation]

Mrs. Maria Mourani (Ahuntsic, BQ): Thank you, Mr. Chairman.

Thank you for being here to take our questions.

In the last election campaign, your party announced that it would implement a museums policy. I would just like to quickly lay out the facts I have been made aware of.

Over the last two years, the Museums Assistance Program has seen one third of its budget cut. Furthermore, several days ago, on November 27, an article in *Le Devoir* stated that the Exhibition Transport Service provided through the Canadian Conservation Institute will no longer be available as of April 1, 2008. Consequently, the museums will have to deal with the private sector, where costs are much higher. At the same time, the museums' budgets have shrunk considerably.

In my opinion, this is not a new museums policy, but rather, a kind of demolition project aimed at Canadian museums. It particularly affects small regional museums.

Do you intend to take any action, first of all, to restore the Museums Assistance Program's budget by increasing its funding? Also, will you maintain the ETS, which is absolutely critical for our museums, to ensure that their wonderful exhibitions can travel all across the country? Will you bring in a museums policy?

Hon. Josée Verner: Thank you for those three questions. I will answer them in order or in disorder.

With respect to the Exhibition Transport Service, it is important to say that it has been clearly established that using subcontractors for the transport service contravened Revenue Canada's rules as regards employer-employee relationships. The department could thus no longer use those services, for obvious reasons relating to transparency and accountability on the part of our federal institutions.

The museums continue to have access to financial assistance. The private sector is currently developing fairly competitive expertise in that field. Also, discussions are underway between departmental officials and museum directors to ensure they are comfortable with the transition.

As regards a museums policy, it's important to mention, first of all, that there is a need to put our house in order in this area. For one thing, there was an absolutely glaring need for infrastructure. That is the reason why our government announced an injection of \$100 million to meet urgent needs in the museum community, including \$41 million for our four national museums, in order to address infrastructure problems.

• (1225)

Mrs. Maria Mourani: You raise an important point with respect to infrastructure. A year and a half ago, your colleague, Mr. Fortier, announced funding of \$30 million for the Montreal Planetarium. We have yet to see that money.

Hon. Josée Verner: Yes, that file is being handled by my colleague who is responsible for infrastructure, Mr. Lawrence Cannon. I know that he has looked at it very closely. I invite you to put the question directly to him.

Mrs. Maria Mourani: A planetarium is a science museum. It still is related to culture.

Hon. Josée Verner: I agree that a planetarium is an important institution.

I know that my colleague, Lawrence Cannon, has specifically looked at that issue.

[*English*]

The Chair: Very short, please.

[*Translation*]

Mrs. Maria Mourani: With respect to the ETS, you said that you are trying to find a way for private institutions to have access to services at an affordable price, and so on. On the other hand, it is well known that very few companies offer the kind of quality service that could be had through the ETS. I have been told of two companies in Montreal. I will not mention their name, because I don't want to give them publicity. However, a director of the largest of those companies has said that she could never do it for \$1.81, as was the case for the ETS, and that her costs will be much higher. This could have considerable consequences for the regions, because small museums will never be able to pay that kind of fee, unless you increase their budget.

Hon. Josée Verner: Because your question is of a more technical nature, with respect to the different companies out there, I'm going to ask the Deputy Minister to complete my answer.

Mrs. Judith LaRocque (Deputy Minister, Department of Canadian Heritage): Thank you for your question, Ms. Mourani.

We are following this issue very closely. The Minister has already had discussions with her provincial and territorial colleagues on that very matter. It is a concern, but we believe that in the long run, private companies will not only be competitive, but will develop their own expertise. We will ensure that happens.

Your point is very well taken, because this is certainly a matter of concern to us as well.

[*English*]

The Chair: Thank you.

Mr. Siksay.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Chair, and thank you for being here, Minister, with your deputies.

Minister, one question I wanted to ask is this. A number of agencies and organizations that depend on funding from your department have raised concerns about a 5% overall cut to the budget of the department. The other day the president of the CBC mentioned that there was talk of such a reallocation—I think that was the word he used—that was coming over a four-year cycle.

Can you tell us, if that is under way in your department, how you see it affecting the budget and the programming of your department?

I also have three other very specific questions around funding. My understanding is that funding for the National Anti-Racism Council of Canada was denied earlier this year, in June, for a continuation of the work they've been doing in anti-racism work and racial profiling work. It's been very important work to many people, and yet the funding they requested to continue that program was denied.

Can you tell me why that was denied and how this important work will be carried on without that program?

I also want to know what the government's position is on the CBC request for \$25 million of capital costs and what the government's position is on \$25 million a year to extend their local radio network to include the eight million Canadians who don't have access to CBC/Radio-Canada local radio.

The last question is around the Canadian Federation of Municipalities' concern that there's a \$40 billion recreational infrastructure deficit in Canada. A lot of the projects that were built during the centennial year are now 40 years old and in serious need of repair and upgrading.

Does the government, does your department, have a plan to address that growing deficit in recreation facilities?

• (1230)

[*Translation*]

Hon. Josée Verner: Thank you. I will try to answer your four questions.

As regards the management of public funds, our government has certainly made its mark in that area. Over the years, we want to ensure that our programs are effective and that taxpayers' money is spent appropriately; however, what is most important is that we achieve good results for taxpayers that are measurable and concrete. With that in mind, it is the responsibility of every minister to ensure that departmental programs and objectives meet that requirement. That is what we do on a regular basis.

You referred to an anti-racism organization. That is something that falls within the purview of my colleague, the Secretary of State for Multiculturalism, Jason Kenney. I will give the Deputy Minister an opportunity to provide additional details on that specific point.

As regards CBC's budget requests, there is no doubt that the Canadian Broadcasting Corporation is a public service that has its own management. I am confident and, in fact, very proud of the fact that Mr. Hubert Lacroix has been appointed CEO of CBC/Radio-Canada, as well as — a little earlier — Mr. Tim Casgrain as Chairman of the Board of Directors. There is no doubt in my mind that they will look at the overall operations of CBC/Radio-Canada with a view to efficiency and good service in a way that should be satisfactory.

Your final question had to do with the Federation of Canadian Municipalities and infrastructure. We do have some money in the budget for requests relating to cultural infrastructure. However, if you're talking about recreational infrastructure, my colleague, the Minister of Transportation, Infrastructure and Communities, would be in a better position to answer that kind of question.

With respect to multiculturalism, I am going to ask Ms. Judith LaRocque to provide you with additional details.

[*English*]

Mrs. Judith LaRocque: Mr. Siksay, I am not aware of that particular request. We have about 7,000 grants and contributions going through the department a year, but we would be very happy to look into it for you and either respond directly to you or through the chair, as you prefer.

Mr. Bill Siksay: Thank you.

The Chair: Thank you for that.

Mr. Fast.

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

Thank you, Minister, as well as your staff, for appearing before us today.

Despite some of the doom and gloom we hear, in fact there has been a lot of good news for culture and the arts in the past year.

Perhaps first of all you or your staff could tell us the net increase in the budget you are requesting. I understand it's around \$77 million. Is that right?

Mrs. Judith LaRocque: It would depend for what year, and how you count it, but I will get back to you.

Mr. Ed Fast: Thank you.

In the meantime, I want to go into some of the incentives that we as a government have introduced to ensure that not only government has to invest in arts and culture, but that the private sector sees that as an opportunity to give back to our communities what they have received.

We've implemented some tax incentives that encourage business people to donate shares and securities to arts and cultural organizations. Could you perhaps expand on what we've done, and also on what kinds of results we've seen so far? And if you can, in financial terms, what are those results?

[*Translation*]

Hon. Josée Verner: On your first question regarding the Supplementary Budget, the amount is \$77 million. I believe that is good news for the arts and culture community.

As for the tax exemptions and other measures that have been implemented, it is well known that they have been very well received by the community. Before we can really set about measuring and tracking the effect of these initiatives, we will need to take a little more time to see what the concrete results are. Indeed, we are talking about additional funding for the Canada Council for the Arts. This is additional funding for festivals to be held all across the country, and particularly small festivals that are organized in the different communities. The organizers of such activities are very pleased that we have thought of them, and we obviously hope they will all want to put in a request for funds, so that we can respond positively to such requests.

• (1235)

[*English*]

Mr. Ed Fast: Thank you for that.

I was surprised in fact to hear in your presentation today that the increase in funding to the Canada Council is actually going to be a permanent increase of \$30 million per year. When our first announcement was made, I received numerous e-mails from performing arts organizations, and certainly from my neck of the woods in British Columbia, applauding what we had done as a government. Now to see this is a permanent decision and that it's going to be \$30 million, I must commend you for that step.

I happen to come from a background where our family does have a long musical heritage. We enjoy going to all kinds of musical events, including rock and roll, country, right through to classical and opera; we do it all as a family.

What response have you had from the performing arts community with respect to the enhanced funding to be available to them through the Canada Council?

[*Translation*]

Hon. Josée Verner: The announcement was made in July. That increase corresponds to 20 per cent of the budget of the Canada Council for the Arts, which was \$151 million, and has now been increased to \$181 million. This is obviously good news for the arts community, which desperately needed this funding. We had to respond to that request by demonstrating the respect we all owe our artists and the members of this community.

That announcement was made by my predecessor. I picked up the congratulations when I took over the portfolio on August 14.

[*English*]

Mr. Ed Fast: Thank you.

Mr. Chair, I have another question, but I'll save it for the next round.

The Chair: Good, because your time is up, or pretty close to it.

Mr. Bélanger.

[*Translation*]

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Chairman.

Minister, this is the first opportunity I have had to publicly congratulate you for your appointment to the position of Minister of the Canadian Heritage. I want to thank you for stating, in your opening comments, that it is your conviction that cultural is essential to our quality of life and our sense of identity. Although I share that vision, we do not agree on the means that are required to achieve it or the particular approach that is required. So, I have several questions for you.

First of all, I would have liked your visit to last for two hours, rather than one. I feel that is necessary. Therefore, I invite you to come back again, because it would be a good idea to have more in-depth discussions.

There is a major concern at the present time within the cultural community. Many groups have expressed that concern a number of times. It was only deepened by the policy direction issued by your government to the CRTC, through an order-in-council, to the effect that it should rely on market forces.

Recently, your government set up a Competitiveness Committee composed of five private sector representatives. Unfortunately, the cultural industries were included in their mandate.

Why did you allow the cultural industries to be included in the mandate of a committee that will be looking at the competitiveness of our industries, with a view to lifting foreign ownership restrictions? Is that what the committee will be examining? That is my first question.

My second question relates to the Exhibition Transport Service, a subject that has already been raised. We are told that what the private sector is currently providing costs 30 per cent more and that it doesn't go everywhere. At a briefing with your officials, I made a counter-suggestion that would have taken us where you want to go. I would like to know whether they discussed that with you and whether you have retained that suggestion or not.

My third question relates to periodicals. The Canada Post Corporation wants to withdraw from the Publications Assistance Program. Last December — in other words, 11 months ago — your government said it would review this whole matter. As far as I know, no such review has yet been undertaken. When and how will that be accomplished?

I would have liked to ask you a couple of questions about the museums policy and film, but I will refrain from doing so, since I would like to get answers to the ones I've already asked.

● (1240)

Hon. Josée Verner: Thank you for your questions, Mr. Bélanger.

I, too, have met with a number of groups since August. It seems to me that, in the speech I made to the Canadian Association of Broadcasters — or CAB — our government's commitment was quite clear. There are certainly new technologies available and people demanding that market forces play a dominant role, but there is also an important item which we believe in: our quality Canadian programming. I obviously invited people to give greater thought to these realities. Every time this question has been put to me, I have never denied the fact that there are market forces, but I have most certainly emphasized the fact that we are committed to providing quality Canadian programming.

You refer to a committee looking at competitiveness and foreign ownership. Our government has no intention of changing anything with respect to foreign ownership; I can assure you of that.

I'm trying to go quickly so that I can answer all your questions.

You also referred to postal fees for publications. The government issued a policy directive last year, if I'm not mistaken, asking Canada Post to continue with the program until March of 2009. We are currently looking at this. We know that the publications sector, whether it's community newspapers or magazines, will want to comment on this, and we will most certainly be anxious to hear what they have to say.

Mr. Blais may want to add something with respect to the competitiveness committee.

Mr. Jean-Pierre Blais (Assistant Deputy Minister, Cultural Affairs, Department of Canadian Heritage): Indeed,

Mr. Bélanger, the committee is looking at a number of industries, but our department has had an opportunity to speak with the committee, which includes Ms. Isabelle Hudon, who worked with our Minister at the November 2007 Montreal, Cultural Metropolis Rendez-Vous, and one of those industries is the cultural industry. I believe the committee understands the specificity of the cultural community, in keeping with the spirit of the Convention on Cultural Diversity, and that this is part of their work.

[*English*]

The Chair: Thank you.

We're going to split a little time here.

Mr. Malo, you're first—but keep your questions relatively short, please.

[*Translation*]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Good morning, Minister.

In your response to Mr. Bélanger, you said that your message to the CAB had been clear. You told them that changes to the broadcasting regulations were in the works.

Will the changes you announced on the 6th be legislative in nature? Or, do you intend to do what your colleague from the Department of Industry did and issue a policy direction to the CRTC?

In the same vein, are you in favour of a strict regulatory framework for the broadcasting sector? Could that message also be clear?

Hon. Josée Verner: I would just like to correct one thing you said, Mr. Malo. The speech I delivered to the Canadian Association of Broadcasters was not an announcement. I talked about current realities and areas that the participants might want to give further thought to, but I never announced that I intended to issue policy directives or take any such measure in the near future.

● (1245)

Mr. Luc Malo: Are you saying that no changes will be made to the broadcasting regulatory framework? In that case, foreign ownership will continue to be controlled based on the current rules.

Hon. Josée Verner: What I can tell you with respect to foreign ownership is that we are still very determined to monitor the situation and that no change is planned as regards the current rules.

Mrs. Maria Mourani: Thank you, Mr. Chairman.

I would like to talk about film. As you know, on November 24, 2005, our Committee tabled a report on the film policy. That report basically denied the very existence of Quebec films. A motion put forward by the Bloc Québécois asked the House of Commons to acknowledge the existence of the Quebec film industry. Unfortunately, all the federalist parties voted against that motion.

Also, the Feature Film Fund's budget has not been increased in seven years.

Ms. Verner, you are a Quebecker and a Member of Parliament from Quebec; even though your government does not acknowledge the existence of the Quebec film industry, as the Minister of Canadian Heritage, do you acknowledge that it does? And, are you prepared to invest an additional \$20 million in Quebec films?

Hon. Josée Verner: Yes, we do have good Quebec films; I can tell you that as a Quebecker. But as a Canadian and as Minister of Canadian Heritage, I am aware of the concerns in the Quebec film industry. It's important to understand that the government has undertaken to provide, through Telefilm Canada, a portion of the funding made available to French-language films, and that obviously includes Quebec films.

Mrs. Maria Mourani: You say that French-language films include Quebec films. Does that mean that Quebec films exist in their own right, or only as Canadian French-language films?

Hon. Josée Verner: Ms. Mourani, you are talking about broad concepts, and I understand why you are. However, the fact remains that our commitment, as a country, is to French-language films.

Mrs. Maria Mourani: Do you mean, French Canadian? The francophone market, but Canadian.

Hon. Josée Verner: The francophone market, which obviously includes Quebec.

Mrs. Maria Mourani: We know that one third of the funding is allocated to the francophone market, but Quebec films — and I'm not talking about the francophone market — bring in a great deal of money that benefits all of Canada. Unfortunately, however, it is underfunded compared to the anglophone market.

Will you invest an additional \$20 million in the Quebec film industry, which you seem to acknowledge does exist but which, unfortunately, does not have adequate funding? At the same time, it brings in more money than Canadian films

Hon. Josée Verner: We are aware of the concerns that have been expressed by the Quebec filmmaking industry, and our objective is to ensure that there is funding available for all French-language films in Canada.

Mrs. Maria Mourani: Fine; thank you.

[English]

The Chair: Thank you for that.

We go now to Mr. Brown.

Mr. Gord Brown (Leeds—Grenville, CPC): Thank you, Mr. Chairman.

Thank you, Minister, for being here today.

I come from the riding of Leeds—Grenville. It's a rural riding. Often people don't think that arts and culture are important in ridings like mine, but in fact performing arts are very important in our area.

In budget 2006, our government decided to make some changes so people can “gift” securities on a tax-receiptable basis in order to help support the arts. I can tell you that this has been very well received. I don't know if you have numbers, but maybe you can tell us a little about the impact that budget change has made on the arts and arts groups. Could you tell us a little bit about the impact this change has had?

• (1250)

[Translation]

Hon. Josée Verner: I did provide some information in my answer to our colleague. The impact is positive. Of course, this initiative has been very well received by the cultural community. Now, we will have to see what kind of impact it has over the next few fiscal years. I don't know whether there are already some figures available. Mr. Blais will provide those details.

[English]

Mr. Gord Brown: Do you have any estimates at this time?

Mr. Jean-Pierre Blais: The tax measure, of course, applies to all charitable institutions, but already we estimate approximately \$20 million in the first period of this has been injected into the arts and heritage sector.

Mr. Gord Brown: All right, thank you.

Minister, there is a lot of good news in the supplementary estimates. Maybe you can tell us a little bit more about some of the additional moneys going into areas.

[Translation]

Hon. Josée Verner: There is, indeed, a lot of good news. We are talking about additional funding of some \$60 million for CBC/Radio-Canada. And I also would come back to the announcement we made with respect to the festivals. That announcement has been very well received all across Canada, particularly in the small communities, but also with respect to major events that required additional funding. This will allow communities all across Canada to pass on their legacy and their heritage from generation to generation.

[English]

Mr. Gord Brown: Okay.

I know there were additional funds for Library and Archives Canada, maybe you can tell us a little bit about that as well.

[Translation]

Hon. Josée Verner: Additional funding of \$12.9 million has been provided to Library and Archives Canada. Specifically, almost \$600,000 has been earmarked for construction of a new records conservation facility. If we want future generations to be able to take advantage of valuable papers and objects that are kept there, it is important to ensure that we have appropriate facilities to conserve them.

A few weeks ago, I had occasion to announce to the Committee that \$700,000 would be earmarked for an initiative relating to fair and equitable library services. This will mean that people with vision problems will have access to the extensive collection currently held at the Library.

Furthermore, we have invested almost \$6 million in AMICAN, a system for managing digital publications. With the new technology available, it is important to provide Library and Archives Canada with the funding it needs to fulfill its responsibilities.

Thank you.

[English]

The Chair: Thank you.

Ms. Fry, Mr. Fast, and Mr. Siksay, if we could each have one short question—either that or you take up the whole five minutes—that would make our round even.

Thank you.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you very much, Mr. Chair.

I want to thank the minister for coming. I want to reiterate, perhaps, or to echo my colleague's comments that it would be very nice if we could have you for two hours. That way we could explore a lot of things that I would have liked to ask about, not the least of which is that it's nice to bring in this yearly \$60 million to the CBC. It would be really nice to make it permanent, and it would be really nice to give the CBC some money to expand its reach digitally and to build its infrastructure.

My major question, my focused question, is about the idea of passing on cultural heritage from one generation to the next, which the minister spoke so eloquently about, and about Canadian heritage. It's nice to hear that the minister says there will be no changes to the regulations with regard to foreign ownership. Therefore, my question relates very specifically to this.

We know that the Alliance Atlantis Canadian film distribution library is being sold to Goldman Sachs in a sort of a roundabout way to what is considered to be a Canadian company, but we know that's really a shell.

This is the largest and most comprehensive legacy of Canadian film and television fiction in Canada. It is an essential part of our Canadian heritage. It took 35 years to accumulate. There are 1,200 Canadian films in this library. It was built with \$2.5 billion, mostly of taxpayers' money coming from Telefilm Canada, from the Canadian production fund, from federal and provincial tax credits, and SODAC in Quebec. This is taxpayers' money; this is not just another private sale.

This actually violates the 1998 foreign distribution policy that says that foreign ownership in Canadian film and TV distribution cannot exceed 30%. It also violates the regulations, which the minister says she's supporting, that Telefilm Canada can only invest in Canadian productions where the distribution rights must be held by a Canadian distribution company.

We know the distribution is essential to a viable and healthy Canadian film industry. I would like to ask the minister whether she's going to oppose the 1998 foreign distribution policy and the regulations to ensure that this library does not leave Canadian hands and go into a foreign company's distribution library.

I would like the minister's assurance that this will not happen.

• (1255)

[Translation]

Hon. Josée Verner: Thank you for that question.

I know that the whole matter of CBC/Radio-Canada is part of the Committee's work. Of course, we await your report and will review it carefully, when you make it available to us.

If I understood you correctly, you are talking about the issues surrounding foreign ownership. As I already stated, it is not our intention to change our policy with respect to foreign ownership.

As regards your final point, I would like to ask the Assistant Deputy Minister to add his comments.

[English]

Mr. Jean-Pierre Blais: Ms. Fry, apart from my function as the assistant deputy minister, cultural affairs, I'm also the director of investments under the Investment Canada Act, which the minister administers. As you know, Parliament has put very strict restrictions as to what information can be shared with respect to any matter we would or would not be looking at with respect to this.

I can assure you that the preoccupations that have been brought to your attention have also been brought to my attention in my role of advising the minister on the Investment Canada case. Unfortunately we're not legally in a position to discuss them publicly with you. However, the minister, I think, did point out that it wasn't her intention to change any rules.

Hon. Hedy Fry: It's not really to change the rules but also to uphold them. That's all I'm asking for.

Thank you.

The Chair: With that, Mr. Siksay, if you have one short question.... We have about a minute and a half left.

That did take five minutes.

Mr. Bill Siksay: I'm up to that challenge, Chair.

Minister, one important program that has allowed for important exhibitions to travel regionally across Canada has been the exhibit transportation services delivered by the Canadian Conservation Institute. My understanding is the department has cancelled that service. I know this will limit the ability of important exhibitions of galleries and museums to be transported across Canada.

I wonder if there is any plan to reconsider that, given the very serious effect that will have on our ability to share major cultural exhibits regionally in Canada.

[Translation]

Hon. Josée Verner: Thank you for that brief question.

As I mentioned earlier, what happened in this case was that an employer-employee relationship developed within this program which violated Revenue Canada's rules. Of course, it would have been untenable for Canadian Heritage not to comply with government rules.

In that regard, people from the Department who are with me today, myself included, are concerned about this. As the Deputy Minister mentioned earlier, discussions are now underway. We believe the private sector is currently developing expertise in that field and that it could also offer very competitive services to museums all across the country.

• (1300)

[*English*]

The Chair: Thank you very much for that.

Thanks for the short question. Thanks for the short answers.

Minister, Deputy Minister, and Assistant Deputy Minister, thank you very much for appearing today.

The meeting is adjourned.

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