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Ms. Marlene Catterall

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• (1540)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I'd like to call to order this meeting of the Canadian Heritage committee. Pursuant to order of reference of Monday, November 15, 2004, Bill C-18, An Act to amend the Telefilm Canada Act and another Act, is before the committee.

We have some presenters, and you have their names and can see their name tags.

Who's going to be spokesperson?

Mr. Jean-Pierre Blais (Assistant Deputy Minister, Cultural Affairs, Department of Canadian Heritage): I'll start, Madam Chairman.

I'll introduce the colleagues who are with me today.

[Translation]

They are: Jean-François Bernier, who is the Director General, Film, Video and Sound Recording at the Department of Canadian Heritage; Jean-Pierre Gauthier, who is the Director of Film and Video Policy and Programs at the department; Michael Himsl, who is the Legal Counsel from the Department of Justice, but who of course is working for our department today.

Madam Chair, I know you have quite a busy agenda, so I will try to make my presentation as quickly as possible.

[English]

I believe you have a deck presentation that's been distributed. I'll walk through it relatively quickly to leave more time for the committee. Perhaps I'll start right away on page two of the deck presentation, just to situate the matter we have in front of us.

Telefilm Canada was created in 1967. You'll see that at the heart of its mandate, at the time when it was created in 1967, it was to foster and promote development of a feature film industry in Canada. Subsequently, various governments made modifications to the activities of Telefilm, most notably in 1983 when it was given a mandate in the area of television, and then in 1996 in the area of the Canadian Television Fund. Later on, in 1998, it got involved in new media, and more recently, in 2001, it got involved with sound recording or music.

I'll skip over pages three and four, which talk about some of the accomplishments Telefilm had as a cultural investor, and move on to the subject matter we have in front of us.

[Translation]

This bill was drafted in response to the legal problem identified by the Auditor General regarding Telefilm Canada's mandate. Our minister is therefore putting forward these amendments to react quickly to the Auditor General's finding and to clarify Telefilm Canada's mandate. The purpose of the bill is really to confirm the past practices and activities of Telefilm Canada and to ensure that it has the authority required to maintain its current activities.

[English]

One could describe the amendments in six bundles, if I can describe them in that way.

The first bundle is on page six. It deals with clarifying and adjusting Telefilm's mandate—that is, no longer to talk about feature films, but clearly to talk about audio-visual industries. There are a number of consequential amendments that flow from that change, which then flow through so that the words “film” and “feature film” get replaced by “audio-visual”, which then covers the broader spectrum of activities.

The second bundle of changes deals with the notion of giving Telefilm the powers of a natural person. This is quite common in corporate and crown corporation practices. It's to give the authority to the corporation to enter into any legal transactions an individual could enter into that aren't essentially activities only a human being could enter into—for instance, adopting or getting married. That is the power: it's to give the power to engage as a legal entity, and it's quite common to give this to crown corporations.

The third bundle of amendments flows from—now I'm on page eight—having given the powers of a natural person to the corporation. There are some consequential amendments required. There are some surrounding constraints and appropriate financial management that one would expect of a publicly funded corporation. This deals with, notably, the power to borrow, the power to give loan guarantees, and various other matters that flow from the Financial Administration Act. Perhaps in the clause-by-clause we can provide you some more detailed comments on this if you need them at that point.

[Translation]

I come now to page 9 of the presentation. The fourth bundle of amendments is designed to give Telefilm Canada an operational framework and to recognize, somewhat as you did in the Lincoln report, that there are a number of players involved in the cultural field—the NFB, Telefilm Canada, and so on, and that the operations of Telefilm Canada should be carried out within the framework of existing cultural policies. Page 9 lists the type of policies that exist at the moment.

The fifth bundle is shown on page 10 of the presentation. It has to do with validating the activities of Telefilm Canada.

[English]

This clause would give legal foundation for the activities and dispel any uncertainties that may have existed between 1983 and the present as to what Telefilm was getting involved in, in light of the comment from the Auditor General.

Finally, the sixth and last bundle of changes relates to minor changes that are required to make sure the French and English versions of the bill concord, and also to become more in line with the drafting style and standard the justice department lawyers are adopting now. There are some minor technical things that are being corrected as well.

Those are the six bundles of changes. They're not quite presented in that way, but I thought it was a good overview to bring them together.

Finally, just before I wrap up, future plans include the intention, in the context particularly of the Lincoln report, to do a few things that touch Telefilm directly. Certainly we see this, and I believe the minister sees it, as a phase one.

There is a need for a more fundamental modernization of the Telefilm legislation in the light of the Lincoln report, and we're preparing it to come up once this bill has been finalized.

Second, to centralize the certification function—also a point that was raised in the Lincoln report—we're already working on some initiatives, particularly software-based initiatives, that will simplify it for the stakeholders in this area, because there are various bodies that deal with this area of certification, and also make sure the rules are aligned and are consistent with one another.

Finally, we intend to ensure there's broader clarity of the various mandates of the cultural agencies involved in this.

That's what we're working on as a next set of steps, but the first step was making sure we were addressing as quickly as possible this technical issue that was brought forward by the Auditor General.

Those are my opening remarks. We're more than willing to answer any questions.

● (1545)

The Chair: Thank you. Are there any questions for Mr. Blais?

Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you, Madam Chair.

This is primarily a housekeeping bill, am I correct? It responds to the Auditor General's report. Is that correct?

Mr. Jean-Pierre Blais: That's correct, and I don't want to minimize it by saying it's minor and a housekeeping bill, but it is certainly a technical amendment that's very important, but of a housekeeping nature.

Since you mention the Auditor General, we did send a copy of the bill directly to the Auditor General's office. I just want to read into the record, if you permit, Madam Chair, from their letter and quote from it—and I can provide you a copy of the letter.

They thank us for the copy of Bill C-18 and go on: "We are delighted to see the swift action taken by your department pursuant to the response to our audit recommendation. I would like to take this opportunity to thank you and your staff for your cooperation in finalizing the audit note observation".

So there are comments on the record there from the Auditor General.

Mr. Gary Schellenberger: I note there are two reports you're responding to. One was from 1999, and the other involved some of the 2003 standing committee report on Canadian broadcasting. There were some recommendations in both of those that are being addressed in this. Is that right?

Mr. Jean-Pierre Blais: I would say we are principally responding to the concern raised by the Auditor General's comments about the legal authority of Telefilm in the area. I don't think it would be fair to describe this housekeeping bill as being the actual response on the modernization aspect, which would be a response to the Lincoln report.

The Chair: Thank you.

Are there any questions from the Bloc members?

[Translation]

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

There are grounds for us to have some questions about this.

The addition at subclause 10(9) refers to some cultural policy, about which the Minister of Canadian Heritage has been talking for several weeks. To what is the bill referring when it states, and I quote:

(9) The Corporation shall, to the greatest extent consistent with the performance of its duties under this Act,

(a) carry out its mandate in the broader context of the policies of the Government of Canada with respect to culture;

Mr. Jean-Pierre Blais: There may be a translation problem here: you may have noticed that the English version of this provision refers to the government's cultural policies, in the plural. That may express the idea better, because Canada does not really have an overall cultural policy—you are right about that.

Moreover, our minister mentioned both before this committee and in the House that we wanted to develop a cultural policy for the government. A series of cultural policies do exist. We need think only of the Canadian Feature Film Policy, which was adopted by our department, the role played by the Canada Council for the Arts, and the Canadian Broadcasting Policy, which is set out in section 3 of the Broadcasting Act. There is also our approach with the NFB as regards co-productions.

I think the English version, which refers to a series of cultural policies, is more accurate. The French version refers to a cultural policy. This may not be the best way of describing the current reality. You are right to say that we have no document that could be entitled "Canada's Cultural Policy".

Mr. Maka Kotto: Thank you.

You will appreciate that we had some reservations about that, in light of the data we had. In fact, we suggested an amendment on this.

If we set aside this question, which did cause us some difficulties, I think it is in Telefilm's interest to have its act brought up to date.

These days, the directors of the World Film Festival are attacking Telefilm Canada. They say that this body had no legal mandate to abolish this festival and replace it with a different one. What will be the result of this type of attack? What is your position on this matter, if you have one?

•(1550)

Mr. Jean-Pierre Blais: We have to be cautious since some individuals have already talked about potential lawsuits.

However, I can tell you that neither the intent nor the wording of the bill deal with this issue. We are really trying to maintain the status quo and to give Telefilm the authority...

Mr. Maka Kotto: We understand each other very well. However, earlier you referred to some remarks made by Ms. Fraser, namely, that Telefilm had, in its own words, acted outside the law. Detractors of Telefilm have picked up these words and are using them in the milieu.

Mr. Jean-Pierre Blais: I do not believe that Ms. Fraser studied the Montreal International Film Festival situation: I believe that she focused solely on the bill and on Telefilm's television and sound recording activities since 1983.

Some individuals have said publicly that, in their opinion, Telefilm was acting illegally. This matter truly comes under Telefilm's jurisdiction. I do not think that it is linked to the bill before you.

Mr. Maka Kotto: All right, but I would like to know whether or not Telefilm's mandate entitles or authorizes it to solicit bids to create a festival.

Mr. Jean-Pierre Blais: You are asking me to give an opinion on an issue that may be before the courts. It is very dangerous to wade into this issue. We have not studied the question from that perspective.

[English]

The Chair: Thank you.

Mr. Angus.

•(1555)

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, Madam Chair.

We're very pleased with the bill—anything to strengthen Telefilm. I think it is one of Canada's cultural success stories. But people are aware, I guess, that we would like to bring forward an amendment to the bill to ensure that we have someone from the arts community, perhaps in writing capacity development, on the board, because I think it sends a very strong message on our commitment to developing arts. Would that be problematic at all?

Mr. Jean-Pierre Blais: You've heard our minister here, where she has always spoken about putting the authors and creators at the centre of her activity. So she is very supportive of making sure all aspects of the cultural industries, whether it's distributors or creators, are represented.

I am aware of the amendment you've proposed. There are some considerations you might have when you think about that. There's nothing right now that limits the minister from doing that, and in fact, there are people from the creative community who have been appointed to the board. Also, when you draft it, there is always a consideration, and a heightened consideration, about making sure people who get appointed to the board do not have conflicts of interest. There is a provision in the current law that states that people who have an interest in what would be the audiovisual field should not necessarily be on the board of directors, to avoid conflicts of interest. So depending on how one drafts the proposed amendment, you'd have to consider whether you're inevitably putting in somebody who would be in a conflict of interest. If somebody's active, for instance, in the audiovisual sector right now and maybe getting a pecuniary interest from that activity and also sits on the board of Telefilm, there's a potential of a conflict of interest there that is a concern.

Also, one should remember a very fundamental principle in this area. When board members, in the private sector as well, get named to boards, they have a fiduciary obligation to the corporation and have to act in the best interests of the corporation. So if you're objective in this is that this stakeholder group gets represented, that may not be the best way, because somebody coming from that community has to put that background aside and act in the general best interest. There are other ways of making sure that stakeholder group gets heard, through consultations or otherwise, but it may be more a matter of the drafting of your amendment.

Mr. Charlie Angus: Well, I guess I'd have to categorically state that when we say artists having a pecuniary interest, when they got to that stage, wouldn't know, I find that very objectionable. I sat as an artist on many review panels, and I never was trying to put money in my pocket. I don't see why we'd consider it a natural fact that people from private industry who sat on that wouldn't. I don't think that's even an issue. If we were putting forward someone, we'd obviously want to put forward someone who represented the best of their field and could speak to their field, and not for personal gain. I think that should be just a given.

Mr. Jean-Pierre Blais: I understand. It's just that the current Telefilm act, in section 5, says, "No person who has, directly or indirectly and individually or as a shareholder, partner or otherwise, any pecuniary interest in commercial film activity". The proposed amendment would say "in the audiovisual industry". So that would be a similar issue. If you have a director, a producer, or a writer who has a financial interest in films or television, there may be an issue related to consistency with section 5.

Mr. Charlie Angus: But that's the same with any conflict of interest guidelines for anybody, whether they're sitting on municipal council, they're a real estate agent, or anything. We wouldn't be appointing people who are hacks. We're talking about making sure we've got really strong artistic representation, and we would assume that they will follow conflict of interest guidelines like anybody else.

The Chair: Thank you.

Ms. Oda.

Ms. Bev Oda (Durham, CPC): Thank you, Madam Chair.

I just have a couple of questions, in particular regarding proposed section 10, which is outlining a mandate for the corporation. In fact, when you talk about the mandate, I think there is an expectation. Proposed paragraph 10(9)(a) does state, "The Corporation shall... carry out its mandate in the broader context of the policies of the Government of Canada". Also, there was a mandate review committee, which suggested that a mandate be given to Telefilm that pursued the cultural objectives of the Government of Canada. I'm wondering what policies and what set of cultural objectives this bill has been drafted up against. Because when we look at the plans and priorities for the Department of Canadian Heritage, there are plans to develop a strategic policy for cultural industries etc., and that's not yet been delivered. So you could tell us what set of policies and what set of objectives you are drafting this piece of legislation up against?

Mr. Jean-Pierre Blais: Certainly.

As I mentioned earlier, this is a piece of legislation that is in housekeeping, and we're drafting it in that spirit of fixing things. It's not supposed to be a change. It's certainly not the modernization legislation we are otherwise working on and hoping to bring to the Parliament eventually.

But in the context of this particular section, as I said earlier, the policies—plural—we were referring to are things such as the existing three- or four-year-old Canadian feature film policy. As you know, in section 3 of the Broadcasting Act there is a policy that would, if audiovisual is accepted as the term in this statute, certainly include television production, and the Broadcasting Act has policy objectives stated in there. There are also the policies found in the mere presence of the film board, the mere presence of the Canada Council and its various objectives.

So it's the series of policies and activities the government already is involved in, but there is at this time no specific, overarching policy that's called the Canadian cultural policy.

• (1600)

Ms. Bev Oda: If it was merely housekeeping, I think those places where it just referred to film could have been expanded to include television production and sound recording. But in giving it a

mandate statement when it's working within a vacuum right now, with no overall policy, certainly in this area, I find it quite troubling that we're putting the cart before the horse. I find it difficult to articulate a mandate in a vacuum, particularly when there have been recommendations that the mandate be laid out within a set of policies and clear objectives.

I now go to proposed subsection 10(8). It says, "The Corporation may enter into agreements with the Department of Canadian Heritage for the provision of services and programs relating to the audio-visual or sound recording industries". Are there not other programs within Canadian Heritage or other agencies and corporations that come under Canadian Heritage that also touch on the fields of film, television production, and sound? Why were those programs not brought under Telefilm Canada at this point, which would enable the artistic community to have a one-window access and a clear articulation, a clear definition of all the programs, all the resources being allocated to these fields? The mandate, as articulated in the proposed new legislation, would allow you to incorporate those programs.

Mr. Jean-Pierre Blais: Thank you for that question.

Indeed, those are the sorts of ideas being considered when we're looking at the broader harmonization and modernization of the Telefilm act. Certainly, there are people who are advocating that Telefilm could perhaps be like the SODEC in Quebec, the funding organization for a number of areas. Since the bill was trying to correct the situation identified by the Auditor General in her report, we were trying to keep it limited to that area. Here, where it talks about contribution agreements, you'll see deals with sound recording. Sound recording, contrary to film, video, television, DVDs, and the other audiovisual fields, is somewhat dealt with separately. It was a pilot project funded through the Canadian music fund that was administered there. We were just trying to cover that aspect, because it's done through a contribution agreement.

Ms. Bev Oda: I have a follow-up question to that. If this act, as proposed, were to pass, we would expect another amendment to the act following a film policy development. Are we going to have to wait years for this to happen or wait for the Auditor General again to tell the government that it had better set out a policy?

Mr. Jean-Pierre Blais: We're hoping there will be a second phase. We're working on a second phase. I think it will dovetail nicely with the government's answer to the Lincoln report between now and April. We're hoping to bringing all that together.

Ms. Bev Oda: I have one further area of questioning. It's regarding the relationship with the Canadian Television Fund. As you know, we're very aware that there have been difficulties with the fund, particularly in the area of governance and the area of conflict of interest with representation on the various boards and the decision-making committees there.

Ms. Bev Oda: There's also discussion and concern in the community about the role of Telefilm in the Canadian Television Fund and whether the Television Fund is going to be dramatically altered and moved. It seems to me that there are a lot of things in flux, maybe not for this immediate next year, but there is consideration being given. Can you give us some indication?

If there is a scenario being considered where we take the television production activities out of Telefilm, we then consider what is left of Telefilm and its commitment. When we look at the resource allocations, there's a disproportionate amount for "other than feature film", which was the original mandate of Telefilm.

Again, it's a matter of giving some confidence to the community out there that these difficulties and challenges are going to be addressed, and are going to be addressed as soon as possible. Let us know what will happen with Telefilm after the end of your exercises.

•(1605)

Mr. Jean-Pierre Blais: Certainly. We are, and have been for some time. The subject matter of the first response to the Lincoln report was that there was a need to look at, quite clearly, the interrelationship of the various players, the funding players, between the CTF and Telefilm. The department and our deputy minister held some consultations, and as I answered the last time I appeared, I think earlier this week, we will forward you the consultation documents we did with that.

We're hoping to move forward. There are several potential options on the table, including addressing quite directly this concern about possible conflicts of interest. So we are speaking to the various interested parties, including Telefilm, people on the CTF, and the other partners around the table, about this possibility, including actors, creators, and guilds involved in this area, to find out how to better align and be more efficient in the mandate.

At this point, no decision has been made, but I hope it's going to all dovetail with the response we're going to make in April.

Ms. Bev Oda: However, the minister has publicly—

The Chair: Ms. Oda, sorry, you've used twice your time.

Bev, I might just remind you that the committee has agreed to do a study of the film industry and film production in Canada in the new year. We will no doubt be looking at all those issues.

Mr. Kotto.

[Translation]

Mr. Maka Kotto: Thank you, Madam Chair.

Mr. Blais mentioned earlier that there was a translation error in clause 10(9)a). To save some time, I would suggest that we set aside the amendment that was provided for initially and opt instead for a translation that is more in keeping with the English version. I do not know whether the committee will accept it, but it would read as follows:

a) d'exécuter celle-ci dans le cadre des politiques du gouvernement du Canada relatives à la culture;

That would not betray the English version.

[English]

The Chair: Perhaps I could ask our legislative clerk if we could accept that as an editorial change to the bill, and one that doesn't even need a motion.

Mr. Michael Himsl (Legal Counsel, Department of Justice Canada, Department of Canadian Heritage): Perhaps I could add something to that.

In the English, it's true that the bill refers to policies. In the French, it's just in the singular, *la politique*. But there's a provision in the Interpretation Act that would apply in this case, and it says that words in the singular include the plural and words in the plural include the singular. Therefore, I don't think you'd really need to change the French into the plural to have that necessary effect.

Mr. Jean-Pierre Blais: If you feel more comfortable expressing it, it's not a problem. I don't know how you actually do that, Chairman, or whether you actually end up doing it formally or not.

The Chair: Is the committee agreed to accept that amendment?

An hon. member: No, it's not an amendment.

The Chair: It's really just an editorial change.

An hon. member: A rewording.

[Translation]

Mr. Maka Kotto: I have a second question.

This new provision, within the meaning of the law, broadens Telefilm's mandate. That would have consequences, either positive or negative. Is there not a risk of jurisdictional encroachment with the Canadian Television Fund or other entities which, up until now, have been funding films in parallel fashion?

Mr. Jean-Pierre Blais: On the contrary, the underlying objective is to link stakeholders with each other so that there is no overlap and to create, whenever possible, a lever effect between Telefilm and NFB activities or between the NFB, Telefilm and the Canadian Television Fund, for example. The purpose is to link these entities together and to eliminate conflicts.

Mr. Maka Kotto: All right. I have no further questions.

•(1610)

[English]

The Chair: Madame Bulte.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): If I may, Mr. Blais, just to add on to some of the things Ms. Oda was asking with respect to the Canadian Television Fund, as you well know, there are two parts to the Television Fund. There is the licensing part as well as the equity part. Telefilm does the equity side, and I know there has been consultation with the industry as to what to do with that fund, remembering that it's also a public-private sector fund.

We shouldn't start dealing with the Canadian Television Fund, because I think it should be separate. From the people I know in the industry, I know there's a huge desire to remove the fund and make it separate from Telefilm. We just have to remember that the fund that it does administer today is just a portion of the fund. But other people may not know that, so when I say there's the equity side, they only do the equity side of it.

Having said that, the only other thing I wanted to add was that I'm glad we can accommodate Mr. Kotto with the French, because then we don't need the amendment.

The Chair: Thank you.

I think Ms. Oda had asked for another turn, and then we can come back to anybody on this side.

Ms. Bev Oda: Thank you for your indulgence, Madam Chair.

Monsieur Blais, I just want to get back to what we can expect. The minister has committed publicly that there would be a resolution to the government's challenges at CTF. I don't know whether you were indicating that all of this would be addressed after April.

Mr. Jean-Pierre Blais: No, I wouldn't say after April, but concurrently we keep working on it, and the consultations are occurring. It'll be part of the overall strategy. As I mentioned last time, the fund has been renewed into the next fiscal year. If there were changes to be made one way or the other, we need lead time to do it. We're working for sooner rather than later, as well.

Ms. Bev Oda: Just as one question regarding the equity fund, I notice that in proposed subsection 10(7), it says "shall not be regarded as a partner in any production in which it may invest". That's in clause 4, but it's in proposed section 10 of the proposed act.

Mr. Jean-Pierre Blais: If I'm not mistaken, this was a section that existed in the former act, and the legal consequences are best addressed by our lawyers.

Mr. Michael Himsl: Yes, you're exactly right. This section does exist in the existing act. It has just been slightly modified to reflect the enhanced mandate.

This is really a limitation on liability, because Telefilm had in the past and it will have going forward the ability to invest in audio-visual productions in return for a share of the proceeds. Under common law, it's possible for a corporation to make an investment in return for a share of profits and to find itself deemed to be a partner. As a partner, there is a certain liability, and an unlimited liability, for all the debts of the partnership while you're a partner. That can be an unintended consequence, so what proposed subsection (7) is intended to do is to address that and limit Telefilm's liability.

Ms. Bev Oda: I understand that part of it. Since you're deeming yourself not a partner but you're making an investment, would you not be prepared to take a lower recoupment position than what you are requiring now of your equity investments?

Mr. Michael Himsl: That's more of an economic question, but I guess the greater the risk you take, perhaps the greater the reward you can get. There may be that trade-off.

Ms. Bev Oda: But this is public money, and primarily the focus and the mandate here are to support the industry and to promote and foster the growth of the industry, and there is question as to the inability of producers, creators, to recoup, and they have to wait to take a position after Telefilm.

•(1615)

Mr. Jean-Pierre Blais: It's a challenge, because there is also another side to the issue. From time to time, there are successful productions, and this is also a way to reinvest into production. If Telefilm or any entity recoups, that then permits it to take those funds and invest in new products. So there is a give and take to it.

I understand your point for smaller producers, but there is an issue as to what the proper level of recruitment ought to be in these cases.

Ms. Bev Oda: I ask you to consider that point when you're developing your policies and your strategies, because we have to

recognize that this is public money. This is not private money being invested on a purely investment basis.

Thank you.

Mr. Jean-Pierre Blais: Absolutely, it is an annual consideration every time we set out contribution agreements.

The Chair: Thank you, Ms. Oda.

Mr. Lemay.

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Blais, if I understood correctly, the proposed amendments are the result of recommendations made by the Auditor General of Canada.

Mr. Jean-Pierre Blais: That is correct.

Mr. Marc Lemay: This bill was presented to comply with her position, her recommendations.

Mr. Jean-Pierre Blais: That is correct.

Mr. Marc Lemay: Did you state earlier that there would be other proposed amendments to Telefilm Canada's mandate?

Mr. Jean-Pierre Blais: There was a request made by the Lincoln committee, which you re-adopted. In the realignment plans, we would be looking at the mandate of Telefilm Canada, the NFB and other players in the audiovisual sector.

Mr. Marc Lemay: In the document that you distributed, in the section "Future Plans", you stated that "certification of Canadian content should be centralized"—I hate this word, and you will understand why—"in a manner that eliminates all unnecessary duplication = harmonization".

Does that mean between the provinces or states?

Mr. Jean-Pierre Blais: No. We are talking about certification systems at the federal level. This was also a recommendation taken from the Lincoln report. For example, the CRTC has a certification system for Canadian content, Telefilm has another one, and other stakeholders have other systems. Although the systems are similar to each other, they are not identical on all points. This suggestion is designed to make the regulatory system more efficient.

Mr. Marc Lemay: Thank you.

[*English*]

The Chair: Are there any other questions, or is the committee prepared to proceed with clause-by-clause consideration of any amendments?

(Clause 1 agreed to)

The Chair: Next is clause 1.1. That is the one we have as an amendment.

Hon. Sarmite Bulte: Madam Chair, may I speak to the amendment?

On the amendment that has been put forward, the intent is great. I think it's wonderful. I've met with the Writers Guild, the Directors Guild, and the actors as well, and have suggested to them quite strongly that they actually start proposing members of their organizations for appointments.

Again, I have a couple of concerns with the amendment as drafted. What does "performer" mean? Does it mean a member of ACTRA? Does it include a member of Canadian Actors' Equity, or is Canadian Actors' Equity excluded from this? We don't define the word "performer" anywhere within the act. Why narrow it in that sense?

I have to go back to what Mr. Blais said as well. Under section 5 of the Telefilm Canada Act as written, they were in a conflict of interest position. Having said that, I want to encourage the Writers Guild, ACTRA, Canadian Actors' Equity, and the Directors Guild to bring forward names for appointments, because the new appointment process is such that—especially with crown corporations, as we've seen—we are looking for competence, we're looking for merit, we're looking for them to be vetted by the committees, as we'll be vetting the proposal right now. So there's nothing that precludes the intent.

The intent of Mr. Angus' amendment is very good and I applaud him for it, but I don't think it's necessary and it also brings a conflict with section 5 of the existing act.

The Chair: Mr. Schellenberger, and then Mr. Angus.

Mr. Gary Schellenberger: I'd like to speak on that. Conflict of interest is....

I sat on municipal council for many a year, and I would just like to say to Mr. Angus that I found sometimes people would run with an agenda through an election, and once they got on council they were muted. They were within the system and they couldn't speak on the very subject that was very important to them.

So I would think it would probably be more detrimental, in this particular way, to have this amendment approved. I think it would be against the better judgment of those guilds.

•(1620)

The Chair: Mr. Angus.

Mr. Charlie Angus: Thank you.

I think if I came forward and said that someone has to be a member of ACTRA, or define what a performer is, I'd be laughed out of here. I don't think it's our job to define who is an artist. I think the intent of the bill is to say that we want to have representation from the creative community.

It's all fine and well to say we love artists, but the fact is that a lot of artists do not feel that when decisions are made, their section... They are coming from a specific point of view, but it's an important and valid point of view. To waive the issue of conflict of interest....

Again, if these people are going to be there, supporting their own projects, waving them ahead, that doesn't exist anywhere where you put competent people in place. Why is it that we love our little artists, but they just aren't competent enough to sit up with the big leagues, with people from private industry? It doesn't even make sense that we're talking about that.

The Chair: Mr. Lemay.

[*Translation*]

Mr. Marc Lemay: I confess that the proposed amendment does create a bit of difficulty for me. I always refer back to my previous life. I have rarely seen any athletes sitting on the International Olympic Committee. The athletes are not the people who create the programs because they would at some point encounter conflicts of interest.

I am not sure that the amendment proposed by my colleague, Mr. Angus, will enable us to avoid conflicts of interest. I am not at all positive that we would not wind up creating more problems than there currently are. That is why we will find it difficult to vote in favour of the amendment.

[*English*]

The Chair: Shall new clause 1.1 carry?

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: Madam Chair, I would, however, like us to consider the reason underlying Mr. Angus' amendment. Telefilm Canada should perhaps think about setting up an advisory committee or something else along that line because it is the artists who are truly involved. I believe that Mr. Blais wants to say something.

Mr. Jean-Pierre Blais: If I may, Madam Chair—

[*English*]

The Chair: I will permit it, but I really don't want to get into a discussion about what's going to be on our agenda in the new year.

Mr. Jean-Pierre Blais: Just as a point of information, there are consultation mechanisms currently with Telefilm. I've taken note of Mr. Angus' suggestion. As we do the modernization more broadly, we will look at that issue.

The Chair: Shall new clause 1.1 carry?

(Amendment negated—[See *Minutes of Proceedings*])

(Clauses 2 and 3 agreed to)

(On clause 4)

The Chair: The amendment on clause 4 is from—

Hon. Sarmite Bulte: I'd understood, Madam Chair, that Mr. Kotto had withdrawn his amendment, and that we were just going to make the editorial comment—

The Chair: I am told that we do have to have a motion to amend the French.

Monsieur Kotto.

[*Translation*]

Mr. Maka Kotto: I move that Bill C-18, in clause 4, in the French version in lines 16 and 17, page 3, be replaced with the following: *a) d'exécuter celle-ci dans le cadre des politiques du gouvernement du Canada relatives à la culture;*

[*English*]

The Chair: Thank you.

[*Translation*]

Hon. member: Only in French?

The Chair: Yes, only in French. It is to ensure that the French says the same thing as the English.

•(1625)

[*English*]

Hon. Sarmite Bulte: Madam Chair, you're talking about this amendment, not the written one.

The Chair: Right, not the written one.

(Amendment agreed to—[See *Minutes of Proceedings*])

(Clause 4 as amended agreed to)

(Clauses 5 to 9 inclusive agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed

The Chair: Shall the bill as amended carry?

Some hon. members: Agreed

The Chair: Shall the chair report the bill as amended to the House?

Some hon. members: Agreed.

Hon. Sarmite Bulte: Don't we need to agree to a reprint? It says on the agenda, "Shall the Committee order a reprint...?"

The Chair: We do not need a motion for a reprint of the bill.

Hon. Sarmite Bulte: Perhaps we could hear the clerk's explanation.

The Chair: Okay.

I wonder if you could share that with the committee.

Ms. Susan Baldwin (Legislative Clerk, Committees Directorate, House of Commons): The reprint motion that's at the bottom of the agenda refers to reprinting it for report stage. I don't think that's a significant enough amendment to necessitate a reprint at report stage.

The bills are always reprinted as passed by the House of Commons, so this will be in the next reprint. That will probably be the one that's sent off to the Senate. So it will be there.

The Chair: Thank you very much.

May I suggest we take two or three minutes while our witnesses leave and our next witness appears.

Hon. Sarmite Bulte: Madam Chair, I would just like to say to the committee that this is the first piece of legislation this committee has passed. In the true spirit of partnership, I think it's been great, and I thank all of my colleagues around the table for their input into the process.

You've got to love the heritage committee.

The Chair: And I look forward to reporting the bill to the House.

•(1625)

_____ (Pause) _____

•(1625)

The Chair: I call the committee back to order. We are now considering—

A voice: How long are you going to run this meeting?

The Chair: That's entirely up to the committee. We do have votes at 5:45 p.m., so I presume not past 5:30 p.m.

We are meeting today, pursuant to Standing Orders 110 and 111, with regard to the certificate of nomination of S. Wayne Clarkson to the position of executive director of Telefilm Canada. This was referred to the committee on November 29, 2004. Mr. Clarkson is our witness.

Do you wish to make an opening statement, Mr. Clarkson, about your qualifications and competence?

•(1630)

Mr. S. Wayne Clarkson (Executive Director, Canadian Film Centre): *Oui, brièvement.*

It's an honour to be here. My father served as a deputy minister for the Province of Ontario for 20 years, and his brother, my uncle, served as a deputy minister in Ottawa for almost 20 years. So I have a great deal of respect, admiration, and some fear and trepidation coming before a committee like this, but it's an honour to be here.

The Chair: Is that it?

Some hon. members: Oh, oh!

Mr. S. Wayne Clarkson: [*Inaudible—Editor*]...I'd be free.

The Chair: You have no intention of boasting to us about how wonderfully qualified you are?

All right, then, I will let the committee at you, Mr. Clarkson.

Mr. Schellenberger, you're first.

•(1635)

Mr. Gary Schellenberger: Thank you, Madam Chair.

Thanks for coming today. I appreciated your short introduction. I was invited to a Legion last fall. It was my first time as a member of Parliament there. I was there as a guest speaker, and I took about three minutes. It was surprising how many people thought it was the best speech they'd heard in years.

I've just received your credentials here and everything. You have been the head of Telefilm. This is a reappointment, is it, sir?

Mr. S. Wayne Clarkson: No.

Mr. Gary Schellenberger: You're new at it.

Mr. S. Wayne Clarkson: This is a new appointment, yes.

Mr. Gary Schellenberger: Maybe what I should be doing is reading a little more here. But as I didn't have time to read it—I was talking, I guess, while it was getting delivered—I would leave any intelligent questions to someone else.

Mr. S. Wayne Clarkson: I should have perhaps spoken a little longer. That would have given everybody an opportunity to read the resumé.

The Chair: Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: Thank you, Madam Chair.

Welcome, Mr. Clarkson. It is both a pleasure and an honour to have you here with us. We are familiar with your career, and with your successes. According to our information, the sector where you will now be working is happy to have you.

I appreciated the work that you have done in the past with respect to renewal. You have always given this issue a great deal of importance. In the new mandate that you have been given, do you intend to implement the same philosophy with respect to the development of the new generation in Quebec?

Mr. S. Wayne Clarkson: Of course.

As the Director General of the Toronto International Film Festival, I presented many Quebec films. I then became the Chairman and Chief Executive Officer of the Ontario Media Development Corporation. While I was there, we made a co-production with Quebec. This was the first province to have done that. At the Canadian Film Centre, where I am currently Director General, we have solid links with INIS, the Institut national de l'image et du son, located in Montreal.

Mr. Maka Kotto: According to what we have been hearing, the English Canadian film sector has apparently taken a step back compared to the francophone film sector, and you intend to change that by improving the situation on the anglophone side. Is there any risk that you might do this to the detriment of the francophone film sector, or are you instead going to invest the same amount of energy in order to bring the anglophone film sector along?

Mr. S. Wayne Clarkson: The Quebec film industry has had tremendous success. As an English Canadian, I am jealous. There are some very good producers and actors. The film sector is very strong. In addition, there is a very solid relationship between Quebec artists and their public.

Mr. Maka Kotto: I have one final question.

You will probably find on your desk, if it is not there already, the file dealing with the conflict between the World Film Festival and Telefilm Canada. How do you intend to manage this file?

Mr. S. Wayne Clarkson: That is a very interesting question. I have known Serge Lozique for nearly 30 years. He is a colleague. However, I was director of the Toronto festival and of many others. Now that I am sitting on the board of directors of the Toronto International Film Festival Group, I cannot make any decisions with respect to the WFF problem.

[English]

It's a question of optics.

[Translation]

If I may, I will continue in English.

[English]

Whether I supported it or not, it would not be correct, the optics are so bad. I think Charles Bélanger has worked very hard, the studies are being done, and I'm hoping the decision will be made before I get there.

• (1640)

The Chair: Thank you.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Kotto raised the question I was going to ask. I understand it's a problem of optics, and I'm not very familiar with this situation regarding Telefilm and the Montreal Film Festival, but it was in the headlines a great deal a few months ago, I suppose. I'm told the arts community is thrilled about your nomination, but as a point of information, you say you hope a decision will be made before you take over, but if it is not, what role do you see for Telefilm regarding the festival? Are you going to be stuck between a rock and a hard place, as they say?

Mr. S. Wayne Clarkson: No, I don't believe so. Please don't misunderstand me. I'm not looking to extricate myself from a difficult situation.

Mr. Francis Scarpaleggia: If I were in your position, I'd be hoping the same thing, I guess.

Mr. S. Wayne Clarkson: As I mentioned, this process has been going on for some time, and the board of directors of Telefilm and Charles Bélanger, its chair, have been handling this file extremely well, from my perspective. I don't pretend to know a lot about it, but I think it would be an error on my part to go in and participate in the decision. I think the file is well in hand. I think it's being reasonably and responsibly handled.

Mr. Francis Scarpaleggia: So even if the issue is still alive after you take over, you will just recuse yourself?

Mr. S. Wayne Clarkson: That would be my recommendation and my intent.

Mr. Francis Scarpaleggia: Okay.

Mr. S. Wayne Clarkson: To do anything else I think would be an error of judgment on my part.

Mr. Francis Scarpaleggia: Okay. Thank you.

The Chair: Ms. Oda.

Ms. Bev Oda: Thank you, Madam Chair.

Mr. Clarkson, I must reveal that I enjoyed working with you at the film centre many years ago.

Mr. S. Wayne Clarkson: The pleasure was mine, Bev.

Ms. Bev Oda: I just wanted to have a little discussion with you on a new focus that Telefilm has recently undertaken and has been characterized in many ways. One aspect would be an increased box office share approach, looking at that more commercial mandate. It has had mixed reviews from the industry. Could we have your views on that issue?

Mr. S. Wayne Clarkson: I think, in part, there's been a miscommunication. I believe more Canadians seeing more Canadian films is a good thing, both French language and English language, but the principal problem is, as we know, in English Canada. I think getting more Canadians to see, listen to, and watch their own stories is a good thing. One way of measuring that is box office. It's not the only way, but it's one way. Obviously, to see films in the theatre is a wonderful opportunity, but it's equally important, I think, that Canadian films appear in DVD format, in the rental things. More and more people are watching movies in the comfort of their own home, and as we get the big flat-screen TV, that will be more the case. I think it's important that Canadians see those films in the comfort of their homes. I also think television and the specialty channels, the independent film channel, etc., all have a mandate and a responsibility to show Canadian films.

So I think Canadian films are being seen by Canadians more than we recognize. In English Canada, where we're weak, where every film-maker I know aspires to success, the theatre is where we've got to put the emphasis. I think that is encouraging and assisting in building a star system in English Canada and providing strong marketing support in English Canada. I think that's very much the challenge.

• (1645)

Ms. Bev Oda: I've always wondered why in certain fields the nominated movies for Academy awards have been associated with NFB, funded support, yet we don't have automatic access to our public broadcaster for those. There are a number of projects that Telefilm supports. There has to be more work on getting the product to Canadians to be viewed.

You spent many years with the Toronto Film Festival, the Ontario Film Development Centre in Toronto, and there is a concern that during your mandate you may be a little Toronto focused. How will you assure this committee that you understand you are responsible for a national mandate?

Mr. S. Wayne Clarkson: I do assure this committee that my responsibilities are national. I recognize that. I ran an international film festival. It wasn't a Toronto film festival for Torontonians, it was an international film festival that represented Canadian films from across the country and represented the best of world cinema, and brought it to Toronto. At the Ontario Film Development Corporation, as I touched on earlier, we negotiated co-production agreements with Quebec and other provinces, and we travelled the world promoting Ontario films. The Canadian Film Centre is a national organization. It attracts the best talent from across Canada. We have wonderful working relationships with our counterparts, the National Screen Institute in Manitoba and, as I mentioned, INIS in Montreal. So I have a commitment to this country. I don't consider myself to be parochial in my thinking or in my love of cinema. It extends across the country and around the world.

Ms. Bev Oda: Finally, you've spoken about the Montreal festival and that situation, but historically there's been up to a million dollars of Telefilm money committed to a film festival in Quebec and Montreal. Even though you may not actively participate, I would like to be assured that under your mandate, with any commitments undertaken by Telefilm for the use of taxpayers' dollars, you will make sure there's an open and transparent process undertaken in

decision-making, there are clear criteria articulated publicly, there are clear, measurable objectives you establish for any program, and you undertake that every program will report on an annual basis to the public. The Auditor General has made comments, the reports of this committee have made comments, and various committees have made comments, but clearly we have a responsibility to ensure, not only to the creative community but to Canadians, that there are going to be clear objectives and clear processes, transparency, and reporting.

Mr. S. Wayne Clarkson: I assure you of that, and I don't say that casually. Again, I think if you look at my experience, and the time when you were on the board of directors of the Canadian Film Centre, I worked and reported to boards of directors when I was at the festival, at the Ontario Film Development Corporation, and certainly now at the Canadian Film Centre. This is a board of directors of 30 individuals, representing all segments of the industry.

I believe in accountability, I believe in transparency, I believe in the rigour of responsibility, so I have no hesitation.

Again, from my experience with Telefilm—and I've had some dealings with it over the years—I have to say it's one of the finest organizations I've ever worked with or been accountable to. I will say that the standards of dealing with Telefilm in reporting—the accountability—is more thorough and more exhausting than anything required from the private sector. For every public...whether it's provincial, municipal, or federal, Telefilm has set a standard. I say that because we have to account to them, and I have done so over the years. I think you can take confidence from that. I will continue that rich tradition and ensure that the transparency and accountability is there.

• (1650)

Ms. Bev Oda: I think the one part in which we maybe could have some improvement is public articulation of the criteria being used—the objectives set out and the measurement after the fact.

Mr. S. Wayne Clarkson: That's a good point. One can't take anything for granted when you're getting a message out. It has to be repeated clearly, concisely, in both official languages, and constantly.

Ms. Bev Oda: Thank you.

The Chair: Thank you. Ms. Oda, you've just used up two spots.

Ms. Bev Oda: That's fine.

The Chair: I was careless in allowing that to happen.

Mr. Angus.

Mr. Charlie Angus: Mr. Clarkson, to help centre me on this position, when you were contacted to take on this role, how were you contacted? What kind of review process was undertaken before you got to the table here?

Mr. S. Wayne Clarkson: It was a very rigorous process. The position was gazetted, I guess is the expression. A professional company, the Caldwell Partners, was hired to do a search. They did a very thorough search. I say that because, knowing a lot of people in the industry, they were approached for not only their opinion but their interest in the position.

I prepared a rather exhausting CV and was invited to appear before the Caldwell Partners' representatives, where I was interviewed. Then, I'm pleased to say, I made it to the short list and was interviewed by representatives of the board of directors of Telefilm Canada. I had the opportunity to talk briefly to the minister, who very kindly last Thursday, at 3:20 in the afternoon, formally extended the offer to run it. It was a very thorough process. I know there were many excellent candidates and I'm pleased that I've been offered the position.

Mr. Charlie Angus: What criteria were the board of directors looking at when they were asking whether you were qualified to take on this role?

Mr. S. Wayne Clarkson: I think they wanted assurance, as was asked only moments ago, of my recognition that this is a national organization. It's not just film. My reputation seems to be pretty much focused on film, incorrectly I would add, because I have been very involved in television—that's a very important part of Telefilm's mandate and its dollars—and more recently in new media and most recently in music. Conveniently, my career has extended in each of those disciplines, less so in music. But in new media, the Canadian Film Centre established seven years ago an excellent program to deal with that. So I think that was one of the concerns.

A sense of the issues facing the industry, and certainly very much the national industry and its role internationally—it was along those lines.

Mr. Charlie Angus: Given the increasing pressures we're seeing, particularly in English Canadian film and television, do you have a concrete battle plan that you can bring forth to deal with this with your mandate? Or is this something that you're going to look toward developing over the next few years?

Mr. S. Wayne Clarkson: I don't think we have the next few years to develop a plan. As many of you may know, the level of production in this country is dropping dramatically. There was a rather significant representation at the legislative building in Toronto today because the industry in all the major urban centres is experiencing difficulty.

I think time is of the essence. I have to distinguish between the Canadian productions as compared to the foreign, which principally are U.S. productions shooting here. An expression used in the media not that long ago was that a "perfect storm" had struck the film industry in this country from coast to coast. I think we're seeing evidence of it in the media.

I wouldn't pretend to say that I have a game plan at this moment. I like to think I have experience. I believe in consulting in the industry. My experience has led me to build relationships across the country, both in the private sector and the public sector, both in the service industry as well as on the creative side, in Los Angeles, New York, Vancouver, Montreal, and Toronto. So I think I bring those contacts.

I will spend at least the next month to month and a half, before I formally move into Telefilm, to consult with those people and try to get a sense of a plan to go in with, but nothing that I would assert. Obviously I would discuss it with my colleagues at Telefilm and with the board of directors. I don't think we have a year or two. We have to move quickly.

•(1655)

The Chair: Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: Thank you, Madam Chair.

You made a statement that I found interesting. Maybe this is an unfair question because it's very open-ended, but it's something I've personally thought about a lot. With respect to the star system in Quebec, which is extraordinary really, you say we need one in English Canada. How does that come about? I understand it's not going to be entirely your doing one way or the other. But what's your vision in terms of whether that's possible and how it happens?

In Quebec, it was kind of organic. Then of course you have Quebecor, which is involved in so many different media. One medium reinforces the other and so on and so forth. What are your thoughts on that, just generally?

Mr. S. Wayne Clarkson: Well, that's—

Mr. Francis Scarpaleggia: The \$64,000 question. I know. It's unfair.

Mr. S. Wayne Clarkson: No, no. That's quite all right.

My opening comment was very brief. To answer this would take a very extended response, but I'll try to be as brief as possible.

I had the pleasure on Sunday evening of going to Montreal and attending with the minister Les Prix Gémeaux, which is the celebration of Quebec television. It was magnificent. I can't tell you how magical it is to sit in a theatre in Montreal with the Quebec artists and the producers and the TV personalities and the like, and with the energy. There is a culture that is exceptional and brilliant, and that celebrates its own, and celebrates it within that community and then outside of Canada. We all know the Academy Award that Denys Arcand won for *Les Invasions barbares*. Their cinema and their television is respected around the world.

The challenge we have in English Canada is historical of many years. Pierre Berton wrote one of the best books on it. Sadly, as we know, he passed away. He wrote one of the most exceptional books on the roots of the difficulties in English Canada and Hollywood North.

It's 25 or 30 years now that I've been involved in this business and I have seen its growth. In English Canada we have made significant progress. The numbers of films that are getting made have increased significantly. As I said earlier, the films that you can now see on your television screens, whether it's on Showcase or Radio-Canada or TVA or Independent Film Channel, were never there 10 years ago. It has changed significantly, measurably, accountably. That difference has been a result of public policy, of agencies like Telefilm Canada.

I wrote an article that represented that English Canadian cinema was arguably born when Telefilm was founded in the sixties. It was then called the Canadian Film Development Corporation, and now is renamed Telefilm Canada. It made a dramatic and significant intervention, positively so, into Quebec and English Canadian cinema. We have to keep working.

As Bev touched on earlier—and I agree with her—we have to attract more audiences, but I'm not going to be blinded by merely this figure of 5% box office.

• (1700)

Mr. Francis Scarpaleggia: If we build up a body of work, whether it has audiences or not, eventually sometimes people reach back and pull out a gem and then more gems and more gems, and it builds from there. But that's really the kind of answer I wanted, and just your thoughts on that.

The Chair: Thank you.

My apologies to Mr. Rodriguez. I skipped him. I will go to Mr. Lemay, and then, given that Ms. Oda had two turns, I will skip her and come right back to Mr. Rodriguez.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: I will be brief.

Mr. Clarkson, the Bloc Québécois will be very pleased to support your nomination. That is rare, and I believe that Mr. Rodriguez will bear that in mind. We are very happy that you have been nominated. At any rate, on our side, we will be supporting your nomination.

It is rare to come across somebody who has left and who has a vision of what Telefilm Canada should be.

I know that you are very involved in Toronto. In addition, you know Montreal and Vancouver. I come from a region that holds the International Film Festival in Abitibi-Témiscamingue, namely Rouyn-Noranda.

Mr. S. Wayne Clarkson: It is a good festival.

Mr. Marc Lemay: I know. At least, I hope so. We think so.

If the film sector is so developed in Montreal, it is also in part because the regions have supported Montreal. I am wondering whether you will continue to support and develop these international festivals or film festivals in the regions.

Mr. S. Wayne Clarkson: Absolutely, and for two reasons. If a city like Rouyn-Noranda or Regina or Medicine Hat wants a Canadian festival or international festival and spectators support the festival, we will certainly be supporting the project.

We now have festivals in Calgary, Vancouver, Winnipeg, Sudbury, etc. These are very good festivals. They may not be as big as the festivals held in Montreal or Toronto, but they are good festivals. This is the culture of film.

[*English*]

I believe strongly.

[*Translation*]

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

Mr. S. Wayne Clarkson: Secondly, how do we find the talent in our country, namely the producers, directors, actors? It is thanks to the festivals.

Mr. Marc Lemay: Absolutely. I have one final question. What will you do when you see the Jim Carreys leaving?

The problem facing our anglophone friends is that as soon as someone is good, as in hockey, the individual goes from the junior leagues to Hollywood. What will you do? I must admit that it's more difficult for francophones to make a breakthrough in Hollywood, but I will refrain from comparing the attraction of Hollywood to that of Toronto or Rouyn-Noranda... How do you see that?

[*English*]

It's a long question.

Mr. S. Wayne Clarkson: Yes, it's a long question—

Some hon. members: Oh, oh!

Mr. Marc Lemay: I'm sorry, but it's interesting, I think.

Mr. S. Wayne Clarkson: No, that's quite all right. It's most interesting.

You mention Jim Carrey.

[*Translation*]

We have lost a great many of our directors and actors, such as Norman Jewison and James Cameron.

[*English*]

There has been a brain drain.

[*Translation*]

However, directors such as David Cronenberg, Patricia Rozema, Atom Egoyan and young directors from Vancouver and Halifax have stayed here. David Cronenberg has shot all his films in Canada and the same thing applies to Atom... Oh no, he shot a film in Paris, London and Toronto. I hope that

[*English*]

things are changing.

The Chair: Mr. Rodriguez.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Madam Chair. I am pleased to see that we agree about that issue, my dear friend, Mr. Lemay.

Mr. Clarkson, you will therefore be moving to Montreal shortly. I know a good riding where you can live.

I would simply like to know one thing. Tomorrow morning, you are there, sitting in your chair. What will your first priority be?

• (1705)

Mr. S. Wayne Clarkson: I do not understand.

Mr. Pablo Rodriguez: Tomorrow morning, you have the position and you are now sitting in your director's chair. What is your first priority?

Mr. S. Wayne Clarkson: When will I begin? I will start in mid-January, on the 15th or the 17th.

Mr. Pablo Rodriguez: It is going to be cold, it will snow. What will you do?

Mr. S. Wayne Clarkson: I did not understand.

Mr. Pablo Rodriguez: What will your first priority be the day you take up your duties?

Mr. S. Wayne Clarkson: First of all, Telefilm Canada has offices in Halifax, Montreal, Vancouver, Toronto and elsewhere. I will have to introduce myself to my colleagues, to the board of directors and, as I said, to the industry representatives in each centre. There will be forms to deal with, and the business plan.

Mr. Pablo Rodriguez: Are there any issues which are closer to your heart and which you will make a priority, and which you will make your own, rather than leave them to someone else?

Mr. S. Wayne Clarkson: I'll have to find an apartment in Montreal for my wife and myself.

That's a good question. The Canadian Television Fund has a huge problem, that will be my first big challenge. My son wants to be a director. So I'll be able to see what the obstacles are before he does.

[English]

I want to make it easier for young filmmakers to find their voice in this country.

[Translation]

Mr. Pablo Rodriguez: How does one take into account Quebec's distinctiveness when one heads that type of national organization? How does one take into account Quebec's success yet continue to promote Quebec cinema in all its distinctiveness?

Mr. S. Wayne Clarkson: Quebec cinema? Could you please repeat your question?

Mr. Pablo Rodriguez: When one heads a national organization like this one, how does one take Quebec's distinctiveness into account to ensure that Quebec cinema continues to thrive?

Mr. S. Wayne Clarkson: Quebec's film and television industries are very strong. As I said, there is a very strong bond between artists and spectators. That's different in English Canada: they are separate. But not so in Quebec. Quebec's success must be strengthened and consolidated.

Mr. Pablo Rodriguez: Fine.

[English]

The Chair: Mr. Brown.

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

Welcome, Mr. Clarkson.

• (1710)

Mr. S. Wayne Clarkson: Thank you.

Mr. Gord Brown: I'm just delighted to have you here today so we can grill you. I was very impressed with your resumé. As a former student at Carleton University, I was quite impressed that you spent some time there.

I'm just going to throw an easy one at you, and you probably already answered this when you went through the hiring committee. Why do you want to do this, and where do you see it a year and a

half from now? I know you spoke to some of the priorities you'd like to see, but where would you like to see things a year and a half from now?

Mr. S. Wayne Clarkson: As I said at the beginning, there's a rich tradition in my family—my uncle and my father—so I think there's something genetic that leads me to public service. I value it.

I have a love of cinema. When I was eight years old I was living in Ottawa, in Eastview, and my sister and I went to see a western film—an American film, of course. We walked outside the theatre and I was hit by a car. I survived, as you can tell, but there was something dramatic between the cinema and my life. I have been committed to Canadian culture, film, television, and now new media, for most of my life.

There is one story I would like to tell, and I hope it speaks to the concerns in Quebec as well as in English Canada. I was living in Toronto and I was a teenager. I went to see a film called *Nobody Waved Goodbye* in the late sixties or early seventies. It was set in downtown Toronto, and it was about teenagers my age. For the first time I saw a Canadian film that wasn't some magical world of Hollywood. It wasn't Jim Carrey's. It was my neighbourhood. They were teenagers, and I could relate to their story.

I never forgot that film. I never forgot the experience of watching that film—that our stories, our cinema, film, and television have an importance. The values in that film were Canadian values. They weren't downtown Hollywood expensive values. So I committed myself to film from that point on. It resonates in many ways. I did my master's in cinema.

Concerning a year and a half from now, I work closely with the minister. She sets mandates, responsibilities, and priorities that I want to work with her on. I touched on the issue of the Canadian Television Fund, which is a priority mandate of hers. She has certainly conveyed the importance of that to me. That's going to take some time.

That's about it.

The Chair: We'll turn it over to this side of the table and Ms. Bulte.

Hon. Sarmite Bulte: Welcome, Mr. Clarkson.

I have a couple of questions.

The Chair: Before you start, I would like to remind the committee that we have votes in the House. The bells will start at 5:30. That means we have another 15 minutes, and I would like to get to the point where we have a motion.

Hon. Sarmite Bulte: Thank you.

Mr. Clarkson, I'm glad to hear you say you're happy to work with the minister and happy to work with the industry. I guess one of the things I hope you're also happy about is working with all the provinces. Looking at the situation of the film industry and the provinces' tax credits, I had an opportunity to meet with the deputy minister, and when I asked her about increasing the tax credits one of the first things she said to me was that if the provinces increase tax credits, Telefilm takes them away.

So I hope that as part of your mandate you will look at that interrelationship between the tax credits and the provinces. In fact, Telefilm tends to penalize the industry where there are tax credits. This is something perhaps that, working jointly with the provinces and territories, we need to find a solution for.

Secondly, this may be an unfair question, but your predecessor was known—or was criticized a little bit—for making Telefilm much more commercial and quite controversial. One of the pilot projects he put in place was the Creative Artists Agency, the CAA, in Los Angeles, using taxpayers' money—to use Ms. Oda's expression—and putting an office in Los Angeles.

What's your vision on this, and how would you perhaps differentiate yourself from your predecessor?

• (1715)

Mr. S. Wayne Clarkson: Yes, it was a very much debated action that Richard Stursberg, the previous executive director, took.

First of all, has it worked? I'm not in a position to determine that. Has it led to increased access to some of the Canadian stars in Hollywood? Have our producers been able to find financing to assist in their projects? I don't know, to be perfectly accurate.

I believe I will support anything that can advance our industry and Canadian talent. But I will just say that it's not my nature nor my experience to look to Hollywood for solutions to what I think we should first be looking within our own borders to find. One way of doing that is through cooperation with the provinces. There is no quick fix to the challenges we have. The provinces are going to be significant partners in that, I believe.

The Chair: If the committee will indulge your chair, I'd like to follow up on an issue Ms. Oda raised.

There was a recent round of approvals by Telefilm Canada in new media. Aside from a couple in Nunavut, all were in Toronto, within a few miles of Telefilm Canada's office.

You indicated that you had some appreciation of rather Toronto-centric results, if not a bias. I wonder how you might approach assessing whether it's really that all the best producers and companies are within a few miles of the Telefilm headquarters, or whether in fact something needs to be done to recognize talent in other centres.

Mr. S. Wayne Clarkson: The one thing I have learned in my 12 years at the Canadian Film Centre is that talent can come from anywhere. The next Atom Egoyan may not necessarily be in downtown Toronto. The next Atom Egoyan could be in a small community somewhere in the western provinces. What we have to do is make our programs accessible.

Certainly at the Canadian Film Centre we've spent a great deal of time in outreach workshops. I would say that more than half of our successful applicants came from outside of Ontario—talent pools in Vancouver and right across the country. It's finding that talent.

The Chair: Ms. Oda is next, and Mr. Scarpaleggia has asked for another round as well. I would like to basically move to a motion at 25 minutes after, if that's agreeable.

Ms. Bev Oda: I have a concern, Mr. Clarkson. I just want to understand your understanding of your relationship with the

minister. You have an independent board. You have an act under which you get your mandate—an amended act that clearly articulates a mandate now. You have responsibility under that act to fulfill the responsibilities for the people of Canada.

I am concerned that I seem to have heard that you anticipate a closer relationship with the minister, and that would be set out. How do you understand the responsibilities of your board vis-à-vis the minister?

Mr. S. Wayne Clarkson: I will admit I'm learning the language and the detail. I appreciate that it's an arm's-length organization, an independent board of directors. But as I think you've experienced in working with me, I believe in cooperation, consultation, and discussions. The minister...well, I'm trying to find a way to say that....

• (1720)

Ms. Bev Oda: Just stick to clarification, Mr. Clarkson. The ministry of course is there to support you. My question was specific to the minister, vis-à-vis your independent board.

Mr. S. Wayne Clarkson: I'm learning the details of the status, if I may. It was a rigorous interview process that I went through with the headhunting group, at which the board of directors was present.

Ms. Bev Oda: Mr. Clarkson, in fairness and in light of time, I would just suggest you get a clear briefing of that kind of relationship. I'm sure it will be clarified for you. Thank you.

Mr. S. Wayne Clarkson: I will. Thank you.

The Chair: Mr. Kotto, and then Mr. Scarpaleggia.

[*Translation*]

Mr. Maka Kotto: Thank you, Madam Chair.

Mr. Clarkson, I would like to draw your attention to a point which is rarely raised when talking about the film and television industries. It's the situation of artists, singers and craftspersons. For as long as anyone can remember, any profits made on their works don't end up in their pockets. That is why it's no surprise that some of them, when they have the opportunity to do so, head towards Hollywood, New York or Paris in search of a better and more decent life.

You are aware of that. You said that one of your children would like to be a director. You realize how hard it is for some people to break into this business. Do you intend to make the industry, be it producers or distributors, more aware of this injustice?

Mr. S. Wayne Clarkson: Injustice?

Mr. Maka Kotto: The redistribution of industry profits.

Mr. S. Wayne Clarkson: Not to everyone.

Mr. Maka Kotto: Within the business as a whole, there are broadcasters, distributors and producers.

Mr. S. Wayne Clarkson: Yes, but not American movies, which—

Mr. Maka Kotto: No, I'm referring to homegrown artists who work on movies produced here by local people and who really don't make a lot of money.

Mr. S. Wayne Clarkson: That's an interesting question.

Mr. Maka Kotto: Don't worry if you haven't thought about this issue yet. I simply wanted to draw your attention to this injustice.

Mr. S. Wayne Clarkson: Fine. Thank you.

[*English*]

The Chair: We have five minutes left. Mr. Scarpaleggia, do you really have to ask a question, or can we deal with the motion? He changed his mind—wonderful.

I have the motion, which would normally be printed on your agenda.

[*Translation*]

I will read the motion in both official languages, in French and in English. Is it agreed that I report to the House that this committee has

examined the qualifications of S. Wayne Clarkson as Executive Director of Telefilm Canada, and that he has the qualifications and competence to perform the duties of the post to which he has been nominated?

[*English*]

Is it agreed that I report to the House that this committee has examined the qualifications of Mr. Clarkson as executive director of Telefilm Canada, and that he has the qualifications and competence to perform the duties of the post to which he has been nominated?

(Motion agreed to)

The Chair: Mr. Clarkson, best of luck. Canadian culture is in your hands.

Some hon. members: Hear, hear!

Mr. S. Wayne Clarkson: Thank you very much.

The Chair: The meeting is adjourned.

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