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● (0905)

[Translation]

The Vice-Chair (Mr. Maka Kotto (Saint-Lambert, BQ)): Good morning, ladies and gentlemen. Welcome to the 54th meeting the Standing Committee on Canadian Heritage dealing, pursuant to Standing Order 108(2), with a full investigation of the role of a public broadcaster in the 21st century.

Our first witnesses today are Mr. John Goldsmith and Mr. André Courchesne, from the Canada Council for the Arts.

Thank you and welcome. I do not know which of you will make the first presentation, but we are ready to hear you.

Mr. André Courchesne (Director, Arts Division, Canada Council for the Arts): Thank you, Mr. Chairman.

I would first of all like to apologize for the absence of our Director, Robert Sirman, he is unfortunately suffering from the flu that is currently going around. He will therefore not attend this morning's meeting.

I would like to introduce John Goldsmith, Director of Partnership, Networking and Arts Promotion at the Canada Council for the Arts.

I would like to thank you for having invited the Canada Council to address the issue of the role of a public broadcaster and to emphasize the connections that exist between Radio-Canada, the CBC, the Canada Council, the artistic community and Canadians.

[English]

I would like to begin by stating that the CBC is the most significant broadcaster in the country. It is the only broadcaster in Canada that is leaving a rich cultural legacy, an archive of cultural evolution, that helps Canadians understand themselves. There is no commercial broadcaster filling that role.

Before I speak to the role of the CBC as it relates to Canadians, let me step back a bit to when the CBC and the Canada Council were created. The mandate of the CBC as defined by the Broadcasting Act is—and I am paraphrasing—to be distinctively Canadian, to reflect Canada to its audiences, and to actively contribute to the exchange of cultural expression and a shared national identity in both official languages, coast to coast to coast.

The creation of the CBC was part of a bold visionary step by the government to create a number of crown agencies that would help to preserve and promote Canada's identity and to build a nation. At the heart of that is the CBC, which as a national broadcaster plays a vital role in enabling Canadians to learn more about each other and about their personal identities through the arts. That connection with

Canadians is a critical complement to the work we do at the Canada Council in fostering and promoting the enjoyment and the creation of the arts.

What should the role of a public broadcaster be? The role of a public broadcaster is to encourage each Canadian to understand more about his or her culture and the culture of others living within Canada.

[Translation]

It must be able to put Canadians in touch with one another across the country. It must continue to make art accessible to all those who have access to Internet, the radio or television. It must give Canadian artists a voice, whether they be at the beginning of their career or universally recognized for the quality of their work.

● (0910)

[English]

It must continue to give Canadians something they value in their lives: the ability to experience music, books, artworks, film, dance, and theatre from the comfort of their homes. It must provide Canadians with the impetus to share in the Canadian artistic experience by provoking debate. It must inform Canadians about the broad spectrum of the arts, what is happening in their own communities, and what is happening elsewhere in Canada and around the world. And finally, it must reflect back to Canadians what this country is made of: great artists, regional and linguistic differences, and a huge appetite to learn and to experience new things.

The brief we submitted earlier highlights a number of ways that the CBC is unique and how it brings the work of artists to Canadians all across this country—and it has managed to do so within budgetary constraints and in an environment where the means to do so change on a daily basis.

But the CBC does more than just disseminate the arts. It sparks debate about arts and cultural issues. It provides the most comprehensive arts reporting in Canada, and it encourages the creation of art through its competitions for literature, musical composition, and amateur choirs.

It has introduced us to world music from around the globe, music that has influenced Canadian musicians to take their work in new directions. Quite often it forms a link between the casual arts attendee and the arts supporter, as well as between the amateur and the professional artist. It connects the south and the north, the east with the west, and it gives voice to many artists trying to gain recognition beyond their own communities.

Why should the CBC focus on the arts? First and foremost because it's a key part of the mandate of the CBC to reflect Canada and its regions to national and regional audiences and to actively contribute to the flow and exchange of cultural expression. As well, Canadians are interested in the arts. They want to participate and they want to engage in the arts, and the CBC provides them with an opportunity to do that. About 75% of Canadians believe the arts are important in enhancing the quality of their lives, and they want the opportunity to enjoy the arts, whether from the comfort of their homes or at an arts event.

So what role does the CBC play? For years the CBC has recognized that Canadians connect with the arts at many levels. As a result, it has taken the initiative to give Canadians the opportunity to learn more about the artists who live and work here through profiles on cbc.ca and radio-canada.ca, art spots, awards, competition, and debates. CBC enables Canadians to see and hear works by hundreds of Canadian artists every year. It has also given many Canadian artists a national profile, enabling them to reach others beyond listeners or viewers of the CBC.

[Translation]

I will give you an example. He is a man you know well, a famous actor named Jean-Louis Roux, a former chair of the Canada Council for the Arts. He started his career at Radio-Canada in the early 1950s, when television was brand new. He was playing in *La Famille Plouffe* at that time, at the same time as he was founding the Théâtre du Nouveau Monde in Montreal. Because of the high profile that his Radio-Canada work gave him, he was able to interest a broad audience in theatrical work, in classical and Canadian theatre, by bolstering the value of Canadian culture throughout the country and abroad.

• (0915)

[English]

There are more recent examples of a broader impact of the CBC on Canadians and on the arts. The annual literary debate, *Canada Reads*, highlights Canadian authors for Canadian listeners, resulting in many Canadians connecting with Canadian authors, and increased sales of books for these authors. As an example, in 2002, when Michael Ondaatje's *In the Skin of a Lion* won the competition, 80,000 more copies of the book were sold that year than in the previous year.

[Translation]

The Canadian Broadcasting Corporation recognizes the very strong connections that exist between the community, the artists and recognized Canadian artistic organizations, and it knows how to build on that.

Here is another example: when Kent Nagano became the Director of the Montreal Symphony Orchestra, Radio-Canada saw that it was an ideal opportunity for the community to demonstrate its attachment to the symphony orchestra. They showed leadership by broadcasting the season opening concert live and by having all the church bells in Montreal rung, so that everyone could participate in this event. In that way, Radio-Canada showed once again its level of commitment towards arts and culture.

[English]

Because of the many platforms that it has developed, the CBC is now available to more Canadians who can choose to access the arts and information about the arts via radio, podcast, webcast, television, or satellite radio. In addition, streaming video enables Canadians to watch programs when they choose, not when they are scheduled. These options make it easy to access the arts, particularly for those who have difficulty finding the time to attend live performances or concerts.

Regarding possible partnerships, the Canada Council has partnered with the CBC on a number of initiatives because of the close connection between our mandate and that of the CBC and Radio-Canada. This has enabled the CBC to fulfill its mandate of an exchange of cultural expressions, as well as our mandate regarding the enjoyment of the arts.

Our support of the CBC Literary Awards enables authors to be recognized for an unpublished short story, poem, or work of creative non-fiction. Some of Canada's best-known writers, including Monique Proulx and the late Carol Shields, won this award early in their careers. We also partner for the CBC National Radio Competition for Amateur Choirs, a biennial competition enabling amateur choirs to be heard nationally.

As part of our 50th anniversary and the CBC's, the CBC will record for later broadcast a public event on May 8 at the National Arts Centre, featuring the winners of the Canada Council Musical Instrument Bank competition. The concert, which features our up-and-coming stars, will air on CBC Radio Two and Radio-Canada's *Espace musique* later this spring. This is yet another example of the CBC enabling more Canadians outside the concert halls to hear our aspiring and very talented young musicians.

The Canada Council also appreciates the CBC's continuing coverage of the Governor General's Literary Awards and the Governor General's Awards in Visual and Media Arts on radio and television, both nationally and regionally. Each year, the council staff works in close collaboration with CBC journalists and producers in an effort to familiarize the public with the work of these outstanding writers and artists.

While programs have come and gone over the years, the CBC continues to define new ways of programming in support of the arts. CBC Radio One's program, *Fuse*, is one example of how the CBC brings artists together to create new works, giving Canadians an opportunity to hear music in a unique way. *Q*, the new Jian Ghomeshi program, airing on Radio One and Sirius Satellite Radio, provides an expanded opportunity to highlight arts and entertainment activity across the country, airing dedicated arts and entertainment activity around the country.

I have already touched on some of the new media platforms used by the CBC. These are the new ways to reach new audiences, and the CBC has achieved amazing success with its programming—for example, on Radio Three and *Bande à part*, with its focus on contemporary Canadian independent music.

As you can see, there are strong convergences among public broadcasters, national arts funders, and Canadians. I cannot emphasize enough the impact we have in bringing Canadians together to share in experiencing the arts and in the opportunity we create for the broader understanding of what it means to be Canadian.

Canadians deserve the opportunity to debate critical issues through the arts, and the opportunity to enjoy the best of what this country and its artists have to offer.

Thank you.

● (0920)

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, sir.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you, Mr. Chairman.

Welcome, Mr. Courchesne and Mr. Goldsmith.

I have two quite easy questions. Do you believe that private broadcasters are interested in working with the Canada Council for the Arts? You obviously have a partnership or a close and fruitful relationship with Radio-Canada/CBC, but have you tried to build a relationship with Canada's private broadcasters aimed at promoting Canadian artists?

Mr. André Courchesne: We have excellent working relationships with private television and radio broadcasters. Every year we hand out numerous prizes. We have quite significant support. Thanks to the awarding of the Governor General's Prizes or other opportunities, we can showcase the talent of Canadian artists. Moreover, the Broadcasting Act protects Canadian content. Our grant programs support artists in the creation of their works, which are then broadcast on all the airwaves. The partnership with the CBC is special, because our mandate is shared and gives us the opportunity to work much more closely together than we do with the private broadcasters.

Mr. Francis Scarpaleggia: You are talking about the private sector and about radio, but what about television? Do you also partner with the broadcasters, the private telecasters?

Mr. André Courchesne: Yes, we also have very good relations with the private broadcasters. Obviously we do not have the same degree of convergence there as we do with Radio-Canada/CBC. The network's broadcast of the Governor General's Awards and our partnership with the corporation give it a national profile. There are still partnerships that remain to be developed, for example with Bravo! and ARTV, which would allow us to promote Canadian artists to the general public even more.

Mr. Francis Scarpaleggia: Do you also believe, like many stakeholders and witnesses who appeared before the committee, that we should increase Radio-Canada/CBC's budget? Is there a funding shortfall? Could you do more if the CBC's budget was increased?

Mr. André Courchesne: It is not our role to tell the CBC how to do its job. But the cutbacks or budgetary constraints have hampered the corporation in terms of regional coverage, including regional coverage of artists and artistic organizations. We see very few

francophone artists outside of Montreal, for example, on the corporation's airwaves. This regional presence was unfortunately eliminated because of budgetary constraints. More resources would allow the corporation to paint a more realistic picture of regional diversity and linguistic diversity in Canada.

● (0925)

Mr. Francis Scarpaleggia: Thank you, Mr. Courchesne.

The Vice-Chair (Mr. Maka Kotto): You still have a minute and a half remaining. You want to use that minute? Alright.

Ms. Bourgeois.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you.

Mr. Maka Kotto: I'm sorry, Ms. Bourgeois, Ms. Keeper has a supplementary—

[English]

Ms. Tina Keeper (Churchill, Lib.): You mentioned that you've seen an impact because of the limited resources the CBC has had to deal with over the years, and you also said you have a relationship with Bravo and one other network or station that I didn't catch, but you said it allows you to go even further.

Could you elaborate on that relationship, or what you mean by that, and how it is that you're able to work together in a way that goes even further than with the CBC?

Mr. André Courchesne: Our relationship right now with private broadcasters such as Bravo and ARTV, the similar French broadcaster, has been more on exchanging information or promoting artists. For example, in the art breaks they sometimes have to fill three or four minutes, so they'll produce excerpts of work. They show these excerpts, and these have changed the lives of many artists—not only media artists who have the ability to produce a short work, but many dancers, many theatre artists, are promoted in this way.

We're looking forward to greater partnerships with private broadcasters so that we will be able to have more of the experience of Canadian artists on television, not only on CBC.

Ms. Tina Keeper: So that type of relationship, you feel you do have that with CBC, the type that you're building with there. Because you did say it allows us to go even further.

I guess what I'm asking you is do you think—

Mr. André Courchesne: I'll give you an example of partnerships.

A number of concerts on Radio Two, or *Espace musique*, are broadcast every night. These concerts come from artists and orchestras throughout Canada that we support through operating grants. So this is a great opportunity for us to have this music available throughout Canada.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Keeper. We will come back to that.

Ms. Bourgeois.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Welcome gentlemen.

It is music to my ears to hear talk about culture and art. You put a lot of emphasis on the fact that the CBC can stimulate artistic awareness and the sharing of artistic experiences. We know that the arts world is always poor, which brings me to my comments about the funding of the Canadian Broadcasting Corporation.

The current funding level seems very low. Is it because it is very low that people are asking for an increase, or because the funds are poorly utilized?

Mr. André Courchesne: As I said earlier, I will not make any judgments on the way in which the CBC uses its funds. However, we can recognize that the number of high-production-value series has diminished over the years. These kinds of series, which are documentaries or major dramatic series, give our artists the opportunity to fully express their imagination. I'm thinking of a series like *Grande Ourse*, on the television service of Radio-Canada, which had to be cancelled for lack of funds. These series are important for our artists, our own identity and our culture.

• (0930)

Ms. Diane Bourgeois: If these series were cancelled, it is because Radio-Canada made a choice. They chose to make other kinds of programs that would perhaps be more profitable, but would not necessarily be loved by the audience and would not develop culture and the arts.

Do you think it made the right choice, given the current financial situation of Radio-Canada?

Mr. André Courchesne: In the current context, Radio-Canada's choice is to distinguish itself from its competition, and therefore, to not copy what is done by the private sector. The way in which it distinguishes itself is to highlight Canadian culture. It is because of that role, which is more demanding, that the government invests in the CBC.

Ms. Diane Bourgeois: You are telling us that, as a committee, we must choose between promoting culture and increasing funding levels.

Mr. André Courchesne: Precisely.

Ms. Diane Bourgeois: I would like to come back to the partnership you spoke of and were asked about. How do your partnerships with Radio-Canada work? If I understood correctly, you said that you have partnerships with Radio-Canada, but that you are the ones who pay the artists. Is that correct?

Mr. André Courchesne: I will ask my colleague who takes care of partnerships, Mr. Goldsmith, to answer your question.

Mr. John Goldsmith (Director, Partnership, Networking and Arts Promotion, Canada Council for the Arts): Not exactly. We help manage the CBC Literary Awards, which would be one of the partnerships we have with the corporation, by providing them with the criteria. We also help them with promotion, but it is not a transfer of funds.

In some other cases, like the advertising for the Governor General's Literary Awards, it is simply a transfer of information. We provide a lot of information, and they are very competent and willing in terms of providing the space and promoting both the awards and the award winners.

Ms. Diane Bourgeois: My final question will be very short: in English Canada, we are currently seeing an Americanization of Canadian culture. Do you agree with that statement?

Mr. André Courchesne: It is an ever present threat that we have been facing since the beginning of Canadian history. Radio-Canada/CBC, like the Canada Council for the Arts, was created precisely to meet that challenge, namely of being a country with a small population covering a vast territory. We have been doing it for 50 years. I think both organizations must recognize that. For example, the Canada Council was recently given an increase in funding for its 50th anniversary. In order for the CBC to continue to play its role, it will need more resources.

Ms. Diane Bourgeois: Perfect. Thank you.

Thank you, Mr. Chairman.

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Bourgeois.

Ms. Priddy.

[English]

Ms. Penny Priddy (Surrey North, NDP): Thank you, Mr. Chair.

Thank you to the witnesses.

I'd like to talk a little bit about the up-and-coming artists and the role that the CBC plays in that.

I know that part of the mandate of the Canada Council is to foster that growth and study and enjoyment of works in the arts, and that the CBC brief talked about promoting young artists. I'm sure everybody at the table has heard—certainly I have many times from the person who usually sits in this chair—the role that the CBC played in his history and the role of the band he had, called the Grievous Angels, and how that actually was a launching pad for him.

I come from Surrey, British Columbia, where we have a very large population whose country of origin is India. I now sometimes get to turn on my radio on CBC and I start to hear music from India, readers reading from India, because we have many wonderful artists, which I think is incredibly important. So launching those careers and exposing those regional artists to people is important.

I would ask you two questions. One, has there been any change in the approach of the CBC in recent years with respect to that promotion of the arts, the promotion of new artists whom people have not been exposed to? Second, are there changes that you would recommend for the CBC in order to support or bolster the impact that it has on the promotion of new Canadian artists?

• (0935)

Mr. John Goldsmith: I think, Mr. Chair, what the CBC has achieved is pretty remarkable in terms of the way they've managed to populate much of their programming with Canadian artists and Canadian content. There are numerous examples that come to mind. You've cited a few. But I think they've been able to present new artists in their regular-stream programming, as well as on programs that are destined to cover the arts only. I think of programs of general interest, like Stuart McLean on the English radio network, where he features artists, musical artists in particular.

Local radio features artists, either performing live or recordings of these artists. I think there has been an increased emphasis in the last few years. I think the new work they're doing on other platforms, in terms of the Internet, has been a new approach that responds to not only the artists but the audiences that are looking for some other way of reaching and hearing this work.

In terms of what we might do better, we don't have any particular advice for them, except that they should be expanding as much as possible their coverage in these new platforms.

Ms. Penny Priddy: So obviously you agree that it's an important role, the promotion of young artists or new artists whom we haven't been exposed to, and that one of your recommendations would be that they perhaps take greater use of other stages or platforms to do that.

Would you have any other comments?

Mr. André Courchesne: Yes. The recent evolution of technology has changed the way of production of many artists, speaking more specifically of media artists, film artists, music artists. The production has moved from sharing a studio to home, most of the time. So you are in a situation where you have more and more autonomous production of art, but the dissemination is lacking.

This is where we see a specific role for the CBC—dissemination of these works of art that are not channelled through the regular ways they used to be. There was a way to get to a concert before that is not done any more because of a change in the evolution of the media and the technology. I think CBC has a major role in providing this access to the public.

Ms. Penny Priddy: So it would be a change in the role, should you have a magic wand or be able to recommend to the CBC. It would be a change in the way that the art is coming up, whether that is music or writing—whatever it is—to disseminate it in a greater way and make it more accessible to those young artists.

Mr. André Courchesne: Exactly.

Ms. Penny Priddy: Thank you.

I think I'm fine, thank you.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Priddy.

Mr. Warkentin.

[English]

Mr. Chris Warkentin (Peace River, CPC): Thank you, Mr. Chair, and thank you for coming in this morning, gentlemen, and sharing with us your thoughts on the CBC and the work and the relationships that you have.

Obviously you know we're working toward some recommendations with regard to the mandate of the CBC. We thank you for your contribution in terms of the relationship that you have, but I'd like to bring us back to the issue of the mandate review that we're undertaking. I think the previous member was asking about specific recommendations that you might have for the actual mandate.

I'm not sure, but my sense is that maybe you're very comfortable with the current mandate. If that's the case, that's fine, but I'm

wondering if you have any specific changes you would like to see in the mandate of the CBC.

• (0940)

Mr. André Courchesne: We've alluded to some of the fulfillment of the mandate that we would see better accomplished with increased funding. The first one would be regional voices.

As you know, the CBC, as well as the Canada Council, early on developed its presence in major urban centres. That has changed over 50 years.

Mr. Chris Warkentin: Okay. Just so I'm clear on this, are you saying you're not as concerned about the mandate as you are about the way the mandate is being carried out?

Mr. André Courchesne: Exactly.

Mr. Chris Warkentin: Okay. So at this point you don't have any specific recommendations in terms of the actual mandate as it is currently written?

Mr. André Courchesne: No, we don't.

Mr. Chris Warkentin: You have no issues. Okay.

Because we do have a few minutes, I'd like to talk a bit about previous witnesses' testimony in terms of the relevance of CBC and ensuring its long-term relevance, especially in this increasingly competitive media world we're finding ourselves in, with the different platforms that were discussed before.

Is there any area in that whole realm in which you might see the CBC being a little bit more proactive, in terms of their movement into those different things or in having a solid footing in this increasingly competitive world?

Mr. John Goldsmith: To get back a bit to your question of mandate, I think the mandate, like the Canada Council's, is very enabling; it's a permissive mandate, in the sense that it allows them a fairly broad range of activity within the spirit of that mandate. I think it's for that reason that we think it is a good mandate and one they can operate within.

After reading some of the testimony of previous witnesses, I think it's clear that the CBC is transitioning into multiple platforms, and our feeling is that to reach the newer generations, the younger generations, they need to be as effective in these other platforms as they have been in radio and television. It seems the initiatives they are taking in those areas are good ones, but it seems to us that they could pursue those with more attention to reaching those younger audiences, which to us is a very important element of the future of Canadians, understanding Canadians, and understanding the cultural life of this country.

Mr. Chris Warkentin: Is it your assessment that they can do that within the current mandate, and there's no requirement to change the mandate to encourage them to do it?

Mr. John Goldsmith: I don't believe so. I would leave that to more technical expertise, but I don't believe it requires a change in the mandate.

Mr. Chris Warkentin: We appreciate that. That answers the question, and we'll include it in the report.

Thank you very much.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Mr. Warkentin.

Ms. Keeper.

[English]

Ms. Tina Keeper: Thank you, Mr. Chair. I am going to split my time with Ms. Fry.

I have a question about artists. You talked about arts institutions, and I know the Canada Council for the Arts is very involved in the development of artists in this country. I know how key it is.

We have heard in our review that some of the arts groups, like the individual artists, are feeling that in terms of their involvement with the CBC, there is very much a different landscape now from what there was, say, ten years ago. Do you have any feedback on that at the Canada arts council, in terms of what individual artists are feeling in terms of their relationship to the CBC?

Mr. André Courchesne: It can be a challenging relationship. The reason for this is the multiplicity now of art forms, the multiplicity of artistic approaches, and the autonomy that technology brings to them. So even if they are more powerful to create their own art in their own space, in fact they face a huge wall when they want to go beyond their own creation. This touches on part of our mandate, which is the enjoyment of the arts by all Canadians, and it touches on the mandate of the CBC. How can we help these young artists reach out to new audiences, and new audiences in their region, in their province, across Canada and abroad?

You know that young artists don't have artificial borders in their mind or in their creation. They're mixing traditions, they're merging art forms, and they want to have access to as large an audience as possible. CBC has a unique role in allowing this to happen, through the Internet, for example.

● (0945)

Ms. Tina Keeper: Thank you.

I'll pass it on to Ms. Fry now.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you.

I think many of us have heard, and I know I have in the past, that CBC radio has allowed for us to really reach each other through our regional differences and through our multicultural milieu. Therefore, we have, as Ms. Priddy said, Indian music and we have various forms of ethnic and other cultural art forms on CBC radio.

I would like to know if you think...because my impression is that CBC television isn't doing this as well. Other than having a show where you have the token spectrum of the demographics of Canada on the show, playing roles, I don't believe CBC television fosters this sort of sense that there is a rich diversity of culture in Canada, either through performance or through music or art forms, or even through film that shows that diversity, other than a film like *Water*, or *Fire*, etc.

We don't see that kind of broadness of the culture of this country reflected back at us through television. Do you agree with that?

Mr. André Courchesne: It's a huge technical and programming challenge for the CBC. Radio is an easier way to disseminate work on multiple channels, and the same thing for the Internet. But for

television, with the new technological changes that are happening right now, there is a potential for the CBC to do the same thing on television that they've done for radio and for the Internet.

I agree with you; because of this media and because of the technical aspect of television, CBC has not completely reflected the regional and cultural diversity of this country. We don't hear the regional voices. We don't hear the culturally diverse voices in their unique way. They are featured, but mostly sometimes as features, not as original voices. We believe these original voices should be broadcast, should be available to every Canadian. This is a real challenge for the CBC, but with the evolution of technology, I think this could be done and available.

Hon. Hedy Fry: Have you any idea how this could happen? Do you have any quick solutions?

Mr. André Courchesne: John, do we have a quick solution?

No.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Fry.

Ms. Bourgeois, you have the floor.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Gentlemen, it seems to me that your brief talks a lot about culture and art, but that it says little to criticize the governance of the Canadian Broadcasting Corporation.

I would like to know what your opinion is of the current governance of the CBC, in terms of its board of directors. Would you change the type of governance? Would you include more people? Do you approve of the current president? I would like to hear your opinion on this subject.

Mr. John Goldsmith: No, we have no specific comments to make on the subject of governance. I think that as a Crown corporation, the CBC faces huge challenges in terms of long-term planning. As its management often says, they would like to have a long-term plan with guaranteed long-term funding to plan their activities and their strategic plan. From that perspective, I think in the end it is the only governance issue that I would raise, that is to say the ability to be able to do long-term planning with confidence, to have the guarantee of long-term stable funding.

● (0950)

Ms. Diane Bourgeois: I asked you the question because various groups from the world of arts and culture told us that they would like to see certain people, artists, sit on the board of directors of the corporation, people who would have more information and would be in a better position to make decisions on arts and culture. I was expecting you to make the same request. That is why I asked you the question.

Therefore, you feel that the people currently sitting on the board of directors are in a very good position to make decisions on arts and culture.

Mr. André Courchesne: As you know, there are 11 government-appointed representatives who sit on our board of directors. Over the years, we came to realize that the presence of artists on the board of directors—Karen Kain, from the National Ballet of Canada is the Chair of the board—brings a great sensitivity to the organization about the situation of artists. Having a balance between an artistic presence and a professional business presence has allowed board members to better appreciate the issues that artists face.

Ms. Diane Bourgeois: If that was the case at the CBC, do you believe they would make different choices? Do you believe it would be possible for arts and culture to be better appreciated? Currently, it would seem that there is no one on the CBC's board of directors who is particularly interested in arts and culture issues.

Mr. André Courchesne: I believe that the CBC has made a great contribution to the arts and to culture. However, having an artist on the board of directors would allow it perhaps to have an even better understanding of current developments in the artistic world.

Ms. Diane Bourgeois: That is what I wanted to know. Thank you very much.

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Bourgeois.

Mr. Fast.

[English]

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

Thank you to both of you for coming here today and sharing some of your thoughts with us.

First, I want to confirm that the Canada Council for the Arts did receive around \$50 million in supplementary funding last year from the federal government. Is that correct?

Mr. André Courchesne: Yes.

Mr. Ed Fast: So did CBC, correct? It got \$60 million per year, for the next two years.

Mr. André Courchesne: Yes.

Mr. Ed Fast: I noticed that you said in your introductory remarks that you believe that the CBC is the only broadcaster leaving Canadians with a rich cultural understanding of themselves. In other words, the CBC is the only broadcaster that truly preserves and protects Canadian identity. Am I correct in saying that?

Mr. André Courchesne: We were speaking more specifically of preserving the archive of Canadian culture. Many of the artistic achievements of 50 years ago are stored in the CBC archives. This is a unique role they play, and it's very important for our own culture.

Mr. Ed Fast: Thank you for that clarification.

For most of the other witnesses, funding for the CBC has been by far the biggest issue. There have been suggestions from most of the witnesses that the CBC requires significantly more funding than it presently gets. At present, in real dollars it's probably getting about 50% of the funding it got, say, 10 or 15 years ago.

There have been different suggestions as to how that funding should be delivered. Obviously some of the witnesses have suggested the old model, which is just that the federal government should pump more money into the CBC. Others have referred to the CBC's having more access to subscriber fees.

Then there was a suggestion by a number of witnesses, including a former president of the CBC, Tony Manera, that in fact there should be a complete paradigm shift. As you know, the private broadcasters do receive some subsidies from the federal government—for example, through the CTF—and the suggestion Mr. Manera made was that the federal government should get completely out of the business of funding the private broadcasters and rechannel that money to the CBC. In return, the private broadcasters would receive the benefit of a relaxation of some of the Canadian content requirements. It's a different approach, a different perspective, on how we can solve the funding crisis at the CBC.

Perhaps I could have your comments on that proposal.

● (0955)

Mr. John Goldsmith: This is the first I hear of this particular suggestion.

In the first instance, yes, the CBC does require more funding to do what it does and to be able to do it more effectively. There's no question in our minds about that. However, we have not reflected on how that might be accomplished—except, I think, as we believe the federal government has a role in providing public funding for the arts, we would believe that is the case for the national public broadcaster as well.

There are undoubtedly other means of providing increased funding. This proposal by Mr. Manera will, I'm sure, be examined carefully by the committee. But I'm not sure that relieving private broadcasters of their responsibility for promoting Canadian artists and Canadian content is an answer either, frankly. I think the responsibility to support Canadian talent is shared between the national public broadcaster and the other broadcasters in the country.

Mr. Ed Fast: One of the issues, of course, is that the private broadcasters have to compete against foreign broadcasters, of which there are many. They're powerful and they're well funded. In fact, Vidéotron appeared before us some time ago when we had the CTF crisis, as did Shaw, and the indication from Vidéotron was they quite frankly didn't want any federal government funding or support. They wanted to do their own thing. They felt they could deliver services to Canadians better by being allowed to do what they do best, and that the CBC should do what it does best. They actually were asking for a complete restructuring of the CTF.

Now, they did come back to the table, and they have funded the CTF, based on the requirements, but again, the suggestion is that we need to look at new funding formulas for the CBC, that perhaps the old solutions aren't the complete answer to the funding problems the CBC faces. That's probably why Mr. Manera came up with a completely new approach. He was supported, by the way, by Mr. Bill Neville, a former chief of staff to Prime Minister Joe Clark.

Do you believe the funding the Canada Council for the Arts receives from the federal government is sufficient for the purposes you carry out? You confirmed that you received additional funding this past year. Is that current funding sufficient to deliver the services you're expected to deliver?

Mr. André Courchesne: The current funding structure is such that with the kind of support we offer from the federal government, on average, all the organizations we support throughout Canada generate a total revenue of about \$1 billion. Our share of that \$1 billion is now at 7%. It's at one of the lowest levels in the history of the Canada Council during the last 50 years.

This level is not significant enough to support the creation and dissemination of Canadian works of high quality that Canadians expect from their own artists. That's why we believe an increase in our parliamentary appropriation is needed to support the artists in their projects and in their dissemination, touring across Canada and around the world.

The solutions you're exploring for the CBC are similar to the solutions we've explored. Artists are seeking their funding not from one source, but from multiple sources. This multiplicity of sources brings artistic diversity, brings freedom of expression, and brings overall a greater dissemination of Canadian arts.

So diversity should be the approach in the funding of the CBC, as it is for the Canada Council.

• (1000)

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Mr. Courchesne.

Before taking a short break and letting you go, I'd like to come back to a point that you raised earlier on concerning the decline in the production and broadcasting of series, documentaries and so on.

In your opinion, how has this situation impacted the living conditions of our artists, and by extension, that of our creators? Furthermore, what impact has this downturn had on the very foundations of Canadian identity, in the short or even the long term? If you wish to provide us with a written answer, feel free to do so.

Mr. André Courchesne: We would be happy to submit a written response.

The Vice-Chair (Mr. Maka Kotto): Thank you very much for having answered our questions.

We will take a short break.

• _____ (Pause) _____

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• (1005)

The Vice-Chair (Mr. Maka Kotto): Good day and welcome, gentlemen.

We will now turn the floor over to Mr. Mayson and Mr. Mota, from the Canadian Film and Television Production Association. Gentlemen, please proceed.

Mr. Guy Mayson (President and Chief Executive Officer, Canadian Film and Television Production Association): Thank you, Mr. Kotto. It is truly a pleasure to be with you again today.

[English]

Good morning, Mr. Chair, and members of the standing committee.

My name is Guy Mayson. I'm the president and CEO of the Canadian Film and Television Production Association, the CFTPA. With me today is Mario Mota, the association's senior director of broadcast relations and research.

Let me start by saying that we applaud the standing committee for initiating this review and giving us the chance to share our views about the critical importance of Canada's national public broadcaster to the continued existence of the Canadian independent television production industry.

The CFTPA represents the interests of almost 400 companies engaged in the production and distribution of English-language television programs, feature films, and interactive media products in all regions of the country. Our member companies are significant employers of Canadian creative talent, and assume the financial and creative risk of developing original content for Canadians and international audiences.

What exactly is it that producers do? People ask us that a lot. We develop projects, structure the financing, hire the creative talent and crews to help turn stories into programs, control the exploitation of the rights, and deliver the final finished product. We create high-quality programming in the financially risky genres of drama, comedy, documentary, children and youth, and performance programming—which the CRTC calls priority programming—providing diversity to the Canadian broadcasting system.

We also create feature films for theatrical release and content for new digital platforms. Independent producers provide Canadian television viewers with a Canadian perspective on our country, our world, and our place in it. As such, the independent production sector plays a vital role in the Canadian broadcasting system, as recognized in the Broadcasting Act.

We want to leave plenty of time for your questions, so we'll summarize some of the key points in our written submission to the standing committee.

In our view, the CBC/SRC is an essential component of the Canadian broadcasting system and of the success and viability of Canadian independent producers. Because CBC television is the most important outlet for Canadian television programs, and because independent producers create programs in the drama, comedy, documentary, children's and youth, and performance genres that make up an important part of CBC television's schedule, the relationship between producers and CBC television is symbiotic.

The CFTPA believes CBC television has done a relatively good job of fulfilling its mandate in the face of considerable financial and competitive challenges. In our view, CBC television continues to deliver a valuable service to Canadians. It plays a vital role as a domestic showcase for high-quality, distinctively Canadian television programs, but we also believe CBC television should do more.

In recent years, the combination of reduced public funding, cost increases, increased competition, and audience fragmentation has made CBC television more reliant on commercial revenues. This has inevitably forced it to compromise some aspects of its important mandate. To be successful in achieving the essential public service mandate and to do more, the CFTPA believes CBC/SRC requires adequate long-term public funding.

In these times of healthy budget surpluses, we believe the Canadian government should be reinvesting in cultural institutions such as the CBC and SRC.

Mario.

• (1010)

Mr. Mario Mota (Senior Director, Broadcast Relations and Research, Canadian Film and Television Production Association): In our view, in today's rapidly evolving broadcasting and communications environment, in which there is a constant proliferation of media choices available to Canadians, the need for a national public broadcaster that showcases almost 100% Canadian content on multiple platforms, including new media platforms, is more important than ever.

We believe the role for CBC/SRC in the 21st century should be different from commercial broadcasters. It should not simply offer programs that can achieve the largest audience in competition with private broadcasters, but instead offer high-quality, distinctive Canadian programming that would not otherwise find a broadcast outlet.

CBC television must make a greater commitment to Canadian drama, documentary, children and youth, and performance programming, as well as to Canadian theatrical feature films. CBC/SRC should also fully embrace new media.

Accordingly, we believe CBC/SRC's mandate should be more explicitly defined to reflect these requirements. We believe Canada's national public broadcaster should be subject to regular reviews of its role and mandate to ensure that it remains relevant to Canadians as the broadcasting and communications environment changes.

The CFTPA believes CBC television's commitment to high-quality Canadian content should be realized through a strengthened relationship with the independent production sector. CBC television should be a model for all other broadcasters in its dealings with independent producers. It should engage in fair and equitable business practices with respect to contract terms, such as paying adequate licence fees, not requiring unduly lengthy licence agreements, and equitably sharing in rights exploitation.

A proper funding model for the creation of independently produced Canadian programming is central to the growth and sustainability of the independent production sector. In our view, through fair and equitable terms of trade, CBC television should be playing a lead role in furthering this objective.

Thank you for your time. We would be pleased to answer any of your questions.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you.

We will now move to questions.

Ms. Keeper.

[English]

Ms. Tina Keeper: I'd like to thank you very much for your presentation.

My first question will be on a comment you made about greater commitment to drama and children's programming. There has been a lot of discussion around the Canadian Television Fund, the last 10 years of Canadian television production, and the decline in support for producers and for Canadian television programming. Even when we were at the CBC in Toronto, we heard a comment from one of the senior managers that there was a direction in which CBC would be going in terms of looking at more international co-productions.

I found that a bit surprising in terms of a direction for CBC drama. I wonder if that is part of the reality that the CBC is looking at because of the lack of funding. I seem to be hearing you say—and we've heard this many times—that the CBC should be reflecting regions in Canada to each other.

Do you have any comments on the statement that they're looking at more international co-productions in terms of drama?

• (1015)

Mr. Guy Mayson: I didn't get the actual statement that the CBC official made. I understood your question, but I didn't actually understand what the comment was.

Ms. Tina Keeper: It was that in terms of drama, the direction they would be going would be to look at more international co-productions. I assume it's because it makes it marketable. Do you have any comments on why they would be looking at going in that direction?

Mr. Guy Mayson: An international co-production is always an avenue to explore. It probably still remains one of the only ways to get a bigger-budget production made.

Last week I was at the MIPTV television market, and there's clearly an interest everywhere in sharing costs of bigger-budget programming. I think the trend toward international co-production is one we should be encouraging. It's a very important avenue, but we'd certainly be concerned if the volume of international co-productions were to completely take over the schedule of any broadcaster. Certainly our public broadcaster should be focused primarily on production reflecting Canada.

I think that in some cases international co-productions can do that as well—it's a global world—but what happens quite often with international co-productions is that they become a way to finance productions, and the creative elements are sometimes diminished in terms of the domestic content.

Ms. Tina Keeper: I suppose that's a challenge that your organization, representing independent producers, is finding to be increasingly a part of their reality for productions.

Mr. Guy Mayson: It's interesting, because in fact the volume of international co-productions has actually diminished in the last few years, which is a concern to us. We'd actually like to see co-production revitalized. Canadian Heritage is looking at a new co-production policy. We're encouraging that to happen, but I think the concern is always that you don't want....

Five or six years ago, co-production was at such a level that there was a concern within the department and others that it was taking over, in some ways, and was diminishing domestic content. The market is so competitive now that we find, especially in Europe, that our European partners are primarily interested in partnering with each other; it's easier to co-produce in Europe with European partners, so we're actually looking to revitalize co-production policy. We certainly don't want to see it taking over the schedule of the public broadcaster, though.

Ms. Tina Keeper: Do you find that in that instance, in international co-productions, there's a reflection of Canadian...? Do you know what I mean? Whatever part of the country we're talking about, do you see Canadian culture being diminished by those international co-productions? Is the international market wanting a Canadian culture type of piece?

• (1020)

Mr. Guy Mayson: Co-productions are interesting to look at. Co-productions are still technically eligible through the Canadian Television Fund, for example, but you don't see too many going through there.

I think co-production is mostly attractive to producers because it is a way of putting a larger budget together, and it's something that's maybe designed as much for the international as the domestic market. So there's always that tension, but I don't think it has to replace the Canadian perspective.

Ms. Tina Keeper: Right.

Thank you.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you.

Ms. Bourgeois.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Good morning, gentlemen. In the summary of your brief you say the following:

[...] the CFTPA believes that CBC/SRC requires adequate long-term public funding. In these times of healthy budget surpluses we believe that the Canadian government should be re-investing in cultural institutions such as the CBC and SRC.

In terms of reinvestment, do you have a figure in mind?

Mr. Guy Mayson: That is a good question. As producers, our priority is obviously to maximize the amount allocated for production within the organization. The public broadcaster has accomplished a great deal, but before determining an exact amount, we would have to proceed with a duly completed review.

Ms. Diane Bourgeois: Therefore, before deciding on the resources that the CBC needs, you feel that its mandate should be reviewed. In your brief, you say that it is doing a relatively good job of fulfilling its mandate but that more could be done. There are some

inconsistencies in what you are saying. Tell me, what part of the CBC's mandate bothers you?

You can speak English, if that's more comfortable for you. I have access to the interpretation.

[English]

Mr. Guy Mayson: Merci.

In our view, the mandate, the role of the CBC is still an important one. The world has changed rapidly. What we're seeing is that we need to look at the CBC going forward, and what could its future role be? It's a fundamental role of reflecting Canadians.... Maximizing Canadian programming is still very important.

We would really like to see the priority of the CBC become increasingly focused on producing content for Canadians. It has such a diverse role now in terms of its many responsibilities, and I think it needs to be reassessed in terms of the changing world in which it's functioning.

What we'd like to see avoided is the kind of ad hoc, patchwork funding that's been going into CBC over the last few years, particularly on the programming side, where they're clearly stretched in many ways.

You're looking at \$60 million being renewed on an annual basis for programming. To us, it's kind of a band-aid on a larger problem, which is: how is this organization funded, and how can you maximize the dollars going into production for the Canadian public?

[Translation]

Ms. Diane Bourgeois: Some witnesses who appeared before the committee told us that the CBC is stockpiling programs. Do you believe it's commonplace for a public corporation to buy programming without putting it on the air afterwards? In your estimation, is this a sign of good governance?

• (1025)

[English]

Mr. Guy Mayson: That's a very good question. I would agree that from a broadcasting point of view, it's normal to build up some inventory. But they're so focused right now on trying to build audience that they're being extremely careful about scheduling. They're stockpiling a certain amount of production, and they're looking to maximize audiences, as all broadcasters are.

But I think what sometimes suffers in that is a longer-term commitment to scheduling Canadian programming properly. They're trying to be careful and strategic in the scheduling of Canadian programming, but what that leads to is more of a stockpiling phenomenon, where a lot of programming is being developed and acquired.

[Translation]

Ms. Diane Bourgeois: I took note of the second last point in your brief, where you speak of unduly lengthy licence agreements. I read that there were unnecessary details and that you asked the CBC to ensure an equitable sharing in rights exploitation.

Does this mean that current practices are not fair and equitable? Please give me your frank opinion.

[English]

Mr. Guy Mayson: It's a complicated issue, but what we're seeing with all broadcasters is a much more aggressive stance on the licensing and acquisition of rights, all rights, from producers.

The rights for exploitation start with the producer, but ultimately you're attempting to get your project financed. The broadcasters have huge leverage and influence at the initial stages of developing your show. What we've seen over the last two or three years in particular is that the length of licence terms is longer, and the number of runs acquired for those licences is multiplying. You're getting deals where additional ancillary and non-broadcast rights, or the new media rights, are being demanded as part of the initial licence—forever, in some cases.

I'm not saying that this is specific to the CBC; it's a general phenomenon. But the CBC is attempting to compete, and wanting to diversify its platforms and maximize the value of its rights, like all broadcasters. So generally we're running into this extremely aggressive behaviour.

We have the terms of trade agreement with CBC. It's the only proper terms of trade agreement we have. We find that it's a good accord, a good start. We finalized it in 2002, and the world has changed a great deal just in that time. So we're looking to reopen terms of trade discussions with the CBC, and we're in the middle of terms of trade discussions with CTV right now. It's a very constructive process.

But your question goes right to the heart of what that's about, which is to establish a fair framework for the negotiation of contracts.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Bourgeois.

Ms. Priddy.

[English]

Ms. Penny Priddy: Thank you, Mr. Chair.

Thank you to the witnesses for appearing.

I want to talk about stockpiling, but in a somewhat different way. I understand that it has come up in other committee meetings that there is an amazing backlog of programming at the CBC, but it's not available.

There are those of us at the table who can remember—I don't know how many decades back—what that programming looked like. When I first got married, CBC was the only television station we could receive in northern Ontario.

All those programs that people would love to see through the Internet aren't available. This was part of the discussion in the last ACTRA agreement concerning compensation for performers and so on. This was one of the things that held that back.

If you could, please talk about how we can move forward getting the CBC catalogue online—there are some amazing programs there—and what the costs might be. Can you think of a fair distribution system for doing this? I'd like to give you a chance to put this on the record.

I know that the BBC has their online catalogue now, so somehow they've been able to reach an agreement about how to do that. Perhaps you could comment on this as well.

Thank you.

● (1030)

Mr. Guy Mayson: That's an excellent question.

My understanding is that it's largely a money issue, ultimately, in terms of additional residual payments that would need to be made, so they're in the ironic situation of having the rights to a lot of their own programming, but the additional dollars involved would, in their view, be prohibitive and make it virtually impossible for them to broadcast it.

It might be a useful recommendation for this committee to have a look at this idea. Could the various parties involved actually get together and see how this could be facilitated in some way? My understanding is that it has been looked at in the past, and the results have been ultimately a bit of a gridlock situation.

You're absolutely right, I think, in terms of the changing world. It would be amazing to find an equitable way of making this programming available on multiple platforms, which is certainly the direction they've gone in the U.K. in terms of the BBC's own archives.

Mr. Mario Mota: It's important to point out that a lot of that back-catalogue programming is not necessarily programming that's been done by independent producers, from our members. It's been a recent trend, I guess the last five years or so, for the CBC to move aggressively into using independent production to fill its Canadian content schedule.

I would venture a guess that a lot of the programming we're talking about getting onto the Internet really has nothing to do with us. We don't have the rights to those programs. We didn't create those programs. So the issue is really the CBC discussing with the rights-holders—music-holders, or whoever it may be for those programs—to be able to get access to those rights to make it available on the Internet.

Ms. Penny Priddy: Do you know how the BBC reached an agreement with people to do it?

Mr. Guy Mayson: To be fair, actually, no, I don't know the details. I do know it was a similar issue in terms of how that was done.

Mario's point is well taken; in many cases the BBC's programming, up until very recently, was fully commissioned programming with a producer, so to a large extent the BBC would basically retain all rights. It was really very much an issue of the BBC's having to sort out internally how they would make this programming available and how they would compensate people adequately. It wouldn't have been an issue on which they would be dealing with the independent sector to the same degree they are now.

Ms. Penny Priddy: To finish this point off, I worry that it comes up at negotiation time, or it comes up when somebody asks a question, and then it gets put back in the drawer until somebody raises it again. Do you see a point to some ongoing joint commitment to move this agenda forward? I really worry that this is lost to Canadians and, as I say, only comes up when you do a review or it comes to negotiation time. There's nothing in between that's actually....

The worst time to try to do this is at negotiation, I suppose. Could there be some ongoing initiative to try to find some reconciliation, or at least to begin to do it in a partial way? I recognize that money is the primary issue. I understand that, but I don't know whether there's a way to do it in a phased-in way or a year-by-year way.

Do you have any thoughts on that, or do we just wait until the next time somebody asks the question?

Mr. Guy Mayson: I would just reiterate what I said earlier, that I think it's a very important issue. An interesting recommendation to come out of this committee could be to get the stakeholders together and look at how this could be done. Particularly when you look at the multi-platform world we're living in now, with so many different ways of accessing content, I can't imagine there wouldn't be some interest on the CBC's part to find a way through that.

• (1035)

Ms. Penny Priddy: Thank you. You've answered this question as well as can be, I guess.

I worry, with the number of new Canadians we have...well, I don't worry about that; I think that's joyful. But past programming offers an insight into a large part of what our country was like when television was developing, and that's shut off to people. They don't get to see it. Some of that programming was quite amazing.

Thank you, Mr. Chair.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you.

Mr. Abbott.

[English]

Mr. Jim Abbott (Kootenay—Columbia, CPC): Thank you.

Thank you to our witnesses.

You introduced something I'm not familiar with, the phraseology "terms of trade" agreement. Could you describe that to us? I didn't understand what you were talking about in that part of your testimony.

Mr. Guy Mayson: That's a great question, because "terms of trade" is thrown around quite a bit now. Probably the first question should be on what exactly it is.

Over the last decade, the CRTC has shown interest—in terms of licensing some of the new specialty channels and the licence renewals of the conventionals—in encouraging broadcasters to establish terms of trade agreements with producers. As I mentioned earlier, we have a terms of trade agreement with the CBC, which we finalized in 2002. We're working on one with CTV as we speak.

It really means establishing a kind of framework for contract negotiations between the broadcaster and the producer, and, in our view, setting some basic principles in terms of how the negotiations will proceed. It's also a framework for the licensing of rights. This is probably at the core of it, where a conventional licence will be negotiated for a certain term, a certain number of plays. It's understood that any secondary licensing of specialty channels, etc., would be a separate licence with a separate fee.

We're not saying what that fee is right now. There's interest in exploring that in greater detail, but subsequent rights—pay, DVD rights, new media rights—are sort of separate negotiations, ultimately, recognizing that those rights start with the producer and are licensed for a fair fee.

So it's a negotiating framework. It's not a master contract. If there's room for negotiation to go on within that, I think it's a way of maybe setting a certain minimum standard, both for licence fee levels and the negotiation of the rights and responsibilities of both the broadcaster and the producer within that.

Mr. Jim Abbott: Thank you very much.

Mr. Mario Mota: Mr. Abbott, I'd like to point out that we did a one-page summary of what we think terms of trade are, some key principles, which we filed with the CRTC about a week or two ago about the CTVglobemedia-CHUM transaction.

We would be happy to share that with the clerk. It will give you a really good summary of what we mean.

Mr. Jim Abbott: That's excellent. It would be very helpful for our research people in putting together a final report.

The next question I have for you is are there any significant or substantial differences between your negotiations with the CBC versus your negotiations with a private broadcaster? Or is it pretty much the same thing?

Mr. Guy Mayson: That's another very good question. When you look at our existing agreement with the CBC, it's quite lengthy. It's a sort of comfortable accord with a lot of nice language and good intentions on both sides. Ultimately it's not that useful as a negotiation framework. Frankly, with CTV we're trying to come up with a briefer, more succinct document that's more fundamental and ultimately more useful.

Not to disparage the CBC agreement, but it's just reflecting the changing world, especially on the rights side. The whole world of rights and licensing has become so complicated that we find a need for a framework, simply to help our members in their negotiations with broadcasters.

Mr. Jim Abbott: If we set aside for a second that consideration—the Canadiana consideration, we'll call it—does it make any difference from the point of view of the Canadian Film and Television Production Association and your subscribers, the people you answer for, where the funding, particularly public funding, may go? I'm thinking within the context of some funding being set aside and available only to the CBC, etc.

From a very myopic, very selfish perspective of your organization, does it actually make any difference?

•(1040)

Mr. Guy Mayson: I'm not sure I understand your question entirely, but we would see the CBC as having a slightly different mandate from the conventional broadcasters, and certainly the specialty broadcasters.

Our basic view on the CBC is that its production side, and in particular its acquisition side, should be properly funded to fulfill its mandate. Right now that's done through a variety of ways. CBC accesses the CTF, etc., and we support that for the moment. Our preferred view would be to look again at the CBC's role, look at what it could be doing in a changing world, and fund its programming and production capacity and its relationship with the production sector in a proper way.

So we think it comes back to the basic mandate; I think it's slightly different from the conventionals. CBC right now is in this kind of grey zone fighting for advertising and competing with the privates in that respect. Ultimately they are all competing for money at the CTF, etc.

In one way, you can say that's a healthy thing. In another way, maybe the CBC should focus more specifically on quality programming and worry a little less about audiences, worry more about quality, and then be funded properly to do it.

Mr. Jim Abbott: Your recommendations to us are more altruistic than they are mercenary.

Mr. Guy Mayson: It comes down to good public policy and how things are funded—and recognition that the CBC's role is somewhat different from the conventional sense.

Mr. Jim Abbott: Good. Thank you.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you.

Ms. Fry.

[English]

Hon. Hedy Fry: Thank you.

I want to follow up on something that Ms. Keeper asked you with regard to co-production and domestic production.

When we were in the west, I heard that many people felt that the CBC had made an agreement to put a portion of their money into doing Canadian productions. While the French CBC, Radio-Canada, etc., had done this very well, I heard that the English CBC has not done it very well. They haven't been putting as much money in. I think they had agreed to put in \$30 million a year, and that hasn't happened.

Do you have a comment on that? Is it so? We heard it from some people. I don't know if this is true or false or whatever. Radio-Canada or the French CBC do a lot of local francophone productions out of Quebec, etc. You don't see that many Canadian films shown on English CBC.

I wonder if you agree with that statement, and if so, what do you think should be done to get the CBC to start doing this? That is the first part.

The second part of the question is do you think that the CBC should shift from trying to do in-house productions and therefore, as you suggested, work with independent productions to do the same thing better and cheaper, providing that we look at the whole issue of licensing and making sure that we have fair trade practices?

Mr. Guy Mayson: The first part of your question was about feature film, is that right?

•(1045)

Hon. Hedy Fry: Yes, feature film.

Mr. Guy Mayson: Again, that is a great question. There has always been a bit of a frustration with the CBC for not doing more in the feature film area. And I know there are reasons for that. I think the current CBC management is very interested in looking at film in some ways, doing more. But the current view is that they like to focus on series since these tend to be better audience builders.

While there is a stated desire to meet their current commitments in the feature film area, there has been an ongoing frustration with CBC about doing more in the film area.

It is a great example of where there could be much greater synergy between the theatrical release of a Canadian film and its broadcast date, with the broadcaster being more involved and earlier, and promoting the film.

There is some interest at CBC in doing that, but the reality is that it's very hard to get interest in a feature film from the public broadcaster.

Hon. Hedy Fry: Can you answer me why? I find this interesting: why?

When you look at the BBC, they in fact have made a name for British film, with British talent, all around the world. They have focused a lot on British productions—British film, British actors, British writers, British directors, British producers—so the world is very aware of British talent.

CBC could have a role. Why do you think they haven't? Is it purely a funding matter?

Mr. Guy Mayson: First and foremost, it's probably a funding issue. Typically in terms of how a film is released right now, the conventional broadcast of a film could be two or three years after the theatrical release. As you know, a film will usually get a theatrical release for some time, and then specialties, pay-per-view, and ultimately some kind of DVD release.

The conventional TV release is way down the road, which is why the commitment to this has been modest. They feel that for what they're getting out of a film, they're only willing to put in a relatively small amount of money.

What is interesting is looking at the whole formula and maybe advancing it. Maybe the conventional release could be brought up much more closely to the theatrical release. There are people looking at that and thinking about it, but it's really about where they feel they get the most value for their dollar. They feel that films, and Canadian films in particular, are difficult to schedule.

Basically it goes back to the difference between the film markets in English and French Canada. French-language films do very well in Quebec. English-language films are doing better in English Canada, but they've always been seen as kind of a high-risk investment.

Going forward, I think the public broadcaster could play a much greater role in that area in a very interesting way.

[Translation]

The Vice-Chair (Mr. Maka Kotto): Thank you.

Ms. Bourgeois.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Gentlemen, I would like to come back to the question I asked earlier regarding what you said about unduly lengthy licence agreements. You answered that sometimes the agreements have too many details, some of which are too lengthy.

Does this slow down the pace of negotiations and does it take longer to produce or publish a document?

[English]

Mr. Guy Mayson: In terms of contract agreements in particular, there can be a bit of a shorthand to contracts and the licensing of products, and it can go very quickly. What you're often looking at is a kind of short-form/long-form situation, where some of the critical details of a commitment will be done relatively quickly to enable a production to move forward to secure financing.

The long-form agreement may take months. In some cases, it's a year before things are seen. It's sort of the reality of contracting and the difference between people who are green-lighting and commissioning shows, and then having to deal with the legal affairs department that wants to secure every right and make sure everything is clear.

So there's just a basic reality to that, and I think that has almost always been the case. There are ways of expediting that. Things like terms of trade will ultimately help that too; some of the critical deal points in any negotiation should be fairly transparent and clear.

• (1050)

[Translation]

Ms. Diane Bourgeois: Please tell me who should own the residuals. It is very important for you to clarify this, because of the answer that you gave.

[English]

Mr. Guy Mayson: Residuals are just something that should always.... All rights that start with the producers should be subject to negotiation in terms of any licensing of those and any kind of fair split on revenues.

[Translation]

Ms. Diane Bourgeois: What do you think of the sharing of production costs? For instance, should the producer and the broadcaster each pay one half?

[English]

Mr. Guy Mayson: Normally the costs are borne by the producer. A broadcaster will be involved—to a relatively small portion of the

budget, to 20% or 30% perhaps—but the costs are incurred and financed by the producer.

Sometimes broadcasters will get involved in an equity manner, where they take a share of the production. But generally they acquire a licence to exploit the show in a certain way, for a certain period of time, and for a certain fee, which is usually 20% to 30% of the budget—roughly, in a very general way.

[Translation]

Ms. Diane Bourgeois: This brings me to the issue of governance, which you did not raise in your brief. Do you think that the board of directors is qualified to make decisions for the Canadian Broadcasting Corporation? Do you think that it is thoroughly familiar with the various stakeholders and issues involving the CBC? Should the chief executive officer come from the board of directors, or should he be appointed by the government?

[English]

Mr. Guy Mayson: Without commenting on any of the board members or the current CEO, we like the kind of CTF board approach with board representation from the industry, industry players, and stakeholders, balanced by independent board members. So there is some knowledge of the industry, as well as some knowledge of other greater governance issues.

Again, the CEO in that case is sort of an appointment of the board. This is certainly a board structure that we endorse and like. Without commenting on the CBC's board or CEO, I would say that we prefer an industry voice at the table.

[Translation]

Ms. Diane Bourgeois: Thank you.

The Vice-Chair (Mr. Maka Kotto): Thank you, Ms. Bourgeois.

Let's wrap up the meeting with one or two questions from Mr. Fast, because there is another meeting immediately after this one.

[English]

Mr. Ed Fast: Thank you, Mr. Chair.

Thank you, and welcome back.

You made two comments, Mr. Mayson. First, you stated that the broadcasting environment has changed considerably, implying that CBC has to adapt to changing times.

You made a second statement early on that CBC's reliance on advertising revenues has forced it to compromise its role and mandate. What I didn't hear you talk about was perhaps the next step: whether the CBC should be retreating from commercialization, or whether that's there to stay.

Obviously we've had a pretty vigorous debate around this table over this issue. There has been quite a divergence of opinion. There are some witnesses who suggested that the CBC should move away from a commercial model and not rely on advertising revenues. Others have said that, no, we need to maintain that model. It's there; it's the reality of a changing environment.

In fact, I recall the witnesses from the screenwriters guild in Winnipeg, when we were there, who certainly made a strong pitch for a strengthened CBC. They made a strong pitch for additional government funding for the CBC, but they said, we don't want to give up commercial revenues because then government funding will simply replace those, and we're no further ahead.

So those are the two divergent opinions we've had to deal with. I would like you to take that extra step and tell us whether you feel the CBC should be moving away from the advertising model.

• (1055)

[Translation]

The Vice-Chair (Mr. Maka Kotto): You have one minute for your answer.

[English]

Mr. Guy Mayson: It's such a fundamental question, and it goes to the heart of what you're dealing with here, I realize.

What I would say about the CBC and the advertising issue is that it's been put in a bit of a box in terms of having to compete with the private sector for advertising. You're always going to be looking over your shoulder. Rather than focusing primarily on the quality of production and on building a strong Canadian schedule, you're going to be second-guessing all the time, thinking you've got to be maximizing revenues. And I totally understand why they're having to maximize their revenues; they need every cent they can get.

My point comes back to the need for us to have a hard look at what the CBC is doing now and what it could be doing in the future.

We firmly believe it's incredibly important as a showcase for Canadian talent and Canadian production. To us that should be the core role.

It doesn't all have to be dramatic programming, but I think it should really be all about Canada and maximizing the dollars into Canadian production. You start with that and how you fund it. Maybe we should be focusing on that, and allowing it to step back from the idea that they need audiences because they need advertising.

Mr. Ed Fast: Should we rely on advertising revenues? That's the question. Some people are saying we should get rid of the advertising. Some are saying not to, that it's there, and we need to rely on it, but we need to also enhance government funding.

[Translation]

The Vice-Chair (Mr. Maka Kotto): I am interrupting you, Mr. Mayson, because there will be another meeting here right after this one. It's time for us to vacate this room. We would be happy if you could answer Mr. Fast's last question in writing as well as provide a written response to some of the other questions we put to you this morning. If you have any supplementary answers, they will help us in our deliberations.

Thank you again for reflecting on these issues with us. We hope to see you again soon in a different context. Thank you.

The meeting is adjourned.

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