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—
Chair

Mr. Gary Schellenberger

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•(1115)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Good morning, everyone, and welcome to the Standing Committee on Canadian Heritage, meeting number 7.

Pursuant to Standing Orders 110 and 111, we are here on the order in council appointment of Hubert T. Lacroix to the position of president and chief executive officer of the Canadian Broadcasting Corporation, CBC/Radio-Canada, referred to the committee on November 19, 2007.

Welcome this morning to our witness, as an individual, Hubert T. Lacroix, designate president and chief executive officer, Canadian Broadcasting Corporation/ Radio-Canada.

Welcome, sir. We look forward to your remarks here this morning. You have the floor, sir.

[Translation]

Mr. Hubert T. Lacroix (Designate President and Chief Executive Officer, Canadian Broadcasting Corporation (CBC)/ Radio-Canada, As an Individual): Thank you very much.

Mr. Chairman, members of the committee, good morning and thank you for the opportunity to meet with you today to talk about my appointment as President and CEO to CBC/Radio-Canada.

In less than a month, I will begin what I think is one of the most fascinating jobs in Canada—leading one of our country's largest cultural institutions. It will be a great honour for me to take on this job, and please understand that I am very aware of its responsibilities and that I am ready to take them on.

Radio and television—and increasingly the Internet—are today the principal vehicles of culture in our society, and some of the best tools that we have to reach out to all Canadians. I believe that CBC/Radio-Canada is the most effective disseminator and promoter of Canadian culture that we have.

Given all the cultural influences coming from other countries, Canadians must be able to count on a strong and independent national public broadcaster which reflects their reality and their identity.

[English]

You have my résumé in front of you, I am sure. As you can see, I've been a business lawyer for many years. I was fortunate to be exposed to and to advise some of the best business persons in

Canada, people who ran multinational corporations, whose activities extended way beyond the borders of our country.

I've also had the privilege of acting as a director of public companies. Since my first board with CircoCraft in 1984, I have sat on the boards of 10 public companies, in various roles. I have also led and managed a large multi-investment private holding company. At Télémedia, I oversaw the operations of 14 different companies in radio, publishing, indoor advertising, real estate, semiconductor chips, and wireless services.

I have thus helped companies, both private and public, navigate through and compete successfully in rapidly changing business environments. I have seen patterns, threats, and challenges. I have moved management teams to face those threats, and often see them as opportunities. I have built teams. I have led teams of individuals with great abilities.

These are the skills today that I bring to our public broadcaster.

[Translation]

But, Mr. Chairman, my job is not to create programs. As I am sure you are aware, Richard Stursberg and Sylvain Lafrance are responsible at CBC/Radio-Canada for leading very talented teams of programmers working throughout the Corporation.

I believe that my job is to direct and manage; to develop an environment where our employees can be as creative as possible. My job is to understand the media industry; to identify new trends; to be familiar with how programming is being consumed and financed; to pursue strategic alliances; and to find new sources of income. If I do that successfully, the Corporation will have the tools and motivation to continue making programming that is relevant and compelling.

Like most Canadians, I have lived my whole life with CBC/Radio-Canada. I grew up with *Bobino et Bobinette*; then a few minutes of *La Boîte à Surprise* before my mother kicked me upstairs to do my homework.

I also followed hockey religiously and got to understand and appreciate the game through the eyes and voices of Danny Gallivan, Dick Irvin and René Lecavalier. When I was older, *The National*, *Le téléjournal* and *Le Point* became my key sources of information.

[English]

And then later on, Ross Porter introduced me to jazz and turned me into a fan.

[Translation]

Later, when I actually worked for Radio-Canada—as a basketball commentator on Télévision de Radio-Canada for three Olympics and as a reporter for the weekly program, *Hebdo-sports*, on Radio de Radio-Canada—I came to admire the dedication of the people at this Corporation.

[English]

Each person on the team, from those who put up the sets to the technicians in the studio, to the producers, to the people on air, every one and all of them were always committed to excellence, to creating the best show possible every time, all the time. I really liked that attitude.

When I was deciding whether to accept this job, I met with a couple of CBC/Radio-Canada senior executives and with the chairman of the board. I saw again that same incredible passion for excellence that I had seen in the studio. I've heard more of it over the past weeks as I've travelled a bit and talked with employees of the corporation. I've been listening to their views and their ideas about the challenges that lie ahead. My intention is pursue this dialogue with employees, stakeholders, and key business leaders across the country to better understand how they view CBC/Radio-Canada so that I can accomplish my mandate with maximum effectiveness and momentum.

I am very aware of your commitment to Canadian culture and your ongoing interest in CBC/Radio-Canada, including your current review of its mandate. That's why I am very much looking forward to your report, which will give added substance and direction to my mandate. I'm also eager to meet with you often during my term to hear what you think of the job we are doing.

I understand also that CBC/Radio-Canada is above all a creative organization. It must take risks and evolve continuously, and it has obviously a special role to play in the life of this country. But like any large corporation, it also has to take care of its employees, balance its budget, finance its programming, and deliver value to Canadians.

In this job, I will always ask the tough questions: Does this fit into our mandate? What are our strengths? What can we do better? Are people watching? Are people listening? Are people using our services? If so, why? If not, why not? And is what we are doing adding value to CBC/Radio-Canada?

● (1120)

[Translation]

I believe that in order for CBC/Radio-Canada to fulfil its mandate, there must be great creativity and good management—never one at the expense of the other.

Like me, you know that there are tremendous changes transforming the broadcasting environment right now. To succeed in this context, CBC/Radio-Canada must continue to be creative and must employ audacious strategies.

My skills, together with the tremendous talents of the management team that Robert Rabinovitch brought together, and thanks to the

devotion of the Corporation's employees, will help ensure that the national public broadcaster thrives in this new environment.

[English]

Mr. Chairman, I would be pleased now to answer any questions you might have.

The Chair: Thank you very much for that presentation.

Our first question today will come from Mr. Bélanger.

[Translation]

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

Thank you, Mr. Lacroix, and welcome. I realize that we probably belong to the same generation because I also watched *Bobino et Bobinette* and *La Boîte à Surprise*. I was very disappointed when Radio-Canada dropped *La Soirée du hockey*. I also had the pleasure of watching *Les Couche-Tard* from time to time, with Jacques Normand and Roger Baulu.

Mr. Lacroix, in your presentation, you talked about assessing the threats and challenges facing CBC/Radio-Canada. Quite quickly, because I'd like to go back to two or three other points, tell us what those threats are, in your view.

Mr. Hubert T. Lacroix: As you know, I will take up my position on January 2, but I can tell you about the main threats that I see right now.

First, CBC/Radio-Canada's business environment has changed a great deal. There is significant consolidation in the financial markets, and the people and companies with which the corporation does business, works and competes have financial assets and can use their lines of credit, their balance sheets, to do things that it can't do. So there's obviously a question of strategic planning underlying that financing.

Second, our audience in Canada is changing considerably. The population is aging, urbanizing and diversifying to a great extent. There is constant talk of multiculturalism. Programming has to follow developments in Canada.

Those are the first two challenges we'll be facing, Mr. Bélanger.

Hon. Mauril Bélanger: I didn't see the exact words I was looking for, but the message seems to be the one I want to hear, and that is that, when you become President of CBC/Radio-Canada, you will state categorically that you will tirelessly support the necessity and promotion of a public broadcaster.

Am I putting words in your mouth, or are you prepared to make such a statement?

● (1125)

Mr. Hubert T. Lacroix: I wouldn't have accepted the offer to work at Radio-Canada if I was not convinced of that. I think that CBC/Radio-Canada plays a very important role. If we dilute the public broadcaster in any way or break it up by withdrawing opportunities for action, we would strike at the very substance of Canada's culture.

Hon. Mauril Bélanger: A number of us in the Parliament of Canada feel that Canadian culture and content are necessary and need to be protected.

Do you agree?

Mr. Hubert T. Lacroix: Absolutely. That's part of the mandate conferred on us under the act. We need strong Canadian content. There's no doubt about that.

Hon. Mauril Bélanger: In your view, what resources should be used to preserve that Canadian content?

Mr. Hubert T. Lacroix: I'll be starting on January 2, Mr. Bélanger. I can't wait to sit down with the management team and to see what tools are in place. I am anxious to see the strategies it has developed. I'll be much more in a position to answer your question when I reappear before the committee.

[English]

Hon. Mauril Bélanger: Do I have a bit more time?

The Chair: You have more time, yes.

[Translation]

Hon. Mauril Bélanger: In your presentation, you said that one of the things you wanted to do was to build strategic alliances. I quote: "[...] and to find new sources of revenue."

Does that mean that you would abandon all hope of increasing current revenue sources?

Mr. Hubert T. Lacroix: Absolutely not. I'm very much aware of the mandate review you are conducting. I am also familiar with the presentations that have been made to you. Obviously, I'll be coming back to see you often to talk to you about our projects. I hope you will support them so that all funding resources are put at the Corporation's disposal and that they enable it to continue playing its role.

[English]

Hon. Mauril Bélanger: *D'accord.*

Would you envisage in any circumstances the privatization of any of the units of CBC/Radio-Canada—television, radio...?

Mr. Hubert T. Lacroix: It's not the mandate I have right now. The mandate I have is clearly to continue doing what the act says we should be doing: compelling programming, making sure we connect Canadians together. That is where I'm going to start analyzing this company.

Hon. Mauril Bélanger: The only portion of the answer that disquiets me a little bit is that "it's not the mandate" you currently have. If such a mandate were to be put before you, what would your reaction be?

Mr. Ed Fast (Abbotsford, CPC): A point of order, Mr. Chair.

Mr. Lacroix is appearing before us under Standing Orders 110 and 111, and the focus of this meeting is to establish his qualifications; that's very clear under those two sections of the Standing Orders. What Mr. Bélanger is asking the witness to do is speculate on what he might do in the future. It's a hypothetical question. It's inappropriate within the context of this hearing, Mr. Chair.

The Chair: Okay.

Mr. Bélanger.

Hon. Mauril Bélanger: The nature of the discussion today is to also determine the qualifications and the mindset of the person who would be asked to preside over the single largest cultural institution in this country. At some point, we may have to ask hypothetical questions, and if he chooses not to answer, that's fine. But I don't believe we should be precluding the members of this committee asking such questions, because they may be very important.

The Chair: Right now, I think what we'll do is carry on with the questioning. We'll stick to the qualifications. Those particular items I think are hypothetical right now. We're in a study, and to that extent we're putting things forward. I have not seen anything like that in our study.

Hon. Mauril Bélanger: Mr. Chairman, it's not hypothetical, in the sense that the parliamentary secretary to the Minister of Canadian Heritage, in a minority report, has recommended, on behalf of his party at the time, the privatization of CBC television. It is in that sense not very hypothetical.

Let me rephrase my question. How, Mr. Lacroix, do you react to the minority report presented by Mr. Abbott on behalf of the Alliance or Reform Party about the privatization of CBC television?

Mr. Ed Fast: A point of order, Mr. Chair.

The Chair: I'm going to rule that question out of order. I don't think any minority reports that were done previously have relevance here today.

We'll carry on to Ms. Mourani.

● (1130)

[Translation]

Mrs. Maria Mourani (Ahuntsic, BQ): I have a point of order.

My colleague Mr. Bélanger is somewhat right. We must understand the values that Mr. Lacroix intends to bring to the Corporation. I have some questions to ask him. If I can't do that, there's no point in us being here. Mr. Lacroix has a very strong CV and we could talk about it for hours, but we must go beyond that, Mr. Chair.

[English]

The Chair: I think we can talk about history, and that's what we're into here: history. I think what we want to talk about is going forward with the CBC, where we stand today, and where those questions go.

I would suggest that we talk about the qualifications of Mr. Lacroix and go on from there.

What are your questions for Mr. Lacroix, please?

[Translation]

Mrs. Maria Mourani: Very well. Mr. Chair, I would like my time to be considered as starting now, please.

This is December 6. So I would like to take the opportunity before us to point out that today is the National Day of Remembrance and Action on Violence Against Women, which is a major event in Quebec and Canada.

I also wanted to note a second major event in Quebec: the Grande guignolée des médias fund-raising drive against poverty. Those two major events are taking place at the same time in Quebec today.

Good morning, Mr. Lacroix. I'd like to tell you that you have a very good, very substantial CV. I thought I was a very busy woman, but I also think you are a very busy man.

Do you intend to give up some duties and devote yourself entirely to CBC/Radio-Canada, or are you going to retain your other duties? Wouldn't that be too much?

Mr. Hubert T. Lacroix: I of course intend to withdraw from my present duties. I put a lot of effort into that in the days after my appointment was announced. I will continue to sit on two boards that do not conflict in any way with the business of CBC/Radio-Canada. I will devote myself body and soul to your public broadcaster.

Mrs. Maria Mourani: What are those two boards?

Mr. Hubert T. Lacroix: One is that of Fonds SFL Pâte, a business that produces pulp, and the other is a Kanata company, Zarlink Semiconductor.

Mrs. Maria Mourani: My second question concerns transparency.

I know that, when Mr. Rabinovitch was in the position, it was he who signed the applications for acceptance or rejection of access to information requests. VIA Rail developed a type of transparency that consisted in a committee that discussed access to information issues.

Will you continue using CBC/Radio-Canada's current method, whereby the director himself decides whether or not to grant access to information, or do you think you will, like VIA Rail, set up a separate committee responsible for examining access to information requests, which would facilitate CBC/Radio-Canada's transparency?

Mr. Hubert T. Lacroix: Madam, I don't yet know the details of the process used for making these requests. As you know, I won't be starting until January 2. I very much believe in transparency, and I'm going to ensure that the process put in place guarantees that those requests receive all the attention they deserve.

Mrs. Maria Mourani: Do you feel that should go through you, or are you open to any eventuality?

Mr. Hubert T. Lacroix: I'm going to listen to the advice of the management team to see the best way to answer those questions in the most transparent and quickest way possible.

Mrs. Maria Mourani: All right. I have another question.

Do I have time, Mr. Chair?

[English]

The Chair: Yes, you have one and a half minutes.

[Translation]

Mrs. Maria Mourani: It concerns employee relations.

In recent years, there has been a lot of action in this area at CBC/Radio-Canada, lock-outs and so on. How do you view employer-employee relations?

Are you in favour of dialogue, or in favour of power relationships? What is your method?

•(1135)

Mr. Hubert T. Lacroix: Employees should definitely be the businesses's main priority because it relies on the creativity and quality of its programming, which is its main product and spearhead.

Mrs. Maria Mourani: How do you view that?

Mr. Hubert T. Lacroix: I see harmonious labour relations, an attempt to take a closer look at everyone's concerns. People have to be happy to get up in the morning and go to work at the Corporation. I consider with a great deal of pleasure any attempt that we make together to provide our employees with a creative work environment every day.

[English]

Mrs. Maria Mourani: No more?

[Translation]

We'll come back to that.

Thank you, Mr. Lacroix.

[English]

The Chair: Thank you.

Mr. Siksay.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Chair.

Congratulations on your appointment, Mr. Lacroix, and best wishes as you take on these important responsibilities.

Mr. Lacroix, how did you come to get this job? Did you apply? Did you see the ad in the newspaper and send in a résumé? Were you headhunted? How did that happen for you?

Mr. Hubert T. Lacroix: I did not apply for this job; I got a call from a headhunter and I was asked whether I was interested. It was the second time this headhunter had actually called me to seek out any interest I might have for this position, and that was about in June of 2007.

This headhunter came back to me a couple of times and said, "Are you sure? Are you interested? Would you like to put your name forward? We think this is a job that you would have an interest in and some qualifications for." I asked a few questions, met with the headhunter, and this then became.... After this meeting I said, yes, all right, put my name in, and I was then part of a selection process—a very professionally run selection process, actually, which is what I'm used to in the businesses I've seen. The selection process was chaired by the chairman of the board of CBC/Radio-Canada. I went to a first interview and then to a second interview. After the first interview I assumed they had a long list, or a list, of people who they spoke to, and I was brought down the list to a second list, a shorter list, and then made it through the second interviews and got an offer.

Mr. Bill Siksay: Okay.

Mr. Lacroix, when you talk about mandate—you've mentioned it a couple of times in your opening statement and in questions—do you have a formal mandate? Have you been given formal direction? Is there a mandate letter that you have been given? How formal is the mandate you have been given as the incoming president of CBC/Radio-Canada?

Mr. Hubert T. Lacroix: The mandate that I know I have is not a mandate that was given to me; it's the mandate that comes directly from the act, and it's very clear: the job I am taking on is a job where the public broadcaster informs, enlightens, and entertains Canadians, and to do that will put together compelling programming—and the act is very clear again—and will use all of its resources to make sure it's available to the greatest number of Canadians. That's the mandate that I know I am taking on January 2.

Mr. Bill Siksay: No one has given you any particular directives or given you a direction?

Mr. Hubert T. Lacroix: Absolutely not.

Mr. Bill Siksay: Okay.

Your background I guess is more in commercial broadcasting than in public broadcasting. You've talked a lot about the need to ensure creativity while balancing that with budgetary considerations, financial considerations, and other considerations. Do you see a difference between the way a commercial broadcaster and a public broadcaster would face the issues of creativity and risk taking?

Mr. Hubert T. Lacroix: A private broadcaster has luxuries that CBC/Radio-Canada doesn't have. It has—and I alluded to that a few seconds ago—a balance sheet that it can do some things with. It can take risks that are far more encompassing. It's like in a venture company where out of 10 investments you will have two investments that will bear fruit. This flexibility doesn't exist with Radio-Canada as much as I think it exists in a private broadcaster.

So in terms of management, I can't see why it can't be as efficient in a private company context as in a public company context.

Mr. Bill Siksay: At the same time, we have public broadcasters around the world that are known for their creativity and the high quality of their programming, and they function within the same kind of context. How would a public broadcaster find those luxuries that you talk about, that commercial broadcasters have?

• (1140)

Mr. Hubert T. Lacroix: I think flexibility starts with being able to see funding stabilized over more than 12-month periods. I think if you do any kind of strategic planning, it has to sit on a strong financial base. I think that's where it starts.

From there, creativity flows. Obviously, creativity is at the centre of what this company does every day. This is why CBC/Radio-Canada is so good at what it does.

Mr. Bill Siksay: CBC/Radio-Canada, in terms of a public broadcaster, is way down at the bottom in terms of per capita contributions by the citizens of this country to its financial success. Is that something that you think needs to change, or is it something that concerns you?

Mr. Hubert T. Lacroix: I'm very well aware of Mr. Rabinovitch and his team's numerous presentations here, and most recently again, to try to help certain aspects of its mandate—for instance, the envelopes that have been requested on extending the regionalization issues. I think that is very important in what CBC/Radio-Canada is trying to do. So in all, again, we must try to ensure stability in financing going forward.

Mr. Bill Siksay: Is my time done?

The Chair: Yes, you went a little over time.

Mr. Bill Siksay: Thank you, Mr. Lacroix.

The Chair: Mr. Brown.

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

Congratulations, Mr. Lacroix, on your appointment.

You've had a very long and successful career, which has brought you to the place you are now. Looking back over the last 30 years, what do you believe your experience will bring to the position?

Mr. Hubert T. Lacroix: As I told you in my opening remarks, sir, in the different positions that I have held, I've actually worked with a lot of great teams, I have built teams, and I have focused my efforts on trying to help these companies strategically plan, take care of their employees, and get the financing they need to be able to meet the goals they've set. This is what I've been doing for a very long time, and these are the skills that I think I bring today.

Mr. Gord Brown: Tell us a bit more about the experience you've had with the CBC in the past.

Mr. Hubert T. Lacroix: In what regard do you mean?

Mr. Gord Brown: You've worked with the CBC. Tell us a bit more about that, how that experience went and what you learned from that about the CBC.

Mr. Hubert T. Lacroix: Oh, yes.

I was involved in basketball for a long time, and as a basketball person, I was asked to be the colour commentator. I went to three Olympic games for the CBC as a radio commentator in 1984, 1988, and 1996. I worked for the French radio network and then for the French radio and TV networks over that time. Then I was a regular collaborator on a Saturday evening sports show that *la radio française* had, which was called *Hebdo-Sport*. As I told you, that's when I saw the quality of the people in the studios, and the technicians, and what great things they did with my stuff when I brought it in, when I thought it wasn't very good. They just made magic with it. I have first-hand experience in seeing how good these people are.

Mr. Gord Brown: When you first found out that you were going to get this position, what kind of feedback did you get from your friends and colleagues and family? What did they have to say about it? I'm sure they had a few viewpoints on the CBC.

Mr. Hubert T. Lacroix: What's absolutely amazing about this position is that everybody has an opinion on CBC/Radio-Canada—everyone. I think I've received 600 or 700 e-mails from all sorts of friends and people. They always say, “Congratulations”, and then, “You know what, here's what I think of this.” They ask, “What's happening with that program?”, and “Are you going to do something with this?” That's the feedback I'm getting right now.

Mr. Gord Brown: Can you share with us what stood out to you the most from that feedback?

Mr. Hubert T. Lacroix: People care. They really care about CBC/Radio-Canada.

They also understand that a person with a business background... *Grâce à* Philippe de Gaspé Beaubien, I was involved, as you know, at Télémedia. I really found the industry fascinating. Because of it, I now have the opportunity to end up in the position that I'll be starting on January 2, which is absolutely awesome.

So people get that. People understand that CBC/Radio-Canada has a real role to play in Canada.

Mr. Gord Brown: A CEO always receives some criticism. Tell me, how do you respond to those who are uncertain about your appointment?

Mr. Hubert T. Lacroix: I tell them that I respect those views.

It is very polarized. People have very strong views about CBC/Radio-Canada. There's no grey about this. They either love the corporation and what it does or they have issues with funding, or they have issues with the role it plays.

I'm a convinced person: I am fan of CBC/Radio-Canada. And I tell that to everybody who questions why I'm doing this.

• (1145)

Mr. Gord Brown: Let me quote from your presentation:

Like me, you know that there are tremendous changes transforming the broadcasting environment right now. To succeed in this context, CBC/Radio-Canada must continue to be creative and must employ audacious strategies.

Tell me a little bit more about how you see yourself employing "audacious strategies".

Mr. Hubert T. Lacroix: Let me tell you that when I started getting involved in the broadcasting business at Télémedia, we had a radio company. The only issue we had was trying to get market share from somebody else in the country. We didn't have to fight the Internet. We didn't have to fight people downloading stuff at different times.

This is a very challenging environment right now because of what the new platforms and the new technologies bring to the business environment we're in. That's the challenge.

The Chair: We're pretty close, Mr. Brown, so thank you very much for that.

Mr. Scott.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much, Mr. Chair.

I would add my congratulations and best wishes, Monsieur Lacroix, on your appointment.

I would like to explore the reference you made in your opening statement to "strategic alliances" and finding "new sources of revenue".

I think I'd like you to elaborate on that. Would you consider selling off parts of CBC as a new source of revenue?

Mr. Ed Fast: On a point of order, Mr. Chair, again we're getting into speculation.

Hon. Andy Scott: It's in his speech.

Mr. Ed Fast: This has nothing to do with—

The Chair: On this, I think the question can be answered.

Mr. Ed Fast: Mr. Chair, I'd like to elaborate on my point of order.

He has referred to an item in the speech that doesn't address the issue of privatizing the CBC.

Mr. Scott, what you're asking him to do is to comment or speculate on what he might do in the future. If you look at Standing Orders 110 and 111, they specifically say that the job of this committee is to examine the qualifications and competence of the appointee or nominee.

Mr. Chair, I ask you to apply the rules we have, the Standing Orders of the House of Commons. This is a limited review of an appointee.

The Chair: I'm going to have a little chat with my clerk for one second....

All right. I'm going to let the question stand.

I think we'll ask Mr. Lacroix to answer.

Mr. Hubert T. Lacroix: Actually, I'm very happy to answer this question.

I just want to tell you that I didn't take this job to privatize services. I took this job because it's a company that has to deliver all sorts of programming on a whole bunch of platforms.

So we're not going to do this. That's not the purpose of the job I took. My job is to clearly continue doing what we do well—maximize the efficiency, focus on programming, make sure we deliver it on all platforms that exist today, and make sure we are also at the technical edge of what's coming around.

People look to CBC/Radio-Canada to be that and we will be that. At the end of the day, we'll be very compelling and relevant to all Canadians.

Hon. Andy Scott: I'm reassured by that.

Thank you, Mr. Chair, for allowing the question to be put so we could be reassured.

When you spoke of new sources of revenue—and this not being one—what were you thinking of when you included this reference in your presentation? What kinds of new sources of revenue did you mean?

Mr. Hubert T. Lacroix: New sources of revenue, for me, involve any strategic alliance—and that is why these words are in the same sentence, or just about—that allow CBC, through a partnership or a different way of doing things, to maximize the quality of its assets and the alliances it has, thereby making sure it increases its cashflow to be ploughed back into programming.

I look forward to sitting down with the management team and to sitting down with Madame Charbonneau, who's a great CFO and whom I've had the pleasure of meeting.

That's where we're going.

• (1150)

Hon. Andy Scott: Generally, the witnesses who appeared before the committee when we were undertaking the review identified significant funding shortfalls for new media, for regional programming, and for drama, particularly English drama. Would you see a possible source of revenue as an increase in the appropriation from the Government of Canada?

Mr. Hubert T. Lacroix: You've seen the management team of CBC/Radio-Canada in front of you many times. I think Mr. Rabinovitch's first concern was making sure the management of this company was something everybody would be proud of. Once the house were in order, which I understand it is now, then coming back here to share with this committee some of the concerns and issues we have, and making sure you endorse some of the projects we have, is surely one of the ways to make sure we have all the revenues we need.

Hon. Andy Scott: On the Radio-Canada side, we had a lot of interventions from francophone communities outside of Quebec about the need for their communities to be reflected.

[*Translation*]

I come from New Brunswick. The Acadian population
[*English*]

would say the same thing.

Have you got your mind around that and the role of Radio-Canada as it relates to that particular series or group of communities?

Mr. Hubert T. Lacroix: On regionalization, I know you've read the Broadcasting Act, of which a very important part states what Radio-Canada should be doing. If you look at the stated objectives of CBC/Radio-Canada in its plan for 2007-2011, regionalization is also very clearly stated as an objective and a priority for the corporation.

I know you've received presentations trying to increase the dollar envelopes for regionalization. I think you understand this is a priority for the company, and I understand these priorities and will be supporting them strongly.

The Chair: Thank you.

I think we've come to an end there. I gave you a little extra time because we had the decision to make.

Mr. Malo, please.

[*Translation*]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Thank you, Mr. Chair.

Good morning, Mr. Lacroix. Thank you for being with us.

I believe you when you say your role is not to privatize. You take the broader view. You are a mergers and acquisitions expert. You want businesses to grow and develop in a satisfactory manner in a competitive environment. I like that.

In addition, I see in your CV that you are a basketball man. So I don't need to convince you that the Corporation must play an increasing role in a world where obesity rates are reaching frightening levels. The Corporation must indeed play a more active role in promoting healthy living habits.

Am I wrong?

Mr. Hubert T. Lacroix: You're talking to someone who has worked in the circle of Philippe de Gaspé Beaubien, the man who started ParticipACTION, and who sits on the Lucie and André Chagnon Foundation. You know Mr. Chagnon's interest in the obesity problem and in fitness, for all kinds of reasons. You are absolutely right when you describe me in those terms.

Mr. Luc Malo: Mr. Lacroix, to use a Radio-Canada television expression, I'm now going to ask you the killer question: will we be seeing Saturday night NHL hockey on Radio-Canada again?

Mr. Hubert T. Lacroix: I haven't yet taken up my position, but, like you, I read the newspapers in June when RDS reached an agreement with the NHL to rebroadcast its games. From what I read in the papers, that agreement will last five years. I assume there was a proper competition and that RDS won it.

Consequently, I don't think there'll be NHL hockey on Radio-Canada on Saturday night. I would like there to be. When the contract is up for negotiation again, I'm convinced that the Radio-Canada people will be there.

Mr. Luc Malo: So that's the question that killed.

Mr. Hubert T. Lacroix: Indeed.

Mr. Luc Malo: I see in your CV that, unlike your predecessor, you have a certain amount of experience in public network administration. Will that affect your way of doing things? Will you be more of a private sector officer or a person in the service of the public? In your opinion, what are the significant and fundamental differences between the public network and television, on the one hand, and the private network and television, on the other?

• (1155)

Mr. Hubert T. Lacroix: My role will be to direct the business and ensure that people like Sylvain Lafrance and Richard Strusberg, who have programming talent, and the teams set up by those two businessmen, can do their jobs and deliver good programming. For me, the strategic orientation will mainly consist in supporting the work of the entire CBC/Radio-Canada team, the result of which it will be possible to see on the airwaves and on the Web every day.

As for the difference between a public service and a private service, I see none as regards the way in which the business is managed. It's not because it's public that measures should be less numerous or significant, or that we don't have an obligation to ensure that every action taken can be monitored. So with regard to management, there's no doubt in my mind. In any case, I'm convinced, in light of what I see, that that's what is going on right now, sir.

Mr. Luc Malo: But apart from management, are there any differences between public and private networks?

Mr. Hubert T. Lacroix: Of course. The mandate under the act suggests that CBC/Radio-Canada should do much more than the private network where I worked. At Télémedia, there weren't any major cultural measures. The prevailing measures were very commercial and turned on a single concern, whether we were able to increase our market share. CBC/Radio-Canada does much more than that.

Mr. Luc Malo: Have you responded to all those people who have made comments to you on how CBC/Radio-Canada should operate?

Mr. Hubert T. Lacroix: The answer is yes. I've personally answered each of the e-mails that have been sent to me and to each, or nearly so, of the letters that I've received. Can I give my impressions of the comments that these people have made about programming? Absolutely not.

Mr. Luc Malo: Did CBC/Radio-Canada employees write to you?

Mr. Hubert T. Lacroix: I mainly worked in the field of sports. However, a number of people from the Corporation were kind enough to send me all kinds of nice letters welcoming me. People from a number of sectors and networks also welcomed me, which I very much appreciated.

[English]

The Chair: Thank you.

We now switch over to Mr. Batters, please.

Mr. Dave Batters (Palliser, CPC): Thank you very much, Mr. Chair.

Welcome, Mr. Lacroix. Congratulations on your appointment.

Mr. Lacroix, you don't come into this job with a blank slate. I'm sure you've done your homework. As someone who already has a high degree of knowledge about CBC and Radio-Canada, I'm going to ask you a few questions.

What problem areas, if any, have you already identified in your mind, or what issues have you already identified that you'll be looking into, ready to act on when you assume your new role? As a corollary to that, what management techniques and experience from your past will you draw upon, or think you'll be relying on most, when you take up your new post?

Mr. Hubert T. Lacroix: Let's go with the question with respect to the challenges before the CBC, and then I'll tell you how I think management techniques, or what I've done before, can help.

A few minutes ago, I think the first question somebody asked me was what risks I saw right now in the environment that Radio-Canada is playing in. I think I'll come back to those, because they are very, very key.

Radio-Canada is facing a consolidation in the industry. Right now five or six consolidated companies, or five or six families, are ruining.... No, not ruining, but ruling.... Sorry. Wow!

Some hon. members: Oh, oh!

Mr. Hubert T. Lacroix: This could come back and haunt me!

Some hon. members: Oh, oh!

Mr. Hubert T. Lacroix: They are ruling the media and the broadcast industry. That is a fact. They are powerful now and have brands and services that extend way beyond only one aspect of what they do.

[Translation]

We're talking about the principle of convergence here.

[English]

I mean, everybody now has picked it up and is doing that, and Radio-Canada is also. But it doesn't have the financial means to fight against these companies on a daily basis, so it has to be very strategic. It has an important mandate in the law. It has to provide wide services to a whole bunch of people across the country on different platforms. That's a challenge. The environment in which it plays also plays to a different public. We talked about that a few minutes ago. That's changing also.

I think those are the key challenges. I'll come back to them, and I'll say those again, because I think they're top of mind to me right now.

With respect to management techniques, I really believe in teams. I'm adding my skills to a very strong team. Robert Rabinovitch did this well. People right now—and pardon my clichés, because I'm a sports person, and yes, I have been affected by sports—are very deep at all positions. It's a very good management team, so I'm not doing this by myself. I'm going to work with this team, and because I've been in teams all my life, and I've been a coach all my life, I think this fits well.

•(1200)

Mr. Dave Batters: That's excellent. I'm going to ask my question another way, and it will be a two-part question, again.

What aspects, specifically, of the CBC and within the CBC do you hope to improve upon as the CEO? Then I'll ask you the flip side. Which of CBC's current strengths do you intend to or do you anticipate building upon in the coming years?

So I want you to focus specifically on the organization. What aspects do you hope to, first of all, improve upon, and then what strengths will you build upon?

Mr. Hubert T. Lacroix: I don't want to duck the question, sir, but I start on January 2, and I need time. I need to listen. I need to understand the organization, and I will be happy to share with you where I'm going the next time I have the great opportunity of sitting down with you.

Mr. Dave Batters: You've taken on, though, a very important role in this country, and you have significant experience in this industry. I started my comments today by saying that you don't come into this job with a blank slate. You must have some—maybe you're going to say that you don't—preconceived notion of the organization you're going into and what challenges maybe exist within the organization and what strengths you can improve upon.

The pat answer for you, I guess, would be that you're going to wait until you get there, but I'm going to ask you right now, before you go into that job, because that's why we're here today. Otherwise, frankly, we should be having this discussion in January. Right now, based on your thoughts and your experience, what things do you think need improving upon?

Mr. Hubert T. Lacroix: Mr. Batters, the most important thing I think I don't want to do right now is walk into that organization with preconceived notions, because that would be a very important management mistake. I'm going to listen. I'm going to assess this corporation. I'm coming in with an open mind. I have the opportunity of having no baggage, and my job will be to quickly assess this and to connect my own priorities with the priorities of the company.

Mr. Dave Batters: So right now, as we speak, sir—

The Chair: Mr. Batters, you're already over time now. Maybe you can split some time in the next round with someone.

Mr. Dave Batters: Sure thing. Thanks, Mr. Chair.

The Chair: We now switch to Mr. Scarpaleggia, please.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): I think it's Ms. Fry, actually, who's third on the list.

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

It's not easy to sit here with a whole bunch of people throwing questions at you all the time.

I wanted to focus on a couple of things you actually did say in your presentation. You said that you do not see it as your job to interfere in programming, but to manage and to direct. Obviously you see it as more than simply managing; you see it as directing. In order to direct, therefore, you must have a vision, so I wanted to ask you about that vision.

We heard that the CBC faces some huge challenges. One is infrastructure, and that includes transmitters for CBC radio to have a broader reach into the regions. That ties into the second challenge, which is regionalism. How does the CBC represent the regions effectively? To do that ties into your second point, which was about revenue. These all depend on each other—the ability to be regional, the ability to have that reach, the ability to face the infrastructure problems with regard to digitalization and transmitters, etc. Those all require funds.

You talked about alliances, and alliances always come with a string. No alliance comes along and says, "Here we are, we're just going to do good." Do you believe that alliances would threaten CBC's autonomy, mandate, etc.? Do you see further commercialization of CBC in order to give it the revenue it needs devaluing or enhancing CBC's mandate? That's a question you have to ask as you seek alliances and as you seek money.

Finally, with regard to regionalization, how do you see regionalization occurring with the current fiscal structure at the moment? You talked about multiculturalism, but you talked about not interfering in programming. How do you see CBC being relevant to the multicultural nature of this country without dealing with the programming aspects of it?

I know there are about three questions I asked you in that.

Thank you.

• (1205)

Mr. Hubert T. Lacroix: I hope I've got them all down. If I don't, please come back to me.

I've done business transactions all my life. Yes, two people will not work together unless there's something in both parties' wishes to do a deal. I can't see why these transactions cannot benefit CBC/Radio-Canada in the way they are structured, and I can't see why they would attack the autonomy of the public broadcaster. In a situation like this, we're going to take them one at a time and see how they go, but it is something in the backdrop that we have to be concerned about and aware of at all times when we negotiate. There's no issue there.

Let's go to regionalization. I understand it is very important. It's important in what I've read so far.

Remember, I'm only starting January 2. Right now, I'm ramping up and reading a lot about the presentations that have been made in front of you. I understand the importance of regionalization. I understand why the envelopes that were suggested to you—the two envelopes of \$25 million—were on the table. I think it's really important to get Canadians to hear and to listen to CBC/Radio-Canada as quickly as possible. It's a priority in the current management team and a priority that I will make mine.

You talked about commercialization and sources of revenue and how I will make sure we have all the dollars we need—

Hon. Hedy Fry: While maintaining the mandate.

Mr. Hubert T. Lacroix: Yes, while maintaining the mandate.

Well, it's a question of choices and of priorities. It's something every single business company has on a daily basis, because they don't have limitless funds. Right now, what you're looking at are the choices within the framework of the funding; this is what CBC/Radio-Canada has right now. When I said I'm not going to interfere in programming, I mean programming is among the direct reports that come up to the president and CEO, so obviously I will listen, I will hear, and I will intervene. Remember, I'm one of 32 million Canadians who has something to say about programming.

Hon. Hedy Fry: There are two components you didn't quite answer. The first one was whether you saw further commercialization as enhancing or in fact devaluing CBC's mandate. The second one was about your vision, because to direct, you have to have a vision.

Mr. Hubert T. Lacroix: I have a very strong vision. Maybe I didn't hint at that as strongly as I thought I had at the beginning. Let me give you the vision again. I took this job because I really think that CBC/Radio-Canada plays a role in the lives of Canadians on a daily basis.

It played a role in my life. I told you that these stories about Bobino and Bobinette are how culture starts. These are the experiences I lived as a Canadian, and this is how I became what I am today, 52 years later, from exposure to different things, to music, to books. This is what culture is all about, and CBC/Radio-Canada is the *conduit* that allows, and the forum that allows, all Canadians to be exposed to this and that enriches the democratic and cultural lives of all Canadians. I believe this. You've heard it from my predecessors in front of this committee. I believe that; it's why I took this job.

That's my vision.

The Chair: Thank you for that. We will move now to Mr. Fast.

Mr. Ed Fast: Thank you, Mr. Chair, and thank you, Mr. Lacroix, for appearing before us.

It is very clear from the testimony we've heard so far that you're well on your way to preparing yourself for this very important post, and I welcome you to this very important Canadian institution.

Getting back to the whole issue of qualifications and what you've done to make yourself ready for this job, have you had a chance to familiarize yourself with the current culture and direction within CBC?

• (1210)

Mr. Hubert T. Lacroix: In terms of business culture? Is that your question?

Mr. Ed Fast: Not necessarily business, but more of the creative culture and also the direction the current creative culture within the CBC is moving in.

Mr. Hubert T. Lacroix: All right. I understand the question.

I had the pleasure of meeting Sylvain Lafrance. I have had the pleasure of sitting down so far with Richard Stursberg. We have done it a couple of times, a couple of debriefs. We're starting that.

Remember, I'm kind of cheating because right now I'm still doing, or supposed to be doing, what I'm doing as a person, not a CBC person yet. So I am giving as much time as I can to that.

I had the pleasure yesterday of sitting down with the executive director of the English radio services, Jennifer McGuire, who just blew me away with her intensity and her vision. I think this is what I'm doing right now.

In terms of the culture of the place, the creative people and where they want to go, I'm starting to meet them as I go along.

Mr. Ed Fast: That's good to hear.

In terms of what opportunities are out there in the world that we can learn from and apply here in Canada, have you had your chance to familiarize yourself with some of the other public broadcasters around the world, such as BBC and PBS, and are you prepared to take those experiences into account in building a stronger CBC?

Mr. Hubert T. Lacroix: Absolutely. I know that CBC and Radio-Canada and its management team have been looking at best practices. This is what we do in private practice and this is what we do in private companies. We look at best practices. We compare. We benchmark with other companies.

I know they've looked at the BBC. There are in-depth reports that have been made as we reflect on what the other great broadcasters in the world are doing. It is something that we absolutely have to take into consideration when we develop our own vision and our own products.

Mr. Ed Fast: You're well aware of the fact that we're undertaking a CBC mandate review. It's actually a review of a public broadcaster in Canada.

We have heard from many witnesses across Canada. Perhaps one of the most critical witnesses will be you. I'm not sure you're yet in a position to be able to appear as the head of CBC, as the president of CBC, with respect to that review, but I'm wondering how long it will take for you to be in your position and familiarize yourself with what's going on at CBC right now, so that you'll be able to appear before this committee and provide the kind of input that I think all of us are looking forward to receiving.

Mr. Hubert T. Lacroix: The only answer I can give you to this very important question is, as quickly as possible.

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

The Chair: Thank you.

Mr. Siksay.

Mr. Bill Siksay: Thank you.

Mr. Lacroix, in your opening statement you talked about the need to dialogue with stakeholders. I know you have already told us you've had 600 or 700 stakeholders contact you, so you are already developing a mailing list, I suspect, or an email list.

Can you tell us how you see the president of the CBC consulting with or having a dialogue with stakeholders. What would that look like to you as you work your way into this position or as you do the job?

Mr. Hubert T. Lacroix: As we do in any other private company situation, when there are stakeholders who have a lot to say and who are impacted by the activities of a company, we sit down with them, we share views, we listen to what they say. And obviously in an environment that is as important and is as fishbowl an environment as CBC/Radio-Canada, where there are a number of players interested and impacted by CBC/Radio-Canada, this is something we have to do.

I just want to go back to the 600 or 700 people who wrote me. All of them were friends or people I knew. In terms of developing a mailing list, they were already on my mailing list.

Mr. Bill Siksay: Yes, I understand that.

Do you see that as a formal process or more of an informal process?

Mr. Hubert T. Lacroix: It's an informal process, but some of these stakeholders I will want to sit down with because they are key to CBC evolving and moving on in the environment that it is in.

We will seek them out. I know they are going to seek me out. So we are going to look forward to these dialogues. It has to be open.

Mr. Bill Siksay: Do you see a need for any kind of formal advisory panel, or advisory committees, that kind of advisory mechanism? Is that something you see as useful in this kind of study?

Mr. Hubert T. Lacroix: I'll look at that, sir, when I come into the position. I'll see how best I can tap the resources around us and make sure we understand, or I understand also, the environment in which I play.

Mr. Bill Siksay: You also mentioned a dialogue with employees of the CBC. Do you see that happening in a different way, or how do you see that particular aspect?

• (1215)

Mr. Hubert T. Lacroix: I'm starting now and trying to meet as many people as I can, sitting down with people from all over the organization. I'm obviously going to be travelling the country, because the reality is, it's not going to be Montreal-centric; it's going to be across the country. So I need to understand what our employees right now are thinking.

Mr. Bill Siksay: Do you see that as having any kind of formality to it, or again, is it sort of an informal process as you work your way into the job?

Mr. Hubert T. Lacroix: I just want to make sure that the employees feel very free about the conversation we're going to have. It's going to take different formats. Perhaps sometimes it will be informal and sometimes it will be more formal.

Mr. Bill Siksay: I wonder if you could comment a little on your sense of where audience share figures into decision-making around the success of programming. I think that comes up quite regularly. How do you see that issue?

Mr. Hubert T. Lacroix: It's a very important question, because you've heard many times from my predecessor and the team that's in place, the famous sentence, "one cannot have a public broadcaster without a public", and I believe that. It is absolutely one of the benchmarks, one of the measurements.

You probably saw on Tuesday how well CBC/Radio-Canada, on the radio side, did in all the ratings. So that's a measurement. It's one of many, but it's a really important one.

Mr. Bill Siksay: Mr. Stursberg was commenting recently on elitism and "the broadest possible offer", was I think the phrase he put it in, and the dialogue between those two concepts.

How do you see that issue? Have you had discussions with him about that yet? I suspect you have.

Mr. Hubert T. Lacroix: Oh yes, we have. Mr. Stursberg is a person with great vision. I really look forward to working with Richard.

The act asks the CBC to have a wide range of programs. It says the CBC should take these programs and deliver them in the best, most efficient ways to the greatest number of Canadians. That's where we start from. When we talk about culture, it talks about making sure we give Canadians the broadest array of smart, compelling Canadian programming. That's what we're going to try to do.

Mr. Bill Siksay: You also mentioned the word "democratic" in your discussion of what CBC/Radio-Canada should be about. I

know Mr. Lafrance has also talked to us about that. Can you expand a little bit on what is the democratic mandate of CBC/Radio-Canada?

Mr. Hubert T. Lacroix: I think it's a very important one. A public broadcaster is not a state broadcaster.

The public broadcaster goes out and puts information in different platforms, again, and allows us, Canadians, to understand the issue at hand in the best possible way, the most independent way, so that we can all make up our minds on that particular matter and formulate an opinion.

The substance behind the opinion is what CBC/Radio-Canada is all about.

The Chair: Thank you for that.

Now we will switch to Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: Thank you, Mr. Chair, and congratulations, Mr. Lacroix.

Since many of the questions I had in mind have been touched on in some way, I'll just follow up on some of the questions my colleagues asked.

In terms of your appointment, just to follow up on Mr. Siksay's first question, you were contacted by a headhunter. Is that it?

Mr. Hubert T. Lacroix: Yes, sir, I was.

Mr. Francis Scarpaleggia: Who was that?

Mr. Hubert T. Lacroix: The firm? It was Egon Zehnder. They were in charge of the search firm that was in charge of the process.

Mr. Francis Scarpaleggia: Is there a principal?

Mr. Hubert T. Lacroix: There were two people at Egon Zehnder. If you want the names, I'd be happy to provide them.

The Chair: It's a process that has been followed, and I'd just as soon not go to who the headhunter was. I think that's getting out of our range here.

Mr. Francis Scarpaleggia: You know, Mr. Chair, with all due respect...

I don't impugn your integrity whatsoever, Mr. Lacroix. I'm just asking you the question.

I have sat on many committees when I was on the government side, and the opposition asked.... I think if there was a hint that the person had voted Liberal in an election, they were pounced on, and that's not what I'm asking at all.

But I'm just curious. There were media reports as to who the headhunter was. It's just for the record. That's all.

• (1220)

Mr. Hubert T. Lacroix: You want the name of the person? I will tell you I don't remember the name of the lady—Joanne something. She will forever be upset with me because I forgot her name.

Mr. Francis Scarpaleggia: That's okay. I don't need her name.

Mr. Hubert T. Lacroix: Robert Swidler was the principal who ran the....

Mr. Francis Scarpaleggia: So it wasn't Mr. Tom Long.

Mr. Hubert T. Lacroix: No.

Mr. Francis Scarpaleggia: You mentioned a lot of terms, like sound financial management, the importance of competition, the importance of creativity, and so on. To some extent, these are all buzzwords. I'm sure you've said that the people at CBC/Radio-Canada are extremely creative and competent, but I would imagine you would have thought the same of people at Télémedia and the people at Transcontinental, and so on.

Could you elaborate a bit on the difference, in terms of vision, in terms of corporate culture, between companies like private sector companies that focus on market share almost exclusively and CBC?

Going back to a point someone else raised, you say you're going to apply the private sector business practices and models and criteria and so on to the CBC, but then, and I'm glad you went in this direction afterwards.... When you spoke of your vision, you talked about how the CBC is different; it has a mandate to present alternative points of view, I think you said.

How are you going to grapple with that contradiction? The CBC, yes, has to be run like a good business, but it's not a business; it's a public broadcaster, it's a vehicle of democracy. So how are you going to manage that tension?

Mr. Hubert T. Lacroix: The management side and the techniques and the way I manage people, companies, P and Ls—profit and loss statements—whatever else, they are mine in terms of having been acquired; these skills have been acquired over 30 years.

I am sure the last thing this committee wants to hear is that our public broadcaster is not well managed. So we're going to continue doing this on a regular basis.

Yes, they are buzzwords, but that's the first thing in the questions. The five questions I listed to you in my opening remarks are questions that I come into any business situation and ask. I ask the management team, whether it was at Télémedia or one of the business units.... That's the way we move forward.

Mr. Francis Scarpaleggia: I appreciate that. The only thing that makes me a little uncomfortable is that you talked a lot about competition and sports, your love of sports, and I haven't heard you speak much about a passion for culture. If one looks at your biography, it's very impressive. You're obviously a very successful individual. You sit on many boards. And there's a lot of reference to sports and so on, which is great, but....

For example, when Mr. Rabinovitch came here, he would speak about specific programs and how excited he was about a specific drama series and so on. I haven't heard that. I've heard about sports and competition and flexibility, and these are all good concepts, but I'd like to go on to another question.

The Chair: You can't; your time is up.

Mr. Francis Scarpaleggia: Okay, Mr. Chair.

The Chair: The last question is going to be split: one short question from Mr. Fast and one short question from Ms. Mourani.

An hon. member: [*Inaudible—Editor*]

The Chair: We can go another round.

What we'll do then is we'll have a short question from Mr. Fast, and we won't split the time, but we'll go for one more round.

Mrs. Maria Mourani: You do the turn and you forget....

The Chair: The only thing is that Mr. Fast has the first shot, because it's the fourth round.

It's Mr. Scarpaleggia and then Mr. Fast.

Mrs. Maria Mourani: You'll forget us.

The Chair: I'm not forgetting you.

Mrs. Maria Mourani: Yes. I asked a question. You forgot us for three and four turns.

The Chair: We're going to do one more round, and you won't be forgotten. We go back to the first round. The way it goes, there's four, three, three.... You have not been forgotten.

Mr. Fast, if you'd like to ask your question, please....

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

Mr. Lacroix, one of the things we heard loud and clear from the witnesses who appeared before us in the public broadcaster review we've almost completed is the fact that Canada may be lagging behind in the transition from analog to digital. Another thing we heard was that CBC faces challenges trying to adapt to all the new technologies that are now being presented and the cost of doing that.

Have you had a chance to familiarize yourself with that challenge? Have you formulated any thoughts on how those challenges might be met?

• (1225)

Mr. Hubert T. Lacroix: The answer is not yet, sir. The details of those issues I am not aware of. As you have, I have read the presentations that CBC has made here so far. I understand there is an important cost, an important expense, relating to those changes. I know it's an issue. I look forward to sitting down with our team and being briefed on that.

Mr. Ed Fast: I will ask another question, which again relates to that same study. We heard time and time again from the regions and witnesses representing different regions of our country that their voices were not being heard clearly enough. Is that something you've heard as you've consulted in the process leading up to your appointment?

Mr. Hubert T. Lacroix: The people I've met so far are very aware that regionalization is an important issue for all at this point in time. I'm sure that's why they came to this committee saying they would like to expand and cover some parts of Ontario and other parts of the country that are not covered, and this is why they have requested extra funds. I know it's really top of mind for these people.

Mr. Ed Fast: I'm encouraged to hear about your qualifications, especially in the private sector. I think I'm going to echo many of the other comments around this table that you bring a wealth of experience. Based on what we've seen and heard so far, you're highly qualified. Most of that experience has been in the private sector, and that's going to enable you to bring a fresh look, a fresh perspective, to CBC, but it's also going to present some challenges. You're coming into a public broadcaster in which some of the challenges are different from those you had to meet in the private sector. What strategies would you consider to adapt to this new environment that you're going to be in?

Mr. Hubert T. Lacroix: I understand this is a different environment in terms of culture, and I want to come back to culture, if I can. This was an issue that was raised a few seconds ago.

Yes, I have a sports background, but that doesn't mean I don't enjoy the opera. That doesn't mean I don't enjoy arts, that I don't read, or that I don't do more. Culture, for me, is all of these experiences together. It can't be narrowly defined, and that's what Radio-Canada, if we understand CBC/Radio-Canada, does not do. It's not narrowly defining culture.

We have a political culture, a business culture, an immigrant culture. Culture is more than simply one stratum of society. That's why CBC/Radio-Canada plays a very important role in bringing all of these cultures into the same spot and making sure that we, as Canadians, can look at this and weave this into a single Canadian identity. This is what culture is all about.

In some ways, when I look at the challenges I have, this is why I want to come in and listen and it's what I want to understand. I want to understand the culture in which I'm working, and I want to understand what culture means to CBC/Radio-Canada on a daily basis, so that my skills can actually be well used. I am not going to come in with a revolution in mind. I need to understand the environment I'm in before I can start managing it.

Mr. Ed Fast: Thank you.

The Chair: Thank you for that. We do have some time, but we can't go past ten to one. We have time for one more round just like the first round.

We will start with Mr. Bélanger for five minutes.

[*Translation*]

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

Mr. Lacroix, earlier you said that we mustn't focus solely on Montreal, and I entirely agree with you. I'd like to go back to what my colleague Mr. Scott talked about. For some time, the Francophone public seemed to think that nothing interesting happened outside of Montreal. I must admit that the Corporation has been making efforts to change that attitude for some time.

When you take up the duties of President on January 2, do you think you will undertake a kind of cross-Canada tour to go and hear the complaints of the Anglophone and Francophone communities across the country? Have you considered doing that kind of thing?

• (1230)

Mr. Hubert T. Lacroix: Mr. Bélanger, I can assure you that one of the first things I'm going to do will be to meet with CBC/Radio-

Canada people in other cities than Montreal, Ottawa and Toronto, which are the three cities I have had the time to visit in the past three or four weeks. I definitely can't form an idea of the challenges facing CBC/Radio-Canada unless I understand the geographic coverage and points raised by the regions. That's absolutely certain.

Hon. Mauril Bélanger: I congratulate you on that and encourage you to do so as soon as possible.

I would also like to talk about the issue of advertising revenue. What is your vision in that regard? If I understood correctly—and I've closely followed your remarks and answers—in your view, the public broadcaster's mandate goes beyond the notion of market share. However, there nevertheless has to be an audience.

Mr. Hubert T. Lacroix: Yes.

Hon. Mauril Bélanger: In that universe where there are two dramatic focal points, market share and advertising on the one hand, and the fact of not paying attention to the number of people who watch us, on the other, there is a happy medium. You have to strike a certain balance.

In your opinion, where does the importance of advertising revenue rank on that scale?

Mr. Hubert T. Lacroix: Once again, I'm speaking to you from the outside since, as you know, I won't be in my position until January 2. In light of the information I've received to date, CBC/Radio-Canada's funding comes from various sectors. Advertising revenue is one of the major sources of funding. We must continue to secure these sources of revenue, including advertising revenue, to try to increase them by entering into all possible kinds of alliances and by maximizing all efforts necessary for those additional revenues to enable us to engage in strategic planning for more than 12 months. That's our objective.

Hon. Mauril Bélanger: Then aren't you afraid that any attempt to increase advertising revenues will mean that CBC/Radio-Canada will have to focus more on ratings? If I clearly understood how the industry operates, advertising revenue is determined in large part, if not entirely, by ratings.

Mr. Hubert T. Lacroix: You're absolutely right. I'm convinced that balancing advertising revenues, ratings and CBC/Radio-Canada's statutory mandate is a constant challenge. I can tell you, Mr. Bélanger, that it will be very important for me to understand on my first day—

Hon. Mauril Bélanger: That's good.

I'd like us to schedule a meeting, during a committee meeting or something else, so that we can talk about this again once you've acquired some internal experience and gained a better understanding of relations with CBC/Radio-Canada. I think this is a concern for many Canadians.

Mr. Hubert T. Lacroix: I absolutely agree with you. It will be a pleasure.

Hon. Mauril Bélanger: This is an environment that you're familiar with; you've worked in telecommunications, if I understood correctly. Telecommunications has undergone a whole process of deregulation.

Do you think such deregulation would be desirable in broadcasting?

Mr. Hubert T. Lacroix: That's a major public policy question which you, as parliamentarians, will have to consider. I think that only makes a strong and independent public broadcaster, all across Canada, even more relevant. In this kind of environment, given all the market pressures, certain issues go far beyond the role or vision that I can have. This issue is the responsibility of the Government of Canada.

•(1235)

Hon. Mauril Bélanger: Thank you for your answers, Mr. Lacroix. I wish you every success in your new duties.

Mr. Hubert T. Lacroix: Thank you very much, Mr. Bélanger.

[*English*]

The Chair: Thank you, Mr. Bélanger.

Ms. Mourani is next, please.

[*Translation*]

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

I would like some clarification. You spoke about increasing advertising revenues. In concrete terms, does that mean there will be more advertising? Will people have to watch more advertising?

Mr. Hubert T. Lacroix: That's definitely not the primary objective I'm setting for myself in taking up the position.

Mrs. Maria Mourani: Is that nevertheless what it means?

Mr. Hubert T. Lacroix: No, that's not at all the case.

Mrs. Maria Mourani: In fact, I have two converging questions—the pun is intended. There is an overall budget for the Corporation. The CBC has its share and Radio-Canada as well. I saw that Radio-Canada got less money than the CBC and that, paradoxically, the CBC had lower ratings than Radio-Canada because, whether we like it or not, it's an English-language broadcaster, and people outside Quebec tend more to watch American programs than those of the CBC, necessarily.

Do you think that we should base budgets on ratings instead? Since Radio-Canada has higher ratings, it should have more money to do more things, on the one hand.

On the other hand, as you know, the Government of Canada has recognized that Quebec forms a nation. As you surely also know, we don't talk about multiculturalism in Quebec, but rather about interculturalism. We don't talk about bilingualism, but rather about French and the French fact.

Are you considering, for example, taking this specific characteristic of Quebec into account, even though Radio-Canada isn't just watched in Quebec, but also by Francophones outside Quebec?

Do you think it's important that the French side of the Corporation be able to reflect what Canada has just recognized, that is to say that Quebec forms a nation and that its people is different from that of Canada?

[*English*]

The Chair: There's just one correction on that. I don't think that's the term that was used. I think Québécois is a nation within a united Canada, so let's have that corrected.

[*Translation*]

Mrs. Maria Mourani: Yes, of course, in a united Canada. We do a lot of playing with words here, sir.

Mr. Hubert T. Lacroix: What is the question, madam?

Mrs. Maria Mourani: In programming, for example, are you going to take into account the Quebec distinction and the French fact? It's true that Radio-Canada broadcasts solely in French, but, in view of Quebec's nationhood, will you be setting aside the word “multiculturalism”, for example, since we in Quebec don't believe in it? Will programming be coloured by Quebec's cultural and identity-related distinction?

Mr. Hubert T. Lacroix: Your first question concerns what we do with the money, how we use it or something like that. I don't yet have any details on budgets; I'll meet with the management team in early January.

I understand one thing, though. I understand that Radio-Canada broadcasts in French and that CBC broadcasts in English, but that this is a business, and the network obviously recognizes that the issues are similar. The response and product delivery are different because we speak French and we speak English. We'll see in early January how the money will be used, how it will be distributed, and we'll respect the priorities that the management team has established.

Mrs. Maria Mourani: All right.

[*English*]

The Chair: Make it very short, please.

[*Translation*]

Mrs. Maria Mourani: As for the other question, on taking into account the nation and the fact that Quebecers are different, what do you have to say?

Mr. Hubert T. Lacroix: You're asking me whether we recognize that Quebecers are different and that they speak French. I'll answer that Radio-Canada broadcasts in French.

Mrs. Maria Mourani: I think so, but with regard to multiculturalism, for example?

Mr. Hubert T. Lacroix: Personally, I understand that CBC/Radio-Canada also does a lot of things in other languages, on different platforms, and that it will continue to do so while I am President and CEO.

Mrs. Maria Mourani: What I understand is that CBC/Radio-Canada will convey the value of multiculturalism.

Mr. Hubert T. Lacroix: What I'm telling you is that CBC/Radio-Canada has a clear mandate under the act and that it will continue to carry it out.

Mrs. Maria Mourani: Thank you.

[*English*]

The Chair: Thank you.

Mr. Siksay.

• (1240)

Mr. Bill Siksay: Thank you, Mr. Chair.

Mr. Lacroix, where is Radio Canada International in your sense of CBC/Radio-Canada generally? Do you see an ongoing mandate for Radio Canada International? Is it a key part of the broadcaster?

Mr. Hubert T. Lacroix: It's another very important platform right now that's being used. Again I look forward to getting the details on all the services we provide. Radio Canada International is surely one of them.

Mr. Bill Siksay: Do you have any particular experience in new media? It's something that often eludes me. Are you a consumer of it? What's your sense of the challenges and possibilities with new media for CBC/Radio-Canada?

Mr. Hubert T. Lacroix: New media is for everybody involved. For example, Transcontinental, whose board is one I sit on, has a media company; or the web—how to connect and how to bring people to use its services.

As you know, there are nearly three million people who go to cbc.ca and 1.7 million people who go to radio-canada.ca. We have to acknowledge that. On a monthly basis, that's an incredible number of people. If the private companies I'm involved in had this kind of traffic on their website, they would be applauding on a daily basis.

So yes, sir, it's very important. All sorts of business models have been tried. This is something that is going to be very important in what I do starting January 2.

Mr. Bill Siksay: Mr. Lacroix, Madame Mourani touched on one of the challenges of English Canadian TV. I think Mr. Stursberg put it to us that English Canadians were alone among western industrialized nations in preferring television content produced in a foreign country and that this presented a pretty significant challenge for CBC/Radio-Canada.

Can you talk a little bit about that and how you see that particular challenge?

Mr. Hubert T. Lacroix: I understand it well; I think it's a big challenge. When we talked about challenges today, I told you about funding and I told you about the business environment. Another important challenge is to ensure that in prime time, high-quality Canadian TV content gets massively distributed to Canadians. That's a big issue. I think Richard and his team are doing a very good job at it.

A few minutes ago, a gentleman on one side of the table said, "Lacroix, we haven't heard you talk about shows yet." The answer is, I really look forward, as January 2 turns around, to being able to tell you about the shows with the same passion that Robert Rabinovich did. You saw there was a very important launch a few days ago of a big show coming up, called *The Border*. Everybody's really excited about *The Border*. Let's see what it gives; it's high-quality Canadian content in prime time.

Mr. Bill Siksay: Thank you, Mr. Chair.

The Chair: Mr. Fast.

Mr. Ed Fast: I have two questions and a quick comment.

First of all, have you met with Mr. Rabinovich?

Mr. Hubert T. Lacroix: Yes. Robert Rabinovich has been incredibly generous with his time in this transition period. I have only great things to say about that.

Mr. Ed Fast: All right. As a second question, when your appointment was made public, there was criticism from some quarters. I believe the gist of the criticism was that you weren't an insider, that you were coming from the outside.

I think I've already shared my view on that. Could you respond to that criticism?

Mr. Hubert T. Lacroix: I can't do much about that criticism. I'm an outsider. I come in from the private sector. You've seen what I've done before in my life. I've never worked in a public crown corporation, but I think this is adding to the skills of the team that has been there and has worked within CBC for a little while now.

Mr. Ed Fast: Well, I fully expect a very fresh approach.

My comment is this. A former member of this committee, Charlie Angus, who used to sit where Mr. Siksay presently sits, consistently raised the issue of some of the archival material that CBC has available and that just isn't getting out there to the public. I would simply request that you have a look at that and do whatever you can to make this archival material available, especially online, but also on other digital media that are now becoming available.

I want to thank you for appearing before us—

Mr. Hubert T. Lacroix: I just wrote it down. Thank you for the comment.

Mr. Ed Fast: It's been very helpful. Thank you.

The Chair: Thank you very much. I appreciate everyone's concerns; they were good questions.

And thank you very much, sir, for your good answers. I think you were very candid and open with us here today.

Here is one thing before we recess for a short time, because we will want to bring a motion forward.

I have to relay that when our committee was in Yellowknife and we had a town hall meeting in the legislature and went through the various delegations and people who were on the order paper—I think we were two and a half or almost three hours—what I did was open it up to the rest of the people who had been in the hall that evening. There was a gentleman at the back who had not participated in the events that evening, but he made one statement. He stood up and....

The reason I'm bringing this up is that in your presentation you say, "When I was older, *The National*, *Le téléjournal*, and *Le point* became my key sources of information. And then, later on, Ross Porter introduced me to jazz."

This particular gentleman at the back said he didn't like jazz—the two hours.

I have to say that I fully love the broad perspective CBC has, and I think that for those who like jazz, it's great. But I had to get that gentleman's word forward in order to say that I'm quite sure that was the only thing in CBC he didn't like: the two hours that was jazz time.

•(1245)

Mr. Hubert T. Lacroix: So if I had had an email from him, Mr. Chair, he would have said, “Thank you very much, and by the way, can you do something about the jazz?”

The Chair: Yes.

Thank you very much for appearing today. We will....

Yes, Mr. Bélanger.

Hon. Mauril Bélanger: Before you recess, the clerk has given me a copy of a motion. I'd be prepared to move that motion immediately.

The Chair: Okay. Then before we recess, it is moved by Mr. Bélanger:

That the Committee has examined the qualifications and competence of Hubert T. Lacroix as President and Chief Executive Officer of the Canadian Broadcasting Corporation (CBC)/Radio-Canada and finds him competent to perform the duties of the position he has been appointed...and that the Chair report to the House.

(Motion agreed to)

The Chair: Mr. Abbott.

Hon. Jim Abbott (Kootenay—Columbia, CPC): Just quickly, Mr. Chair, I have an item that I can't recall we discussed in public. I know we're all in agreement; this is a non-partisan issue. I wanted to get on the record in public that concerning Mr. Telegdi's motion, M-310, which has to do with the half-masting of flags, I believe we had a discussion that it probably would be ideal if the committee at some point could take a look into it and give some advice relative to that question.

Mr. Telegdi's motion is coming up in private members' business. It has to do with half-masting, and I think we had a very brief discussion.

At this particular point, obviously there will have to be the two hours of debate; it would then be referred to us. The point is that it is something that.... God forbid something happens and that it becomes a point of contention. I believe our discussion was that as committee members we saw a value in trying to get a handle on that particular issue.

Hon. Mauril Bélanger: Mr. Chair, I appreciate the comments by Mr. Abbott, but I think it would be appropriate for us to wait for the motion to be referred to committee, which hasn't happened yet.

Thanks for the heads-up. We certainly will consider it, should it be referred to us.

The Chair: I think it's under our mandate, so we can look into it.

Again, thank you, everyone.

Thank you, again, sir, for your great presentation.

•(1250)

Mr. Hubert T. Lacroix: Thank you for your questions.

The Chair: And good luck, sir.

The meeting is adjourned.

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