



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 007 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Wednesday, March 4, 2009

—
Chair

Mr. Gary Schellenberger

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Canadian Heritage

Wednesday, March 4, 2009

• (1535)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): I'm going to call this meeting to order.

Mr. Dean Del Mastro (Peterborough, CPC): I have a point of order, Mr. Chair. The members of this committee would be in possession of a notice of motion that the clerk circulated on my behalf. I would like that motion dealt with at the beginning of the committee because I want it dealt with today. I think that's reasonable. I would be happy to remain at committee for additional time to make sure that all the witnesses get their full hour.

The Chair: Do I have unanimous consent?

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): No, you don't have it.

Mr. Dean Del Mastro: You don't have to have unanimous consent.

Mr. Pablo Rodriguez: Well, you can vote if you want.

The Chair: It's up to the chair.

Mr. Pablo Rodriguez: You can go in camera and ask everybody to vote.

Mr. Dean Del Mastro: You don't have to go in camera for a motion.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Chairman, I do not understand the motion brought forward by my colleague, Mr. Del Mastro. Is it the one about extremists, or the other one that deals with the committee's future business?

[English]

Mr. Dean Del Mastro: I'm happy to read the motion for the benefit of the committee.

[Translation]

Mrs. Carole Lavallée: No, just tell me what the subject is.

[English]

The Chair: I'm going to make a decision. Let's deal with the motion. We have witnesses here. Let's deal with the motion and we can dispose of the motion.

Mr. Dean Del Mastro: Thank you.

The Chair: Would you like to read the motion?

Mr. Dean Del Mastro: I'd like to read the motion. The motion reads:

That the Committee condemns extremists, financed by the Bloc, for their threats of violence against Quebecers; that the Committee condemns the racism and violence promoted by Pierre Falardeau, Patrick Bourgeois, and other extremists, whom the Bloc has financed; that the House of Commons find a way to ban extremist groups like these, which advocate violence and racism, from receiving funds from the Parliament of Canada.

The Chair: Okay, we've heard the motion.

Mr. Rodriguez.

[Translation]

Mr. Pablo Rodriguez: Mr. Chairman, I think it's a shame we have to debate this kind of motion now, particularly since our witnesses are already here. We will do what the Parliamentary Secretary wants and hope that it doesn't take too long.

The Liberal Party is against this motion. The Conservatives are engaging in precisely the kind of behaviour that they attribute to the Bloc Québécois—namely, extremism. If the Conservative Party is having so much trouble in Quebec, it is certainly because of motions like this one. I personally believe that the Bloc Québécois was not quick enough to distance itself from some of the more extremist elements. But to then say that the Bloc supports extremism and racism, as the Conservative motion suggests, is a whole other matter. They are going too far; they have crossed the line. That is why Quebecers won't have anything to do with them. This motion is utterly futile and useless, and the Liberal Party will not support it. I hope we can quickly put it to a vote.

[English]

The Chair: Mr. Angus.

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

I find that the motion to me is very ugly mischief. It's an attempt to stir up discord in our committee when we have important business to do. I think there's absolutely no merit to it. I'm actually surprised that the parliamentary secretary would speak like that. I find it fundamentally offensive, so I'd rather just vote and get it over with so we can get back to the important business of our committee.

Mr. Dean Del Mastro: I'd like to respond to the comments by Mr. Angus. Mr. Angus wasn't present for the meetings where Mr. Juneau provided testimony to this committee. Over 80% of the advertising revenue for the newspaper *Le Québécois* came from the PQ and the BQ. There were specific statements made in that paper that were offensive. They were offensive to minority communities within Canada and certainly within Quebec, and there were articles written that specifically incited or encouraged acts of violence around the Quebec battlefields and the events that were scheduled to commemorate the Battle of the Plains of Abraham.

Frankly, I think the members of this committee would be well served to support this motion. I think it's based on Parliament holding up the values that I believe we espouse as parliamentarians.

Call the question.

• (1540)

The Chair: Thank you.

Madame Lavallée, go ahead. Your name was on the list.

[Translation]

Mrs. Carole Lavallée: In my opinion, this motion is perfectly ridiculous. Everyone knows that committing acts of violence, advocating violence and associating with extremists is just not part of the Bloc's DNA. We have been around since 1990, and have never made comments such as this. Mr. Poilievre is the one who tabled this motion a week ago. And I thought to myself that this was just the sort of thing that he would do. I saw him move similar motions in the Ethics Committee. He would take shortcuts around some of the facts. He was good at what is known as sophistry. So I said to myself that it had to have come from him.

At the same time, I have to say I was even more astonished and disappointed to see that Mr. Del Mastro was resurrecting this motion. I was that much more disappointed when I saw that you were withdrawing that motion to draft and move another one. Those three steps in the process seem even more ridiculous than actually thinking of moving a motion like this.

I want to come back to a couple of points. Last week, Mr. Poilievre made a number of false statements. First of all, he referred to the newspaper *Le Québécois*. You can have a look at it. You will see that it is not radioactive. You won't be in any way contaminated. You can even read it. As a general rule, Mr. Poilievre has a very good command of French but, in this case, some of the subtleties escaped him. I believe he mistranslated some of the sentences in Mr. Falardeau's text. He said that Mr. Falardeau had compared Mr. Obama to Lassie. That is utterly untrue. I think you should read what he wrote and see how it is written, in order to understand its subtleties. He said that it was full of racist comments, but that is not the case. Unless he considers Mario Dumont to be a racist. In fact, the sentence he quoted...

[English]

The Chair: Mr. Bruinooge.

Mr. Rod Bruinooge (Winnipeg South, CPC): On a point of order, Mr. Chair, unfortunately we do have a number of witnesses here who've had to travel across the country to give testimony today. I think it would probably be wise, in light of their attendance here, to call the question on this and dispose of it so that we can proceed with our witnesses. This motion is clearly stalling them—

[Translation]

Mrs. Carole Lavallée: Mr. Chairman, I have a point of order.

[English]

The Chair: Order.

[Translation]

Mrs. Carole Lavallée: I have the floor; you can check with the clerk. No one has a right to interrupt me, except for a point of order—a real one.

I will be quick. The racist comments that your colleague, Mr. Poilievre, attributed to that newspaper were taken almost word for word from the platform of the ADQ, led by Mario Dumont. It is quite true that Mr. Bourgeois and Mr. Falardeau were not very clever about this. The Bloc Québécois completely dissociates itself from their comments. However, I am tempted to say, in jest, that the Conservative Party may, in that case, want to consider dissociating itself from the *National Post*, which published an editorial last Tuesday that verged dangerously on Quebec bashing.

That is what I wanted to say, Mr. Chairman.

Of course, the Bloc Québécois has no choice but to vote against as ridiculous a motion as this.

[English]

The Chair: Do you want me to call the motion?

Mr. Dean Del Mastro: No. I'd like to speak to what was just said.

The Chair: If you'd like to speak to that, please be very short, if you can.

Mr. Dean Del Mastro: I will.

Madame Lavallée, once again you've misrepresented what was said. To begin with, the financing of *Le Québécois* is unquestionable. If you flip through it, you'll find all kinds of ads placed by both members of your party and members of the PQ.

There are all sorts of things written in that paper that are offensive. They're offensive to Quebecers and offensive to Canadians. I think it's shameful that, with the types of incitement going on around this event—a commemoration of Canada's history—the Bloc did nothing. It did nothing to distance itself from it and nothing to condemn it.

It appears that the coalition is alive and well: you are going to specifically support this type of action that occurred in Quebec rather than come out and condemn it and see that the funds from the Parliament of Canada cannot support this in the future.

Taxpayers' money should not be used to finance this type of garbage. That's the point of this motion. If you all want to gang up and vote against it, and see that parliamentary funds can be used to support that kind of garbage, go ahead. Conservative members will be voting in favour of the motion.

Some hon. members: Hear, hear!

• (1545)

The Chair: Mr. Rodriguez.

[Translation]

Mr. Pablo Rodriguez: It's this type of excessive language that I condemn, Mr. Chairman, just as I condemn the fact that the Bloc Québécois politicized the whole debate over the re-enactment of Battle of the Plains of Abraham. I condemn the fact that they wanted to exploit that. I don't like this type of excessive language or extremism on the part of Conservative members of this committee. It's not that I'm defending the Bloc Québécois nor is it my job to do so—but MPs did distance themselves from those comments and have been advertising the fact ever since. I strongly condemn the extremely harsh comments made by some of the more extremist elements, such as Mr. Falardeau, Mr. Bourgeois and others as well.

However, I don't understand why the Conservatives don't get it. With all due respect, I invite them to ask one of their Quebec members of Parliament to sit on the Heritage Committee; perhaps he or she would understand what this is all about. I don't understand how they can engage in such excess. Mr. Chairman, we can't have people highjacking the work of the Canadian Heritage Committee. We have people here, artists who have had their funding cut, as well as theatre and dance companies. That is what we are here to discuss, so I would ask that people not highjack this committee's work by moving motions intended to have Mr. Juneau appear, for example, or other such futile motions.

[English]

The Chair: Mr. Pomerleau, and then Mr. Simms.

[Translation]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Chairman, I am a little surprised because I was expecting that—

[English]

The Chair: Keep it very short, please.

[Translation]

Mr. Roger Pomerleau: It could take quite a while.

Mr. Chairman, I did some research last night with my assistant, and I found at least 22 pages of hate propaganda published in Canadian newspapers. A good example is Diane Francis, who wrote in the *Financial Post*: they whine and complain, hurt our economy, plot and scheme and dream of creating an ethnocentric state, etc., etc., etc. In other words, they are worthy of contempt.

And, this is the same person who, at another time, was asking for Lucien Bouchard to be strung up. Now that is violence. Did the government then declare that it would not longer publish ads in the *Financial Post*? What is the meaning of this witch hunt? It has to stop.

[English]

The Chair: Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Just for the record—I'm not even going to ask—I'm going to beg you to actually put this to a vote right now, because this is absolutely ridiculous. You guys want to battle this out here. It is an absolute charade. I could have stayed home and watched *Jeopardy* or something and been more productive. These people have come a long way. Don't put stuff in other people's ridings that's garbage. You

guys do much of the same. Otherwise I'd like to talk to these people to find out how we can help them out in their cause. Please vote.

The Chair: I want to talk to these people also.

Madame Lavallée, keep it very short.

[Translation]

Mrs. Carole Lavallée: Mr. Chairman, I'd like to make a suggestion. We will be starting at about 3:50. I suggest that we hold two sessions of one hour each, which would have us end at 5:50 p.m.

[English]

The Chair: I have no problem with that.

If we can keep quorum, we'll go to two one-hour stints.

(Motion negated)

The Chair: Now we'll get back to business. This is meeting number 7 pursuant to Standing Order 108(2), a strategic review of arts and culture program expenditures. For this session we'll start at 3:50 and we'll finish at 4:50.

Welcome again to our witnesses. From the Association of Cultural Industries of Newfoundland and Labrador, we have Amy House, president. From the Professional Association of Canadian Theatres, we have Lucy White, executive director. From Les Deux Mondes theatre company, we have Pierre MacDuff, executive director. From Magazines Canada, we have Jim Everson, executive director, public affairs.

Welcome, everyone. We'll start off with five-minute statements, please, from each of you, starting with Ms. House, please.

● (1550)

Ms. Amy House (President, Association of Cultural Industries of Newfoundland and Labrador): Thank you, Mr. Chair and members of the committee.

Thank you for inviting the Association of Cultural Industries to speak on behalf of the cultural community of Newfoundland and Labrador.

I am Amy House, the president of ACI. I am a member of the advocacy committee for PACT and artistic animateur for the Resource Centre for the Arts theatre company in St. John's.

The cancellation of the Trade Routes and PromArt programs announced last year left a significant gap in how Canadian cultural producers are able to export to foreign markets and tour their work to foreign audiences. Further, cultural agencies striving to bring foreign buyers and financial gatekeepers to Canada to view our products are also impacted.

These cuts create significant challenges for a broad range of artists and arts organizations, and they dampen the entire sector's ability to not only create and sustain financial opportunities in the new creative economy, but also to act as Canada's cultural ambassadors abroad.

In Canada, recognition of the cultural sector as an economic generator is new, yet it has made incredible contributions to the social and economic fabric of the nation for quite some time. In a report published in 2008, the Conference Board of Canada estimated that the real value-added output by culture sector industries totalled \$46 billion in 2007, approximately 3.8% of total GDP.

The economic footprint of the culture sector is much larger when accounting for combined direct, indirect, and induced effects. The Conference Board calculates that this full contribution was valued at \$84.6 billion, about 8% of the total GDP in 2007.

The culture sector in Newfoundland and Labrador contributes an estimated \$400 million annually to the provincial economy. Being an island culture, Newfoundlanders and Labradorians experience even more intensified challenges in export and touring. For every challenge an artist in the rest of Canada faces getting their work to the world, we experience the same to even reach the rest of the country. Transporting art, mounting interprovincial tours of bands and performance companies, shipping books or recordings, and shooting film on location all have costs that significantly increase as soon as airfare, freight, and lodging are taken into consideration.

Many of these costs are hidden or non-intuitive to non-creators. Take, for example, the cost to a visual artist of crating and shipping their work to either foreign or even domestic galleries. Support for these kinds of ever-increasing costs used to be applied for under the Trade Routes and PromArt programs. With this money gone and other avenues of funding not increased in the new budget, the burden is downloaded to artists and will result in less work reaching a national audience, or, in our case, even a domestic one.

Instead of investing in development of the arts and culture sector as part of the creative economy, the cuts mean a loss of economic activity, to single out the monetary aspect of the results only. Our provincial government has been forced to provide \$250,000 in support to Newfoundland and Labrador artists and groups to account for these cuts to export programming.

You probably heard about the East Coast Music Awards this past weekend. In the past, the ECMA has tapped the PromArt and Trade Routes funding to bring foreign buyers to the east coast, where a networking and buying conference is set up annually to allow Canadian musicians, large and small, to sell their work to a hungry international market. With an investment of approximately \$60,000 between the two export programs, the ECMA is able to bring in dozens of foreign buyers and generate many more thousands of dollars of investment and working hours for Newfoundland musicians, technical staff, promoters, retailers, etc.

The St. John's International Women's Film Festival has similarly brought in buyers under this plan. Both of these programs will end with the end of PromArt.

Theatre Newfoundland and Labrador has also used PromArt several times. A couple of years ago, TNL took an original production to Tasmania, where they not only developed important international contacts that have led to further business and sustainability through co-productions and cost-sharing with Tasmanian groups, but they have also directly impacted tourism in the

province. The number of Tasmanians visiting Newfoundland and Labrador has doubled each year since.

Foreign ticket sales, provincial funding, and foreign investment constituted the bulk of the cost of this exchange, but the production would not have been able to go ahead without PromArt money to help offset costs.

● (1555)

The Province of Newfoundland and Labrador now has an exchange agreement with Tasmania. Without PromArt funding we will not be able to honour that agreement in the years to come.

Economic downturns in the arts and culture sector work much the same way as in other sectors, though the majority of primary businesses are individual cultural producers or small companies. Without funding to sustain and grow their practices, cultural producers and artists cannot feed the constellations of others—businesses, individuals, and organizations—that rely on their product to exist.

Musicians feed everything from management companies to recording studios, CD manufacturers, graphic artists, sound technicians, distribution companies, retail outlets, and performance venue owners. Authors have a stream of reliant others, including editors, publishers, designers, printers, distributors, and retail outlets. Furthermore, the interaction between the sectors cannot be underestimated. Film relies on the literary sector for stories, the music sector for sound, and the visual sector for design, etc.

A failure to recognize export as a basic need of doing business in a global culture is a failure to support the sector as a whole. If government believes the programs that were cut were inefficient, it has an obligation to either fix those programs or replace them with new options that are efficient. The money that made up these programs was essential to the process of doing business, and business cannot go on without it.

To wrap up, I'd just like to say, restore support for export, touring, and foreign networking for Canadian artists to levels at least commensurate with past budgets. Ensure that this money is administered through successful and transparent agencies, such as the Canada Council for the Arts, as suggested by so many other stakeholders.

Thank you.

The Chair: Thank you very much.

Ms. White, please.

Ms. Lucy White (Executive Director, Professional Association of Canadian Theatres): Thank you, and good afternoon.

PACT represents over 140 professional not-for-profit and for-profit theatre companies in English Canada. We are a member of the Performing Arts Alliance and a founder of the Canadian Arts Coalition.

I'm very pleased to be able to speak to you today about the contributions made by our members and the arts community as a whole to the high quality of life enjoyed by Canadian citizens, and about the critical role government policy and support play in ensuring access and opportunity for all Canadians. The current global crisis places Canadian arts organizations in a precarious position not of their making. Current federal government programs and recently announced funding increases go only part way to stabilizing the arts and culture sector. Cancellation of some programs threatens to replace other activities in this sector.

We thank the federal government for the recent increase of \$30 million to the base budget of the Canada Council for the Arts and for an additional one-time funding increase to Cultural Spaces Canada. Equally important is the continuation of a national arts training contribution program. These economic measures are invaluable to the sector and send an important message to Canadians that there is federal government confidence in the arts and culture sector.

In contrast, the cancellation of PromArt at Foreign Affairs and Trade Routes at Canadian Heritage threaten to destabilize the performing arts in Canada and to close down, first, the development of international markets and, second, the existing market in international touring by artists and arts organizations. At present, the overall trade deficit in cultural services for Canada was \$919 million in 2004. We cannot expect this deficit to become a surplus until Canadian artists have their creations exposed to the world stage.

A healthy and thriving performing arts sector requires ongoing complementary government support in five key interrelated areas: arts training, production, domestic access, and touring; international market development and touring; financial stability and organizational help; and cultural infrastructure. These five key areas represent the spectrum of a vast amount of arts activity currently taking place in Canada, and there is real and immediate potential for the destabilizing of a large number of performing arts companies when any one program area is significantly reduced or eliminated. Of course, the reverse is true as well. Increased activity and viability result from investments by the government in strategic departments and programs that support the arts. An increased investment in arts and culture will secure current and future prosperity for Canada. It will secure the sector's contribution of \$25 billion in taxes for all

levels of government and \$46 billion input into the GDP—economic returns that cannot be generated for Canada by an arts and culture sector in recession. A thriving arts sector will contribute to Canada's success as a leader in a global society.

Today we are making five specific recommendations to this committee. First, increase the base budget of the Canada Council by \$100 million per year. Second, re-invest a minimum of \$12 million in international market development and touring for the arts and culture sector. Such funding is to be allocated to the Canada Council and other established agencies to ensure the maximum efficiency and impact of the investment. Third, continue the endowment incentives program past 2010. Fourth, the announcement needs to be made at the earliest opportunity to create a program of investments that will provide bridge funding to arts organizations over the short term in order to ensure that they remain viable in this period of economic recession. Fifth, renew the Cultural Spaces Canada program to provide a knowable level of base funding to encourage the capital campaigns on which arts and cultural facilities projects rely and to contribute to the local economies in which these capital projects will occur.

Previously, this committee has made bold and visionary recommendations such as doubling the budget of the Canada Council for the Arts. Today we call on the standing committee to recommend that the Government of Canada invest in the arts and culture in all economic stimulus measures in order to increase Canada's competitive advantage.

I thank the committee for your thoughtful consideration in the past and urge you to continue to show your support for the arts and culture sector.

Thank you for your time today.

• (1600)

The Chair: Thank you.

Now we'll hear from Mr. MacDuff, please.

[*Translation*]

Mr. Pierre MacDuff: Good afternoon.

I would like to thank the Standing Committee on Canadian Heritage for inviting Les Deux Mondes theatre company to be heard, a company I have led since 1991. Les Deux Mondes is both a research company and creative centre founded in 1973 and incorporated in 1975 as a non-profit organization. In its 36 years of existence, the company has presented 3,400 performances and created 25 shows. It has eight permanent employees and, each year, hires some 50 freelancers, including actors, technicians, and so on.

The bulk of our independent income is generated by the sale of touring shows. Our sales amount to approximately \$1 million a year. Our tours have taken us to over 200 cities and 32 countries, and we have taken part in some 60 international festivals for adults and 20 for young audiences, as some of our productions are for children. Our touring productions generally involve an average of eight people.

Why perform outside the country? First of all, on an artistic level, it is an opportunity to meet other audiences, to discover what is being done elsewhere in our field and to establish partnerships abroad. For example, we are currently working on three co-productions, one with Liverpool and two others with France. Finally, for the type of work we do, as a research-based theatre company, the domestic market in Canada is simply too limited. In fact, economic realities require us to amortize the money invested in research over a very long performance period, and we cannot afford to do that only in Canada. Furthermore, for many years, the fees we received in foreign countries, particularly for children's theatre, were higher than in Canada.

Of course, we could also broach another aspect of this international activity, which is that it is part of the symbolic, diplomatic, cultural, commercial and civilized exchanges that countries carry on with each other. How many times have we heard Canadian embassy staff tell us, at the end of a performance, that we had done more to promote Canadian values in one evening than they had been able to do themselves in months and months of discussions and networking on the ground. They told us that people who had seen the performance had had a chance to really get involved and see what Canada is all about.

Across the globe, shows are abundant and there is no lack of talent out there. If someone invites a show to come from abroad, it is because it stands out, it is special. The Canadian government should be very proud to see just how many of its artists and creators are performing on foreign stages. Unfortunately, instead of that, the elimination of the PromArt Program means the end of touring abroad for Canadian productions. It is important to realize that federal government assistance to support the export of cultural products was primarily available through the PromArt Program. Its budget was \$4.7 million.

For its part, the Trade Routes Program was aimed at funding the marketing and promotion of artistic productions, but the only direct funding available for performances, cultural events, exhibitions and fairs, including book fairs, was through the PromArt Program. Indeed, the bulk of that funding supported such major Canadian institutions as the Royal Winnipeg Ballet, the National Ballet, the Canadian Stage Company, the Grands Ballets Canadiens or the Montreal Symphony Orchestra. More than half of its budget went to

large companies, and the rest to small companies such as ours, some even smaller than our own.

I would like to speak briefly about what a tour involves. Of course, no one tour is the same as the next. Sometimes we give several performances in several different cities, and at other times, as occurs in Canada, as a matter of fact, it will be a foreign show that is presented once or twice at a festival. It is important to understand that the assistance provided through PromArt was only a small portion of the complex financial funding package required to export our product.

I have prepared some statistics with respect to our company. I would like to give you an idea of what a typical tour involves. For the two or three tours we would mount on a yearly basis, we received \$40,000 through PromArt. For example, on our last tour, we gave 13 performances in 27 days, in five cities across France. The total cost of the tour was \$145,000. We received \$13,600 in funding through PromArt, which amounts to 9.3 per cent of the total cost. Foreign distributors paid the performance fees, the cost of accommodation, *per diems* for team members, and shared cost of local transportation.

• (1605)

Already the show cost them more than a local one. For all intents and purposes, the federal funding covered only the expenses related to the international travel of the people involved and their sets. For that tour, we are talking about \$30,000, or 20 per cent of the cost. In fact, one could almost say that it was an indirect subsidy to Canadian carriers.

We have calculated that, since 1991, for every dollar provided by PromArt to Les Deux Mondes, we have leveraged an amount of money that is six times higher—in other words, \$5.72—in foreign currency. Of course, part of that money is spent in the countries where we perform, but a significant part of it is also spent here in Canada. In actual fact, we are raising money in foreign currency that is then injected into the Canadian economy. Performance fees and copyright represent between 30 and 40 per cent of our costs. In strictly financial terms, we can say that art grants do not cost Canadian taxpayers a single dime. Their elimination is an economic absurdity.

When the government announced the program would be cut in 2005, there was a strong pushback from the cultural community, and the government decided to conduct a study, entitled "Evaluation of the Arts Promotion Program of Foreign Affairs and International Trade Canada". That report was released in January of 2006. It did not conclude that administration fees were exorbitant, certainly not in the case of PromArt. On the contrary, it stated that the program had generally attained its original objectives, even though its contribution had been limited by the availability of resources and that its elimination three years later would therefore be absolutely incomprehensible.

It took years of work for companies and artists in every province of Canada to develop networks and partnerships with these countries, and all of that is in jeopardy with the elimination of PromArt. Of course, it is our hope that the federal government will provide an immediate injection of additional funding to the Canada Council for the Arts—indeed, there is no one left to manage the PromArt Program, since the officials in charge of it have been fired—so that it can pick up the slack and save the co-productions and tours that are now under discussion. The work of organizing an international tour is something that has to begin a long time in advance. Our projects are now in jeopardy as a result of this program being cancelled. For companies like Les Deux Mondes and many others, this most certainly means cutting back our touring activities and the ensuing spiral in terms of a significant drop in our independent income, and our ability to hire artists, technicians, support staff and pay residuals, as well as a weakening of whole areas of artistic activity that depend on touring, such as theatre for young audiences and dance.

Thank you.

•(1610)

[English]

The Chair: Thank you for that.

We move now to Mr. Everson, please.

Mr. Jim Everson (Executive Director, Public Affairs, Magazines Canada): Thank you, Mr. Chairman.

I'd like to begin by thanking the committee for having Magazines Canada here today.

My name is Jim Everson. I'm the executive director of public affairs for the association.

Magazines Canada is a national trade association representing leading Canadian-owned, Canadian content, consumer, cultural, specialty, professional, and business magazines in the country.

Canada's magazine policy and programs are currently the subject of a substantial review led by the Department of Canadian Heritage. This review has coincided with the strategic review of arts and culture program expenditures that the committee is looking at today. We'd like to take this opportunity to discuss some of the challenges ahead and highlight the importance of continued investment in the Canadian magazine sector.

Canada's magazines are challenged currently by a very serious economic downturn, the one that we're all experiencing. Advertising revenues make up, on average, 60% to 65% of magazine revenues. As companies deal with today's economic turmoil, they have pulled back on advertising expenses, which has had an impact on all media, including magazines. There have been layoffs, reductions in freelance commitments, and work-sharing in some of our work environments.

In this environment, the uncertainty around our national policy framework and investment in key programs is an added challenge. There has been considerable uncertainty as a result of a decision by Canada Post to eliminate its \$15 million annual contribution to the publications assistance program, which is used to help distribute Canadian magazines across the country. This would have reduced

the value of the program by 25%. So our sector very much welcomed the January 27 federal budget announcement of \$30 million over two years, which replaces that Canada Post contribution that was eliminated. We further welcomed the announcement by Minister Moore just last month, on February 17, of the creation of the new Canada periodical fund, which will replace both the Canada magazine fund and the publications assistance program. The financial investment provides much-needed stability for the sector in this time, and the new program, we expect, will update the existing framework and provide greater flexibility and targeting of support.

While not all the details of the new program have been finalized, there are areas we feel require more work to ensure that the program meets the diverse needs of the sector. For example, under the existing program structure, Canada's arts and literary magazines benefited from a specific and targeted program as part of the Canada magazine fund. This program will not continue under the new framework; however, the design of the new program allows for special eligibility guidelines for some classes of magazines and a flexible formula of support. So we'll be urging the minister to take steps to ensure that these magazines' special needs are addressed through the instruments that are already built into the design of the program, to ensure that those magazines' needs are addressed.

With respect to the investment in collective industry initiatives, the part of the current programming that was reduced through the expenditure review process, the new program will maintain a component for this purpose. These collective projects are valuable to the sector, and we support maintaining them. They've been used for promotion initiatives on behalf of all Canadian magazines and research into industry issues, types of things that the whole industry can benefit from.

In conclusion, we want to highlight how effective and valuable the federal support is. Successive governments have supported and continue to refine and improve our national magazine policy. It includes the Foreign Publishers Advertising Services Act, Canadian ownership regulations, the publications assistance program, and the Canada magazine fund. Together they've proven to be very successful. We have one of the most open and competitive magazine sectors in the world, with a very high ratio of magazine titles, both domestic and foreign, per consumer. At the same time, we've been able to steadily improve access to Canadian magazine content relative to foreign magazines. Canadian titles make up about 40% of magazine purchases in Canada, which is better than the Canadian share of most other cultural media, and it's largely as a result of a consistent application of federal magazine policy.

We are looking forward to continued support from the Government of Canada to build on this success.

Thank you.

The Chair: Thank you very much, and I thank everyone for your great presentations.

We'll try to keep our questions short and our answers concise, if we can. You have five minutes each.

Mr. Rodriguez is first, please.

• (1615)

[Translation]

Mr. Pablo Rodriguez: Thank you, Mr. Chairman.

Good afternoon to all of you and thank you for being with us today. I want to commend each and every one of you for what you are doing in your respective areas.

As I have said to other witnesses, I would have liked to see this meeting occur in a different context. Perhaps then, we could have talked about your successes or what you are planning for the future, rather than talking about funding cuts. In any case, since the government has decided to make these cuts, we have no choice but to talk about them.

Were any of you consulted during the review process or with respect to these cuts?

Mr. Pierre MacDuff: No, not at all.

Mr. Pablo Rodriguez: Never, at no time?

[English]

At a certain point you heard about the cuts and that was it? Nobody was consulted?

Ms. Amy House: Correct.

[Translation]

Mr. Pablo Rodriguez: Since you are the ones who are most acquainted with these programs, because you use them, if there is no attempt to consult you, then I really wonder what the basis for this decision is, if not ideology. That is my view.

Our competitors, particularly other European countries, provide such programs to their artists and companies. Is it your impression that the people using these programs for foreign tours—people like you, Mr. MacDuff—will now be trying to compete with both hands tied behind their back?

Mr. Pierre MacDuff: Canada had already distinguished itself from some other countries. When we went on tour with our show about war, entitled *Leitmotiv*, we made a stop in Russia. We gave a performance in Russian, because we like the challenge of performing in the language of the country. We were the first Canadian company to play in Nijni Novgorod. The only foreign companies who have performed there previously were French companies, for the very simple reason that France pays all the expenses, believing that this is a way to extend the influence of French culture.

In our case, we have been paid fees both in Russia and China. Although it may seem perfectly normal to be paid fees in China, even though it is common for artists to be provided food and accommodation, they were not necessarily paid a performance fee. That ideologic threshold had not been crossed. So, we were paid a performance fee, but international transportation fees were covered by Foreign Affairs, as is the case in other countries.

Mr. Pablo Rodriguez: That puts you at a disadvantage in relation to countries that continue to provide these programs to their artists and theatre and dance companies.

As for the tours, have they or will they be cancelled in some cases?

Mr. Pierre MacDuff: Yes, of course. International work has to be planned a long time in advance. Not only are people already working on the next season, which is pretty well completed, but we are working on the one that follows it. Foreign companies and festivals are now afraid to invite Canadian artists, because we can no longer guarantee that there will be funding available for transportation costs, which are usually covered. So, everybody is in a waiting game at this point. They want to know what will happen in Canada.

[English]

Mr. Pablo Rodriguez: So this is hurting the credibility or reputation of Canadian artists in general.

[Translation]

From now on, people will hesitate to invite Canadian companies to perform because they will be wondering whether these companies will have the funding they need or not.

[English]

It's going to hurt all of them, actually, and our own reputation also as a country, right?

Madame White, you recommended increasing the budget of the Canada Council by \$100 million. Did you mean going from \$180 million to about \$280 million? Is that what you meant?

Ms. Lucy White: Yes.

[Translation]

Mr. Pablo Rodriguez: Let's look at the role of PromArt. Mr. MacDuff, I want to come back to you. When you were asked why you perform abroad, you said that it was because it is an opportunity to be open to the rest of the world, since the Canadian market is too small, and also because it is profitable. You earn a little more abroad than you do here. You also said that PromArt represents a small portion of the total financing package.

My concern is that we are throwing the baby out with the bath water. It has been said that the program was not always well managed. However, we could retain the objective and funding for the program and turn over its management to the Canada Council for the Arts or another organization. That way it would be possible to keep these programs in place. Do you not think these programs are necessary to support our artists?

Mr. Pierre MacDuff: Yes, they are absolutely fundamental, unless our society decides that it no longer is interested in showcasing our culture abroad.

Mr. Pablo Rodriguez: And that is exactly what is going to happen, if this continues.

Mr. Pierre MacDuff: It is an obvious consequence. There would be no other means of support.

There are a number of fabulous programs in place that support culture, but PromArt was the one that made it possible to export our cultural productions in all areas of endeavour to foreign countries. At the time, it was estimated that, in order to meet the need, the budget should be \$20 million, when it was actually only \$4.7 million.

• (1620)

Mr. Pablo Rodriguez: Thank you.

[English]

The Chair: Thank you very much.

Madame Lavallée, please.

[Translation]

Mrs. Carole Lavallée: Thank you very much.

I'm sure you are aware that the Department of Canadian Heritage, in the person of first one, and then another, Minister of Canadian Heritage, abolished the Trade Routes and PromArt programs, the two programs that have been the subject of most of our discussions this afternoon, without providing any rationale or any of its own research or analysis.

Did any of you see any analysis about the Trade Routes or PromArt programs?

Mr. Pierre MacDuff: I saw one on PromArt in 2006.

Mrs. Carole Lavallée: You saw it in 2005?

Mr. Pierre MacDuff: There was a document back in January 2006.

Ms. Carole Lavallée: And did it say the program was effective?

Mr. Pierre MacDuff: Yes, it did.

Mrs. Carole Lavallée: I also found one. I found an analysis of the Trade Routes Program on the Canadian Heritage website. It is the final report on the "Trade Routes Client Satisfaction Survey". It is twice as thick as this, and as you can certainly understand, I left part of it back at my office. The survey is dated December 2007, which was a few months before the decision was made to cut the program. The results it presents are extremely positive: "Eighty per cent of clients rated the program as valuable or useful to their organization, and a clear majority (61 per cent) considered it very useful." Do pardon the French translation; it is not my own.

Further on, it says: "[...] use of the program resulted in increased commercial ties with clients [...] Almost all Trade Routes clients (91 per cent) say they are at least reasonably likely to use the program again in future."

Under the circumstances, Mr. MacDuff, please explain why the Minister of Canadian Heritage is saying that the Trade Routes Program is ineffective?

Mr. Pierre MacDuff: You should be asking the Minister that question, not me.

Mrs. Carole Lavallée: Have you used the Trade Routes Program?

Mr. Pierre MacDuff: Yes. The program was not only used for export purposes. It could also be a counseling tool to prepare a business plan or resolve a management crisis. We have availed ourselves of this program, not for performances themselves, but

rather in order to send people to the touring office to sell our shows. That was only one component of the program. In fact, we availed ourselves of the program on two occasions and we were satisfied.

Mrs. Carole Lavallée: My question is addressed to all three of you. Is there another program, either under Canadian Heritage or elsewhere in the federal government, that could provide assistance for foreign tours?

Mr. MacDuff, is there another program?

Mr. Pierre MacDuff: No. The Canada Council for the Arts has a budget for developing co-productions, but it is really minimal. The real tragedy is that we are talking about an abrupt cancellation of the program. Fortunately, it doesn't work that way with the other programs we have in society. We have reformed our education and health care systems several times now. If we had suddenly stopped providing health care because programs were poorly managed, while waiting for something better to be found, what would have happened? And yet, that is exactly the situation we find ourselves in.

Mrs. Carole Lavallée: Did you hear that the Trade Routes Program was poorly managed?

Mr. Pierre MacDuff: That has not been my experience with the program.

Mrs. Carole Lavallée: So, you had the impression that it was well managed.

Mr. Pierre MacDuff: Yes, exactly.

Mrs. Carole Lavallée: Ms. White, is there another federal government program in place that would allow you to fund foreign tours?

[English]

Ms. Lucy White: No, there's nothing like those two programs federally. There are some provinces that offer small amounts of money to their local organizations, but the Trade Routes and PromArt programs were particularly important, because not only do you need to send agents abroad to sell shows, but you could also benefit greatly from bringing presenters to Canada to see work.

I think it's interesting to note that the government has announced a marquee festival program—to stimulate tourism, I assume—but cultural tourism relies on advance knowledge of the work, of the products that a cultural tourist is travelling to see. If those works are not available overseas, tourists are not going to come to Canada to a marquee festival.

So it seems to me very contradictory to cut an existing program, which may have had problems—though we haven't been privileged to see either the terms or the results of the analysis—and then to announce another festival funding. I don't understand what the policy idea is behind all the cuts and then the new programs aren't yet in place.

The Chair: Ask short questions, please, Madame Lavallée.

[Translation]

Mrs. Carole Lavallée: The last budget included a federal government investment of \$25 million to provide six-figure grants to foreign artists.

•(1625)

[English]

Ms. Lucy White: I'm sorry, but I don't understand the question.

[Translation]

Mrs. Carole Lavallée: In its last budget, the Government of Canada announced \$25 million in funding to provide grants as part of an international competition that would be held abroad. It would give out grants in the six-figures—in other words, \$100,000 and more—to foreign artists who came to Canada. The program is called “Canada Prizes for the Arts and Creativity”.

[English]

Ms. Lucy White: Right.

[Translation]

Mrs. Carole Lavallée: Were you aware of that?

[English]

Ms. Lucy White: Yes.

The Chair: Okay, Ms. White is aware of it.

Now we move to Mr. Angus, please.

Mr. Charlie Angus: Thank you.

This has been very illuminating.

I was particularly intrigued, Mr. MacDuff, by the comment that Canada is too small a market. I think most people think of our immense size but don't realize the immense cost of getting anyplace within that market.

How important is the international market in sustaining an organization like yours in terms of your long-term capabilities?

[Translation]

Mr. Pierre MacDuff: There are clearly some areas that are less affected than others in terms of foreign exports. However, companies that perform shows for children and dance companies all tell you the same thing: the Canadian market is simply too small. That is a limitation that affects us because we are a company involved in both research and creation, I'd say. Our shows are accessible but unconventional, and we work in multimedia. We were one of the first companies to use multimedia, and that is also one of the reasons why are invited to perform abroad. However, we may take three or four years to do research and explore different options. Unlike other companies, we cannot limit ourselves to 20 performances in our home city of Montreal. We have presented some shows all over the world. One we have now removed from our repertoire, called *L'histoire de l'oie* or *The Tale of Teeka* in English, won a Governor General's Award. We performed it 549 times over a 15-year period.

For us, these funding cuts are a disaster.

Of course, it is a fabulous activity, from both an artistic and economic standpoint. The Les Deux Mondes company is the result of international outreach. Without that international outreach,

someone other than myself would be sitting at this table, because the company would not have been sustainable financially, had it been forced to limit itself to performing in Canada. Having said that, it also performs here in Canada. We do outreach at the regional, national and international levels.

[English]

Mr. Charlie Angus: Madam White, following on this, having a stable market, one where you can invest in a show or perhaps in a cultural tour over a long period of time, allows you a stability in your organizations that you would not otherwise have. For instance, if you were trying to do 30 different shows in Montreal over three years, you'd run out of your market fairly quickly.

Considering the amount of investment from the federal government per project for touring, how much were you able to leverage because you knew you had the financial costs covered—to at least get the plane tickets paid, for instance—in order to carry the show to its new markets?

Ms. Lucy White: I'm sorry, I don't actually have aggregate figures yet. We've been trying to collect the data, but the cuts were only announced as a surprise in August.

Mr. Charlie Angus: Okay.

Would someone else have a sense of what those dollars leverage you in terms of being able to take a show?

Monsieur MacDuff.

[Translation]

Mr. Pierre MacDuff: Well, there can be a variety of scenarios. When we tour, eight people leave to perform abroad. If it's a symphonic orchestra or the Royal Winnipeg Ballet, for example, the transportation costs are much higher, because 50 or 100 people have to take a plane. However, the fees a company like the Royal Winnipeg Ballet receives abroad are in no way comparable to those of a company such as ours. Everything is proportional. Based on our estimates, transportation costs generally represent about 20 per cent of a budget. In any case, the funding we received through PromArt was less than that, on average. It was only part of the financing package.

Some may be wondering why we don't just charge more for the show. Indeed, the action could be that, if it is so little money in terms of percentages, we could probably do without it altogether. Well, no we could not, because in this industry as in every other, people make comparisons. There are certain prices set for shows, and our prices were already competitive. There is no lack of good shows available abroad; they are available in every country. The same applies to exhibitions and all the arts. So, when someone decides to put on a foreign show, they are already prepared to pay more.

I was also director of a theatre festival. I have worn the other hat, as someone who brought in shows for a theatre festival in Quebec City which still exists. The presenter expects there to be a contribution from the country, unless it is what is known as a Third World country. Sometimes, we know that there are countries from which we cannot possibly expect to receive assistance. If we bring in a production from Africa—and we ourselves have done this, as a company; we have co-produced with Africa—we know that conditions will not be the same. Canada is part of the G-8, so it is expected to make a financial contribution, as is the case in other areas. This is something that has been built up over the years. It represents decades of diplomatic and cultural efforts, that will now just collapse like a house of cards. It's a real disaster.

• (1630)

[English]

Mr. Charlie Angus: Just quickly—

The Chair: We're past our time, Mr. Angus.

I'll move to the next question. Mr. Del Mastro, please.

Mr. Dean Del Mastro: Thank you, Mr. Chair, and thank you to the witnesses for setting aside the time to come and speak with the committee today.

I'm sure you're all aware—this isn't going to surprise anyone—that governments have finite amounts of money. There is only so much to spend, and some of the decisions that have to be made involve asking where the best area is to spend money. Where are you going to get the most results with the money you have, the tax dollars that Canadians have entrusted us with?

One of the things that we have decided is a priority for our government is investment in arts and culture. In fact, the department has seen—by percentage, I'm certain—some of the largest increases of any department that we've actually allocated funds to.

Now I want to go back to a question by Mr. Rodriguez and I want to get some response to it. I notice, Mr. MacDuff, your company was incorporated in 1975, so you've been around for quite some time. In 1992—I'm reading from the *Canadian Theatre Encyclopedia*—there was a report presented by the Standing Committee on Communications and Culture that stated that funding in the cultural sector had failed to keep pace with inflation.

Did you take part in that study at that time, Mr. MacDuff? Were you a witness at that? Do you recall?

You don't recall? Okay, that's fine. The only thing I'm getting at is that Mr. Rodriguez keeps asking folks if they were consulted before there was a cut. Well, in 1992, there was a report that came forward that said that funding in the cultural sector hadn't kept pace with inflation. But then in 1995, in the Liberals' budget, they cut funding across the board to arts and culture. Infrastructure programs were cut by 44%; multiculturalism projects were cut by 71%; and transfers to provinces were cut by 40%. They did all of that without consulting any arts groups. Now they would argue that they made those decisions because they were faced with tough circumstances, and that may very well be; I wasn't elected in 1995. But I'll tell you that I find it a little bit surprising to ask people whether or not they were notified when I know for a fact that when these massive cuts occurred under the Liberal government, nobody was consulted.

Now, Ms. White, you talk about an increase to the Canada Council. Are you aware that prior to 2006, the Canada Council's total budget was \$100 million?

Ms. Lucy White: That sounds about right.

Mr. Dean Del Mastro: And you're aware that it's now \$181 million under our government?

Ms. Lucy White: Yes, I am.

Mr. Dean Del Mastro: Good. I just wanted to make sure that you're aware of the very substantial increase that we made to the Canada Council and of the fact that \$22 million from the Canada Council actually goes in support of international exhibitions and touring. Are you aware of that?

Ms. Lucy White: Right, and the number we're looking for is to increase that, so the Canada Council is offering some kind of competitive funding as compared to other jurisdictions such as Arts Council England, which has a \$22-per-capita contribution to the arts.

Mr. Dean Del Mastro: Okay. No, that was just for clarification. I just wanted to make sure that you understood where we came from and where we're going, and I understand. I served on the finance committee in the last Parliament, and I'll tell you, very few groups come forward and say they want less. Most groups come forward and say they'd like more. I think we're trying to do as best we can with that.

I'm surprised at your marquee festivals comment. I know groups that I've spoken with, including the Stratford Festival and so forth, have very high hopes for this program. We have Just For Laughs in Quebec and the Toronto International Film Festival. These are marquee events that draw an awful lot of tourism. I think the marketing, or the understanding of what these events are about, is internationally well known. They drive an awful lot of tourism. They've seen an awful lot of their advertising revenues and sponsorships decline. That's why we brought this program forward. I'm surprised that you wouldn't embrace this program.

• (1635)

Ms. Lucy White: Certainly the vast majority of the theatre companies in the not-for-profit sector will not benefit from the marquee festival funding. It's not aimed at them. It's aimed at the high-level festivals.

The point I was trying to make was that it seems to us at this early point to be an inconsistent policy directive to cut a lot of the international touring and market development, which often seeds the works that finally, when they reach their highest point of popularity, go to those festivals.

Mr. Dean Del Mastro: I understand.

Ms. Lucy White: I worry what will be appearing at those festivals in two or three years' time.

Mr. Dean Del Mastro: I understand, but I would counter that we happen to agree with these festivals that came forward and specifically said they were major economic drivers.

The other thing I would put forward is for the small theatres, especially not-for-profit. I can't tell you how many of them came forward and said the donation exemption on taxes for the donation of common stock and capital holdings really contributed substantially to those organizations. That was something our government brought forward in 2006.

Ms. Lucy White: Yes, that was greatly appreciated.

Mr. Dean Del Mastro: Thank you.

The Chair: Thank you for that.

Now we move to Mr. Simms, please.

Mr. Scott Simms: Thank you, Chair.

I'm starting to discover a theme in the last few go-arounds, in the last round of guests and this one, and I appreciate your all coming.

Export is a basic need for this. We have a cultural deficit of \$919 million in 2004. Is that correct?

Ms. Lucy White: Yes.

Mr. Scott Simms: Between PromArt and Trade Routes, have we now created a deficit for international touring to the point where the product is not getting out?

One of the things I've also noticed, and there seems to be something underlying here, and maybe it's a bit of a discovery for me, is that although we're talking about the grand scheme of things, if PromArt or Trade Routes—well, PromArt mostly—gave you that little bit of money, did that little bit of money allow you to leverage for a bigger amount of money on the other end, like foreign investors, like the private sector, and that sort of thing? It seems to me you're losing that base by which you could get more money. I would like you to comment on that, whether I'm right or wrong, or whatever it may be.

The other part of it was it's not just export from these programs but the import, which, Ms. House, you brought up, in effect the ECMAs, and the fact that you're importing investors, which is something new to me. I never realized either. I'd like you all to comment on that, how important it is from a financial aspect. I hear this a lot. Why are we giving money for people to bring their product, export it outside...? In your case, Ms. House, you have to export across the country, and that is difficult enough, so much so that the provincial government had to step in and pick up where the federal government left off—a common theme. I want you to comment on that, because I think that's a part of this that a lot of people don't get.

Ms. Amy House: What I see in our province alone is that getting across the water to the rest of the country requires an exorbitant amount of money. Getting people to come in to see what we're doing and that kind of trade, i.e., Trade Routes... For instance, the Australian market and the "Ten Days on the Island"...we identify a lot with that festival because we have found Australia and Newfoundland to be a lot alike culturally. We have found a partner in Australia, a trade partner, whereby our artists are getting to bring their work to Australia, creating a lot of work for them, not only individual artists but bands and theatre companies.

These buyers who come in to see what we're doing in Newfoundland at trade shows and at festivals.... When Magnetic North Theatre Festival came to Newfoundland, a lot of people from international markets came to see that festival. They saw what Newfoundland was like and have invited our companies out.

That is the part of the trade we're talking about that PromArt and Trade Routes certainly instigated and helped stimulate. ECMAs, our musicians—that's a major vein for them to find a way to market to the outside world and across the country.

• (1640)

Mr. Scott Simms: Mr. MacDuff, I'll go to you on this one. Would I be fair in saying that although you may see this as a "small" cut in A-base, this actually is a much broader cut to the effectiveness of what you do than what people realize?

[*Translation*]

Mr. Pierre MacDuff: Yes, absolutely. In fact, it is an economic lever. The cultural reality has several sides. You will hear groups talking about statistics or about the conditions in their sector. However, my reality is that of a company involved in research and creation that has been around for 36 years, that is known for the quality of its work—it's important to say it like it is—but whose very existence was made possible through touring. That kind of cultural outreach is not only limited to the artistic side. A lot of what people want to see abroad involve works that are the product of research and creativity that are new and unconventional. People are curious to know about the kind of things that are being done.

So, there are financial consequences associated with the money that we receive. It represents a very significant portion of our independent income. For one thing, we are a non-profit organization. As a result, we do not operate on the basis of the same logic as a for-profit organization. However, that does not mean that we do not follow sound management principles. After 36 years, we are still here, but achieving the necessary financial balance is never a sure thing. We are having more and more difficulty selling our shows. Our bookings for next year and the following season are not the same as in previous years, because of uncertainty among foreign buyers. They are waiting to see, quite legitimately, whether there will be a contribution towards international transportation costs from the country sending over its artists. Unfortunately, that will no longer be possible.

[*English*]

The Chair: Thank you.

We have to move on now to Mr. Pomerleau, please.

[*Translation*]

Mr. Roger Pomerleau: Thank you, Mr. Chairman.

I want to thank our four witnesses for being with us today to present their views regarding funding cuts to be made by the government in a number of different areas that will affect them.

Ms. House, you used the expression “new creative economy” a number of times. I really think that is exactly what we are talking about. The arts economy does not result in any costs in terms of human time, it doesn't damage the environment—at least, not as far as I know—it doesn't require the use of natural resources or anything else. As you so aptly explained, it is profitable in a number of different ways, not only financially. It also has an impact on the image we project, both here and abroad. It is an economy that harms no one.

The traditional economy, as it currently operates, is on a downward trend. Or, as they say in English:

[*English*]

If you do more of the same, you're going to get more of the same.

[*Translation*]

If we persist in doing things that way, we will continue to see the economy deteriorate. That's why we have to spend more money on the creative economy of both the arts and education, in particular, which do not rely on the traditional economy.

Do you not think that cutting this funding is exactly the opposite of what we should be doing, not only in terms of the arts, but economically as well?

[*English*]

Ms. Amy House: I think it's a perfect time to invest in arts and culture, actually, because we're not using anything—only human resources, creativity, intelligence, development, and research. These are all the things that make us a great country.

• (1645)

[*Translation*]

Mr. Roger Pomerleau: I have a second very brief question for Mr. MacDuff.

[*English*]

The Chair: Make it very short, please.

[*Translation*]

Mr. Roger Pomerleau: Mr. MacDuff, you said something that almost made me fall off my chair, which was that, using cost accounting, it is clear that, considering what Canada gives companies touring abroad compared to what other countries provide to their own companies, we are actually being supported by foreign countries. There is more support coming from foreign countries than there is from Canada. So, it is actually very profitable to go abroad. You even said cutting this funding is an economic absurdity. This is an activity that brings in money, rather than the opposite.

If this funding is abolished and you no longer receive any money, the work that you have carried out over the last 36 years of your existence will be in jeopardy, and the work you are now doing in preparation for the next two, three or four years will be obsolete before you have even begun.

Is it your view that these unannounced cuts, for which you were given absolutely no explanation, will put your very survival in jeopardy?

Mr. Pierre MacDuff: Yes, definitely. This decision is even that much more incomprehensible when you consider that, a few years ago, I calculated that Germany spends more money promoting German culture in Canada, through the Goethe-Institute, than Canada spends on promoting its own culture around the globe. At some point, this becomes a conscious choice. Choices are complex and difficult when resources are limited, but there are a multitude of needs to fill in a multitude of ways.

The important thing for me was to respectfully present our thoughts to the committee regarding the economic consequences of the choices that are being made, given the modest amounts of money invested in the PromArt Program. The funding that this investment allowed us to leverage in foreign currency was already more than the amount of the investment. I will say it again: these cuts are an economic absurdity, not to mention their impact on the artistic community.

Mr. Roger Pomerleau: That's it for me, Mr. Chairman.

[*English*]

The Chair: Thank you.

Mr. Bruinooge, you have about two minutes, sir.

Mr. Rod Bruinooge: Thank you, Mr. Chair.

I appreciate hearing the testimony of the witnesses today. Being from the arts sector myself in a prior life, I know it is an important sector to our economy, and I'm happy to hear some of the testimony, especially from Mr. Everson.

Some of the members around this committee have expressed some concern about our government deciding to make some cuts in certain segments of this sector that weren't performing as well as others. In particular, I know the sector you represent, Magazines Canada, has received about \$12 million since 1995 in funding for 53 different projects. Could you perhaps give us a little more background as to the success you've had in your particular sector, give us a little testimony in that regard?

Mr. Jim Everson: I'm not sure what those funding projects are.

As I said in the earlier piece, consistent application of magazine policy and a fairly stable environment have allowed the industry to really concentrate on investing in Canadian artists and Canadian photographers and make more and more of our content available and accessible to Canadians.

I certainly understand the issue with Newfoundland, because it's a big country and sparsely populated, and magazines are a heavy, physical product. To get them from one place to another is a major challenge, compared to that of our partners to the south, who have a big entertainment and magazine industry and can easily get into the Canadian marketplace and compete directly with us.

What's happened, in our experience, is that every ten years or so there's a major review of magazine policy and programs. It happened with the Perrin Beatty review back in the early nineties; it happened in the late nineties with Minister Copps and the relationship with the United States that was agreed to. Now we're going through another similar review, where we're updating and improving the framework for magazines and making it more relevant in today's economy.

From the point of view of consultations on the questions there, I would say there was no specific consultation on the specific cut to a part of our programming, but I wouldn't want to leave that impression from the point of view of the department's consultation around our programs, policy framework, and the priorities the sector has for the future. We've been very well consulted by the department. They've done summative evaluations, public consultations, and round table meetings across the country. We've had lots of opportunity for input to that, not on the specific question about cuts, but certainly in terms of their understanding the priorities and needs of the sector as it evolves and the needs of the sector to continue the success we've had, as new technologies like online magazines and so on become available.

• (1650)

The Chair: Thank you for that.

That's going to bring our questioning to a conclusion, other than one more question I have as chair. Lots of times there's something I think should be asked. You don't have to answer today; it could be sent to me.

Mr. MacDuff, you mentioned that PromArt was only one source of funding. Can a single project be funded by a number of different federal organizations? It's a question, and if you could please send the answer to the chair, I would appreciate that.

With that, we will recess to let our next group of witnesses come forth. Can we do that as quickly as possible and reconvene in five minutes, please?

• _____ (Pause) _____
•

The Chair: Sorry for the rush. Just to explain to our witnesses and to our committee, I'm going to make a suggestion. We are going to have bells at 5:30. We do have to go for a vote. We know that many of you have come a long way, so I'm asking my committee, those who can, to come back for the second half-hour. Our vote shouldn't take too long.

Go ahead, Mr. Del Mastro.

• (1655)

Mr. Dean Del Mastro: Mr. Chair, I'd support the suggestion that we return, as long as there's agreement from all members that there won't be any votes or motions brought forward during the extension, because we won't have all our members here. We will have some of our members here.

The Chair: In all fairness to our witnesses, it's agreed we'll do that.

Again, welcome to the second half of our meeting.

[*Translation*]

Mr. Pablo Rodriguez: Mr. Chairman...

[*English*]

The Chair: We'll go to Mr. Rodriguez.

[*Translation*]

Mr. Pablo Rodriguez: I am afraid I won't be able to make it; I have another commitment. Some of you may not be able to attend either. I agree with what Mr. Del Mastro has suggested, which is that there be no votes, motions or other business dealt with for a half-hour, if the committee decides to continue.

[*English*]

The Chair: Mr. Simms, are you going to be able to come back?

Mr. Scott Simms: Sure.

• (1700)

[*Translation*]

Mrs. Carole Lavallée: I had a social event this evening, but I guess it will have to wait.

Members: Ha, ha!

[*English*]

The Chair: Okay, we have that straightened out.

Again, I welcome our next witnesses. From Les Grands Ballets Canadiens de Montréal, we have Alain Dancyger. From the Canadian Art Museum Directors' Organization, we have Robert Labossière. From Regroupement québécois de la danse—that has to be a dance group—we have Lorraine Hébert. And from Independent Media Arts Alliance, we have Jennifer Dörner.

Again, welcome.

We'll start off with Alain, please.

I ask you to keep your comments, your intro, to five minutes, please.

[*Translation*]

Mr. Alain Dancyger (Executive Director, Grands Ballets Canadiens de Montréal): Mr. Chairman, distinguished members of the committee, I would like to thank you for this invitation to come and speak about the importance of Les Grands Ballets Canadiens de Montréal's export activities for our country.

It could be said that Les Grands Ballets, a non-profit organization created in 1957 by Ms. Chiriaeff, has always been a company that operated on an international scale, from its very beginnings. The company's first international tour was in 1958, when it visited the United States at the invitation of the renowned Jacob's Pillow Festival. Following that, a series of historic tours took place, thanks to the federal government's support at the time, including the first European tour in 1969, the first South American tour in 1976 and the first Asian tour in 1983.

Currently, Les Grands Ballets tours outside Canada three to four times annually, for an average of 20 performances per year over the last five years. With 33 performances this season, we will be reaching more than 53 000 people across the globe.

When Les Grands Ballets goes on tour, that involves 55 to 60 people—dancers, technicians, costumiers, ballet masters, etc.—a sizeable cargo and, as you can well imagine, some complex logistics. All of these are reasons for us to plan negotiations, memorandums of understanding and contracts carefully, to guarantee Les Grands Ballets' international presence at least three years in advance.

Financially speaking, Les Grands Ballets has benefited each year, through the PromArt and Trade Routes programs, from export assistance in the approximate amount of \$200,000 annually, which represents, on average, 2 per cent of our annual budget.

Why should the Government of Canada support the export activities of Les Grands Ballets Canadiens de Montréal? Allow me to use my five minutes today to focus on factors that are socio-economic and, in some ways, political.

We all know that the arts, a natural human form of creative expression, reflect a country in all its cultural diversity, give it its identity... In short, as a great philosopher once said: "Science without conscience is the soul's perdition".

Beyond the mission of Les Grands Ballets, which includes international visibility, the company's export activities are a necessity, for the simple reason that the Montreal market alone does not hold sufficient potential to generate the annual revenues that we require.

The Grands Ballets' export activities are also a direct response to international demand. Our cultural product is popular because it is distinctive, original, innovative, and because our company has a reputation for excellence and performance. In other words, Les Grands Ballets has succeeded, thanks to the devoted work of our dancers, designers, crafts people, board of directors, committees, employees, freelancers and volunteers—several hundred people, in fact—and thanks to the support of the three levels of government, in earning a place among the ranks of Canada's most active cultural institutions, and is now one of the most highly demanded on the international scene. This success is built year after year, month after month, and day after day.

But international competition is fierce, especially at this juncture. My international colleagues have benefited from the continued support of their governments and, for the most part, from increased support—particularly our European competitors, which makes them even more competitive today, especially considering the cuts we are currently facing here in our country. Our situation is all the more fragile in that Les Grands Ballets, like all other major North American cultural institutions, is also dependent on revenues from the private sector, which is currently in crisis. It is extremely difficult for us, despite all the extra efforts we are making, to maintain our current level of private sector revenues and, as you can understand, even more difficult to compensate for the financial losses resulting from the cancellation of the only two federal programs that assist with export activities.

This situation threatens Les Grands Ballets in the short and medium terms as regards its financial viability, but it also creates a major image problem for our country outside our borders.

● (1705)

The foreign cultural milieu—and the political one, because let's not forget that our embassies throughout the world "use" the presence of Les Grands Ballets to forge ties with local governments and economies—has a difficult time understanding the reasons why a country like Canada, a member of the G-8, does not support its cultural actors even while they—and I will say this once again—inspire unprecedented interest from international audiences. If Les Grands Ballets were a dynamic and innovative SME producing electronic components, for example, whose products were in high demand on the international market, it would be logical, even strategic, to support that SME so that it could gain market share, especially in the current economic context. Why would a cultural product be treated any differently?

Can Les Grands Ballets survive without financial support to export its product? No—for all the reasons I have mentioned, but also because we, like every other economic sector, operate in a competitive and standardized world. These international standards require that a company invited by a promoter cover the entire cost of transportation and accommodations—the very reason why the PromArt Program was created to begin with. As for Trade Routes, this program was particularly effective in that it allowed us to host future buyers in order to guarantee our future export contracts.

Let's take, for example, the last performances of Les Grands Ballets at the *Les étés de la danse* Festival in Paris last summer. More than 32,000 people applauded the company's performances at the Grand Palais. Thanks to the Trade Routes Program, we were able to host more than 40 promoters interested in the company.

And here is the result:

- tours are currently being finalized for France and Holland for February 2011, and for the United Kingdom for spring 2011;

- we began negotiations with the Bregenz Festival in Austria, Cologne and Berlin, the Ravenna Festival and the Venice Biennale;

- but the most prestigious export contract is, without a doubt, Les Grands Ballets' historic tour of the Middle East this coming June, to Israel and Egypt, as Les Grands Ballets has been invited to take part in the official celebrations of Tel Aviv's 100th anniversary.

It is also worth mentioning that our presence in Israel will coincide with the 60th anniversary of bilateral relations between Canada and Israel.

The consequences of the federal government's decision to eliminate all of its support for export activities are disastrous.

I will close with a couple of concrete facts.

This year, we cancelled a tour of the United States—four cities in California and Pennsylvania in January, 2009—and we had to cut three cities from our U.S. tour last fall, for lack of financial support under the PromArt Program.

We cut short all our negotiations with the Venice Biennale, which wanted to present the company in June 2010, even though we know full well that an invitation as prestigious as that is the result of many years of effort and excellence. Performances scheduled in Poland, in Lodz and Krakow, were also cancelled.

Italian promoters are now asking us for confirmation of our federal grants for the anticipated tour of Les Grands Ballets in April of 2010, to Ferrara, San Vincenzo, Bolzano and Modena, and should no confirmation be forthcoming, Les Grands Ballets will be replaced by more cost-effective competitors.

Our Middle East tour scheduled for June is now in jeopardy because we have not yet been able to replace the export funding of \$250,000 that we had expected to receive through the PromArt Program.

In closing, as a manager who has been active with Les Grands Ballets for more than 13 years, and in the cultural sector for much longer than that, I can state that today, regardless of our differences, whatever they may be, the Canadian government's financial support for touring—and let's not forget that we are talking about \$3 million for the performance arts under the PromArt Program and \$500,000 under Trade Routes—is, in my opinion, not only justified, but logical and absolutely vital. I would even add that it just makes good business sense.

Thank you.

[English]

The Chair: Thank you.

We're going to run out of time for any questions if we keep having presentations that long. If I hold up my pencil, it means that we've gone five minutes and please close your comments.

Mr. Labossière.

Mr. Robert Labossière (Executive Director, Canadian Art Museum Directors' Organization): I'll try to pay attention.

Thank you very much for inviting me. I'm here on fairly short notice, and no one can say that government doesn't act quickly when it wants to.

Some hon. members: Oh, oh!

Mr. Robert Labossière: I think we received notice on Wednesday last week, but thank you to the clerk for his help in familiarizing me. I'm delighted to be here and to meet you all.

I'm here as much to let you know about our organization as to participate in this very interesting dialogue you're engaged in. I say this because the clerk didn't know who we were, and you probably don't either. The Canadian Art Museum Directors' Organization, or CAMDO, is a professional association that represents directors of art museums across Canada. We have over 80 members, and they are the directors of our largest institutions, like the Art Gallery of Ontario, the Vancouver Art Gallery, the National Gallery of Canada. And they are the directors of regional art centres, like the Confederation Centre Art Gallery in Charlottetown, Prince Edward Island; the Art Gallery of Southwestern Manitoba in Brandon, Manitoba; and the Two Rivers Gallery in Prince George, B.C.

CAMDO represents executives who are responsible for budgets anywhere from millions of dollars to a few hundred thousand and for staff in the hundreds to fewer than 10. CAMDO works primarily in two areas, professional development and the development of policies and standards to help guide the challenging work of directing an art museum. CAMDO also facilitates research on topics of concern to the art museum community and serves as an important conduit for sharing information, networking, and partnering between institutions.

Rather than delving into the particulars of some of the things you've already discussed today, which my colleagues have so well addressed, I'd rather focus more on strategic approaches, particularly from the perspective of executives.

For art museum directors, arts and culture programs are tools that help them lead their institutions. We believe leadership is important, especially in these times of economic uncertainty, no matter what sector we're talking about, whether it's manufacturing, resource development, health care, or culture. I'm sure you all appreciate that our leaders carry enormous responsibility, and they must have the right tools if they're to make their organizations successful. Determining what tools are needed and whether they're good enough is all about strategy, and we assume that's what the committee is really here for.

I'd like to speak briefly about just four categories of tools, and not go over my time limit, hopefully. One is the essential recognition of art and culture as a keystone of national identity. From *Hockey Night in Canada* to Mordecai Richler, we have cultural products that give Canadians a sense of common purpose and well-being. These cultural products are essential for cultural stability. Public institutions, including art museums and public galleries, give their local communities a sense of coherence and meaning. They give local citizens a sense of responsibility and pride. Public programs offered by museums keep a running dialogue on cultural matters, dialogue that is open and informed, which minimizes the misunderstandings and inward-looking cultural thinking that so often leads to conflict. Our cultural institutions are keystones of civic life.

Now, for education, I don't know a parent who doesn't heap praise on their kids when they draw, paint, play music, or dance. What parents know intuitively is that imaginative play is a sign of mental health and the development of complex reasoning, which is to say that we know that it's good, even though we may not know exactly why. We need to ensure that arts education does not simply dry up after grade 6. It falls to our art institutions to provide the opportunities for Canadians to engage in this kind of life-long learning.

On training, more specifically, CAMDO has identified a need for specific skills development in the area of arts administration and cultural leadership. Some years ago, U.S. author, Daniel Pink, in an article in the *Harvard Business Review*, observed that the MFA is the new MBA. MFA, for those of you who might not know, is a master's degree in fine arts. He was the first person to identify a confluence between the increasing importance of innovation and knowledge-based businesses in western economies and increasing enrollments in post-secondary fine arts programs. In fact, enrollments in fine arts programs are second only I think to engineering and computer sciences. Today, Mr. Pink's insight can be taken another step: there is a need for advanced education programs to train the next generation of cultural executives.

As for efficient access to sustainable funding, arts and heritage institutions are presently crippled by the administrative burden of securing and sustaining funding. To be frank, there are too many small and short-term project-oriented programs that consume disproportionate time and resources in applications and reporting. What we need is consistent multi-year funding programs that are inclusive of the wide diversity of art museum activities, both operations and programs, and tools that simplify the application and reporting processes.

• (1710)

Some innovation has already started in this direction. Last year there was the launch of CADAC, which is the Canadian Arts Data/Données sur les arts au Canada, an online database that allows arts organizations to use their same program and financial information for applying and reporting to different levels of government and agencies.

I think you know the problem. You have to do a budget for this organization, another budget for this organization, and the budgets are not quite the same, so you end up spending huge amounts of time. This idea of harmonization, which the Pew foundation started to develop in Pennsylvania, in the U.S., is very successful and they're starting to roll it out. Obviously, different provinces are even going to be interested in applying the same kind of mechanisms.

The Department of Canadian Heritage is one of the supporting partners, teaming up with both provincial and city funders in order to make this possible. We need to see CADAC-like systems roll out to other provinces. This is infrastructure and clearly worth the investment.

A last note on copyright. Although I know this is not really a focus for this committee—it's an industry matter—I think you're aware of the challenges of addressing copyright and its importance in terms of cultural materials. We have an increasingly complex and restrictive copyright standard. That seems to be the way things are going. There's a lot of lobbying in order to make it more restrictive. For public institutions that are responsible for maintaining and preserving public collections, the importance is to make sure the public has continued access to them.

Thank you.

• (1715)

The Chair: Thank you very much.

Ms. Hébert, please.

[*Translation*]

Ms. Lorraine Hébert (Executive Director, Regroupement québécois de la danse): Thank you for inviting me to speak to you today on behalf of the professional dance community in Quebec. The Regroupement québécois de la danse is the only professional association representing all practice sectors, that is to say teaching, research, performance and choreography. It has some 500 members, including the majority of professional dance companies, 300 performers and a hundred or more teachers. Of the 300 performers, at least 100 are young graduates of our schools. All this to say that is a very dynamic discipline.

Between the two linguistic communities, and specifically, between Montreal, Toronto, Winnipeg and Vancouver, there is a free flow of dance artists. Dance is neither Québécois nor Canadian. It is international in scope, and it travels in all languages. According to statistics from the Department of Foreign Affairs, it visited almost 35 countries between 2004 and 2007. Almost one third of the performers who are members of our dance companies in Quebec are from abroad: Europe, the United States, Holland, Argentina, Russia, Vietnam, etc. Dance is international.

Before coming today, I carefully re-read a speech given by the Honourable James Moore, Minister of Canadian Heritage, when you were beginning your work on February 9. I would just like to quote a couple of sentences from it, which helped me prepare my own arguments. He said, and I quote:

Building stronger communities has been a priority for our government since day one. It is stable, vibrant communities that will provide opportunities for individuals and contribute to our great country's health and identity.

Funding from the federal government for the purpose of supporting and fostering outreach activities by all our companies internationally, whether it is through grants for touring, market development, hosting foreign programmers or budgets for cultural embassies in the major capitals of the world, has allowed dance to exist in Quebec and Canada. Without that outreach internationally and upstream through festivals, live performance markets, embassies and cultural centres, dance would not exist.

Behind that hard won reputation, which has been patiently built up over the years, even now, several hundred artists, performers, teachers, choreographers and others involved in dance have unacceptable working conditions and compensation because of public funding which has not kept pace with the exceptional expansion in this discipline that began in the late 1970s.

A strange destiny has accompanied professional dance in Canada. Having come through three economic recessions and, facing an unprecedented financial crisis, the dance sector now finds itself cut off from what has thus far been a lever for artistic development and excellence: access to foreign markets and the most prestigious stages in the world.

I don't have to tell you that the new generation is growing in strength, talent and number and that it would very much like an opportunity to step into the shoes of those dancers who are members of our current companies. The economics of dance is based on exports. The majority of sales revenues comes from outreach, not including the significant investments made by co-producers in the creative work itself.

Let me give you two examples: the Édouard Lock Company and the Marie Chouinard Company. If you calculate both investments by co-producers and international outreach revenues, you can see that 80 per cent and more of their operating budget is composed of funds raised abroad. The growth of small- and medium-sized companies depends almost entirely on their ability to perform on the international market and pique the interests of programmers who are beachheads in international performance networks, in the hope of securing investments from co-producers. That is the only way they can develop.

• (1720)

Let me give you another example: b.l.eux, a young company. Despite the fact that the performer-choreographer already has more than 20 years of experience under his belt, this is a young company. As such, it receives very little money in the way of operating grants. Its last two creations, by a Quebec and Canadian choreographer, were co-produced by 15 foreign producers. That represents \$350,000 in revenues for the creative work. The results in terms of outreach are about the same. The company receives \$250,000 in public funding from the three levels of government. However, it was able to leverage that funding by \$1.2 million through international outreach. And this is a young company.

I would like to quote another sentence from the speech given by the Minister of Canadian Heritage.

Is that it?

[English]

The Chair: Everyone's been taking a little extra time, and Ms. Dorner is not going to have any time.

[Translation]

Ms. Lorraine Hébert: I just want to explain the impact of cancelling the PromArt Program. I am referring here to page 6, the introduction.

Through PromArt, federal government support for touring projects undertaken by a dance company would represent 10 per cent of their operating budget. Investments by the company itself would represent 20 per cent of its operating budget, and the Quebec government's contribution would be 15 per cent. That gives you an idea of the kind of financial package that has to be put together in order for a company to access the international market. Given the removal of the 10 per cent portion of its total funding that came from the PromArt Program, the company will now have to invest 30 per cent of its operating budget. Thus, in the very short term, the company's production cycle will be disrupted. The financial planning for a production cycle begins three or four years in advance. It involves the creative work, the touring activities, touring income, investments made by co-producers, investments in the creative work, and so on. Companies will now have to choose between honouring

their touring contracts—and having to reduce the budget for their next creation—and deciding to engage in no creative work whatsoever for the next two years. Obviously, that will mean they have to lay off performers and no longer hire technicians, and designers, and possibly even shut down altogether, as they will no longer be able to continue their activities.

[English]

The Chair: I'm going to have to terminate your presentation.

[Translation]

Ms. Lorraine Hébert: I just want to make one request. It is urgent to resto—

[English]

The Chair: There's going to be some time for questions.

[Translation]

Ms. Lorraine Hébert: Fine, thank you.

[English]

The Chair: There'll be time for questions.

Ms. Dorner, I apologize, you only have a short time left, but....

• (1725)

Ms. Jennifer Dorner (National Director, Independent Media Arts Alliance): I think it will be under five minutes.

Good afternoon. I would like to start by thanking the Standing Committee on Canadian Heritage for this opportunity to present on behalf of our members and the diverse communities we represent. The Independent Media Arts Alliance is a national network of over 80 non-profit independent film, video, and new media production, distribution, and presentation organizations representing over 12,000 artists and cultural workers across Canada. We have member organizations divided into six regions across Canada. These organizations are established in both small communities and large cities, from Whitehorse, Yukon, to Nain, Labrador, and everywhere in between.

When I heard about this strategic review, I put together an online survey. It consisted of a list of the programs that were cut and simple questions related to each one that asked for feedback from the community. By the end of the first day, we had over 100 respondents. These individuals were staff of not-for-profit organizations and emerging artists. We even heard back from Canada's most established documentary filmmakers. We determined that the programs most affected by the sector include PromArt, Trade Routes, CIFVF, the Canada Feature Film Fund, the National Training Program for the Film and Video Sector, and Canadian Culture Online, so I'm focusing on all of those.

Of the thousands of answers we received, not one had anything negative to say about these programs. In fact, it was clear that these programs were very effective and vital to the independent media arts sector. Many people questioned whether they would even be able to continue with their artistic practice, because even before the cuts, funding for the independent media arts sector was very inadequate. For example, the films *Manufacturing Consent: Noam Chomsky and the Media* and *The Corporation* are Canada's all-time top-grossing feature documentaries. Mark Achbar, who co-directed and co-produced these films states, "The fund was absolutely crucial to our financial structure. It made the films possible."

I have here a compilation of the survey. As you can see, it's quite big with very small font. There are thousands of answers, literally, from people giving their briefs to me. I'm not going to go into full detail, but just so you know, if anyone wants a copy, I have a few here.

The federal government claims that these programs were cut out of necessity, that the overall funding for arts and culture had to be reorganized. However, taking money from the incubators of art and culture and putting it into the top commercial cultural industries is like chopping the roots off an apple tree and fertilizing the upper branches: it just makes no sense.

Twenty-five million dollars is now going to an international art prize. We all think that sounds very exciting; however, the federal government needs to invest in emerging Canadian artists and new and growing art forms so that Canada actually has a chance at winning it. The trend of increasing funds for the larger industry and cutting from the foundation of art production will have detrimental consequences over the long term. In the immediate future, we will see a dramatic decrease in quality, diverse, and educational programming, a decline in festivals in smaller communities, and an increase in mainstream programming that blends in with the larger productions from south of the border. Yet even these productions over the long term will suffer because we will not have cultivated our creative minds, or offered sufficient training, production, and exhibition opportunities to grow a healthy media arts industry.

To jump back to the specific programs in question, we prioritize the CIFVF and Trade Routes as being absolutely essential for the production and dissemination of independent media art. They, in fact, have had economic spinoffs that far exceed the initial investment. In practical terms, a major and alarming consequence of the loss of these programs will be increased pressures on the Canada Council for the Arts, specifically the media arts section in our case.

The media arts section at the council has one of the lowest budgets of all departments, far below music, theatre, writing and publishing, and even visual arts, yet this is one of the fastest-growing sectors, and we all know that producing a film is really not cheap. Not only does this section lack the human resources to administer the increase in grant applications, but the section will have to turn away hundreds of applications that warrant support.

So let's focus on finding a solution. Based on our report, which was circulated to you all beforehand, we have three suggestions: first, that the federal government reinstate funding to the programs

that I mentioned earlier; second, that these and other Heritage programs be reconstituted to expand their focus to include independent media art—currently the Heritage programs do not support independent media art enough, and we feel it would be wise to invest in new art forms and emerging artists; the third is that the federal government invest in the media arts section at the Canada Council for the Arts so that it can address the needs of a growing industry.

● (1730)

Thank you. I would be happy to answer questions if the time permits.

The Chair: Thank you.

Mr. Rodriguez, please.

[Translation]

Mr. Pablo Rodriguez: Thank you, Mr. Chairman.

I, too, would like to welcome the witnesses. Thank you for being here.

Once the bells start to ring, Mr. Chairman, can we continue the meeting for a few more minutes?

[English]

The Chair: We can continue for five minutes.

[Translation]

Mr. Pablo Rodriguez: As I mentioned to the previous panel, I want to commend all of you for what you are doing in your respective areas of endeavour, as well as for arts and culture in general here in Canada. I very much regret that we find ourselves in a situation where we are forced to talk about program cuts, which I would describe as savage, being made by the Conservative government.

I'm going to ask you the same question. Were any of you consulted during the review process about these cuts? You are, I repeat, major partners, being the ones who know the most about these programs.

In the case of Les Grands Ballets Canadiens, it seems that the funding you received under the PromArt Program was minimal. You talked about 2 per cent of your overall budget. Without it, however, many of your activities may be in jeopardy.

Did I get that right?

Mr. Alain Dancyger: Yes, absolutely. I referred in my presentation to the fact that we operate in an international market. As Lorraine was saying, by its very nature, dance is fundamentally international in scope. As in any economic sector, there are international standards, which clearly stipulate that the promoter—or buyer, if you will—does not pay for international transportation, nor does he pay for transportation within the market where performances are to be given. For example, if we do a European tour, the promoter will not pay for transportation between Canada and our port of entry into Europe, or for transportation within Europe.

Mr. Pablo Rodriguez: However, some of your competitors in other countries benefit from a similar program. That means you have a huge competitive disadvantage.

Mr. Alain Dancyger: Without a doubt. In fact, not only are we operating in a market where certain standards apply, but those standards set out a market price. Whether we're talking about cultural products or other kinds of products, there is a market price that the promoter may or may not pay. Our competitors, particularly in Europe, are currently supported at a much higher level than we are here in Canada. Because they re-invest in their cultural organizations, we have practically no chance of being selected.

Mr. Pablo Rodriguez: In other words, this is an ill-advised business decision that has not been carefully thought out. The government is creating huge problems for our organizations, our institutions, our artistic companies and our artists. We will be at a considerable disadvantage compared to the foreign competition.

That is why I'm asking the question. I am trying to understand what the purpose of these cuts is. In my opinion, they are purely ideological. I can see no other rationale for them. We are still waiting for the documents that the Department is expected to provide to the committee shortly but, for the time being, we have to rely on the testimony we have heard. And, your testimony is a clear indication that these programs have yielded repeated success stories. Basically, the government is shooting you in the foot.

Mr. Alain Dancyger: We worked for years to secure that prestigious three-week contract at the Grand Palais in Paris. The fact is that it was made possible through the PromArt and Trade Routes programs. We were able to host 40 promoters, through Trade Routes, in order to sell the company. While we were in Paris, we negotiated the Middle East contract and almost finalized the contract of the U. K. tour.

Now we find ourselves in an uncomfortable position. Ours is now among the ballet companies most in demand on the international market, and yet we don't have the means to respond to that demand. Given the circumstances, it's a little illogical.

Mr. Pablo Rodriguez: Exactly.

In closing, I would like to give Ms. Hébert an opportunity to comment. At what point could it become a matter of survival for the tours planned by some companies?

Ms. Lorraine Hébert: Our domestic market does not provide the opportunity to give enough performances to earn the minimal amount of income that is required to ensure a company's survival. That is why companies began to actively pursue international markets in the late 1970s.

We experienced a boom starting in 1985. Since then, thanks to the international market, dance has, fortunately, been able to develop. There would be no dance today had we not had access to international markets.

• (1735)

Mr. Pablo Rodriguez: So dance is threatened?

Ms. Lorraine Hébert: It certainly is; it has no financial flexibility. It's a very fragile economy: very well managed, but very fragile.

The difference between touring expenses and revenues is calculated over a two-, three- or four-year period. That is why dance companies operate on a three- or four-year cycle, so that they can carry out their creative work.

Second, our companies are competing with outstanding companies from around the world...

[English]

The Chair: I'm going to have to interrupt—

[Translation]

Ms. Lorraine Hébert: ...and they have to be the best.

[English]

The Chair: We will recess right now. We're going for the vote. I encourage as many as can to come back after the vote for 22 minutes, please.

Thank you.

• (1735)

_____ (Pause) _____

• (1810)

The Chair: I call this meeting back to order. I apologize that we were so long. There were two votes instead of one.

We will run until 6:40. Thank you again for your patience.

Ms. Lavallée, would you like to go ahead with your questions, please?

[Translation]

Mrs. Carole Lavallée: Thank you very much.

Thank you to all our witnesses, not only for being here today, but for being so patient. Please accept our humble apologies; it is part and parcel of life on Parliament Hill.

I'm going to go quickly because I only have five minutes, I'm really annoyed and I have lots of questions for you. First, I want to be sure that I understand the Trade Routes Program. This is a program aimed at exploring opportunities to export cultural products. Is that correct? You can just nod.

Ms. Lorraine Hébert: There is also support for development officers. For example, Paul Tanguay of the Marie Chouinard Company received money to go to Asia to develop the next tour and find co-producers. That is very important. Also, it made it possible to host programmers of festivals or for different markets, so they could come and see local Canadian products.

Mrs. Carole Lavallée: So, if I understand you correctly, there were two main components: one that allowed our artists to travel abroad, and another involving cultural officers around the world. Is that correct?

Ms. Lorraine Hébert: Yes, that's right.

Mrs. Carole Lavallée: Every time I talk about Trade Routes with the Minister, he tells me that the administrative costs amounted to \$5 million and that it is unheard of to spend \$5 million for a net gain of only \$2 million. So, I would like you to explain this in detail; it will appear in the proceedings.

Is it true that \$5 million was used for cultural officers hired by the government who were simply duplicating the work done in the embassies?

Ms. Lorraine Hébert: No, they were commercial officers. I suggest you put this question to Alain Paré from Cinar, who will be appearing on the 9th. He will explain exactly what those officers did. They were commercial officers working in the field. What we don't know is whether they were doing a good job. The actual spinoffs of their field work should ordinarily be part of the program evaluation. They were commercial officers. There was no duplication with cultural officers; it was a different job.

• (1815)

Mrs. Carole Lavallée: Do you agree with the Minister when he says that the government was spending \$5 million for bureaucracy and only distributing \$2 million?

Ms. Lorraine Hébert: As long as we don't know what were the actual results of the work these people were doing, we cannot say whether it was effective or not. Based on the salary you receive, are you effective, or not? I hope you are.

Mrs. Carole Lavallée: Well, at least I was able to bring you before the committee so that we could talk about cuts to these programs. I'd say I earned part of my pay this week.

Mr. Dancyger, would you like to add something?

[*English*]

Mr. Alain Dancyger: I was talking about Paris. Thanks to Trade Routes we were able to bring 40 international presenters to see the company. The contract in the Middle East resulted from negotiations in Paris, even though we started the discussion two years ago. They said the final decision would not be made until they saw the company, and Paris was closer to Israel than Montreal. They said it was a great contract we had at the Grand Ballets, and they would come to see us in Paris. That's where we finalized the deal.

So the money we got from Trade Routes served to bring those 40 presenters to see us in Paris. I mentioned earlier what positive results we got from that special program.

Ms. Jennifer Dorner: Can I answer a little as well?

[*Translation*]

Mrs. Carole Lavallée: Yes, of course.

[*English*]

Ms. Jennifer Dorner: If we're talking about how much it costs to keep that program running, the economic spin-off effect from the grants that were given to artists and production companies was enormous. In the film industry, if you can't go to other countries to

present your movies, you don't have buyers. Audience and market development are key for the film industry.

Another example is bringing in people from other countries. We have one organization called imagineNATIVE, based in Toronto. It's the largest aboriginal film festival in the world. Trade Routes was so key for them, because they brought in broadcasters from around the world, from almost every country. They were so interested in this. As a result, those films are shown and screened in countries everywhere. The box office is huge; we're talking about ticket sales. So these little grants for travel for a few people generate an enormous amount of money. That's just one example.

The Chair: A very short question, please.

[*Translation*]

Mrs. Carole Lavallée: Starting with Mr. Dancyger, can you quickly tell us whether, before these cuts were announced, Canada had a good funding formula?

Mr. Alain Dancyger: Yes, it certainly did. The fact is that I often travel abroad. I am part of Dance/USA and other international organizations.

[*English*]

In fact, the Canadian model in terms of financing international touring has been, in most cases, presented as one of the best models. Why? Because somehow it's between the European model, where it's mostly the government supporting our colleagues, and the American model, which is exactly the reverse—private money.

Why was it considered the best model? Actually, in many workshops I was talking about why it was one of the best models. It actually brings the best of each partner in order to bring success to our organizations abroad.

Now we are looking at what's going on in the States. It's a total disaster. Because they can only rely on that private funding and because there is this amazing crisis out there, not only are my colleagues panicking, but they just don't know what to do.

We are lucky in that sense to have found that balance between all sources of funding. Everybody is making an effort to make it work. In that sense, it was considered, particularly by our colleagues in America, as one of the best models.

The Chair: Thank you very much for that.

Mr. Del Mastro, please.

Mr. Dean Del Mastro: Thank you, Mr. Chair.

Thank you, witnesses, for appearing today. I do appreciate your time and your patience, as we had to leave for the vote.

I had a couple of things I wanted to go through. I want to correct the record a little bit, because there have been a number of things said that are not factually correct.

Mr. Rodriguez is not here, and I won't speak ill of him, but he did accuse our party of being ideological in its approach. I just wanted to make a couple of statements and then I'll get around to some questions.

In the strategic review, of some of the items that were indicated, one, for example, was the Canadian Memory Fund, a program of almost \$11.6 million for working with the National Archives on archiving historical works and so forth. They completed their objective. That's why it wasn't renewed. The northern broadcasting program was about \$4 million. Of course, with the move to digital, nobody actually uses antennas, or won't be using that kind of broadcasting, and that's why it wasn't renewed. Then, of course, we had Culture.ca, a search engine that was running at \$2 a hit because essentially nobody was going to it.

Just those three programs together are half the money that we're talking about. I'm pretty sure that none of the parties opposite would actually advocate those programs being restarted. This was not ideological. That's my first point.

Mr. Dancyger, I don't want to misquote you. You have some tours, which you reduced from 16 cities to 4 in the United States, and there are also some trips to Poland, France, and possibly Britain that you may not be able to go on. Is that right? Okay.

I did look up to see how much support you received from Trade Routes last year and I found that your group got about \$8,000. Is \$8,000 really the difference between 16 trips and 4 trips and all these trips to Europe?

•(1820)

Mr. Alain Dancyger: When we're trying to bring key presenters, international presenters to come to buy the company, every single dollar matters. In fact the original request was for much more than \$8,000. If my memory is correct, the original request was for \$25,000. For budgetary matters, it was cut down to \$8,000. Of course, we'll take it, right? We're not going to say no to \$8,000.

We invested a little more because Paris was such an unusual promotional platform for the company. We said it's better to invest, even though we don't have the financial means, because we believe this is going to be key. In fact it was, because we managed to get all those potential tours going.

You know, dance companies and artists work so hard. Do you know the average salary of a dancer in Canada is \$14,000? Part of that salary is for guaranteed weeks, which are part of touring. If you cut touring, not only do you hurt the image of Canada abroad, but you will also bring the dancers—they're already below the poverty line—even further down.

When Les Grands Ballets Canadiens is considered one of the hot companies internationally and you're in demand and you have all those potential contracts, it kills me to tell the presenter in Venezia, "I'm sorry, I cannot commit now because I don't have the money."

Mr. Dean Del Mastro: I understand.

Mr. Alain Dancyger: Particularly now, in times of recession.

But you should also know that the private sector is reverting—

Mr. Dean Del Mastro: Okay. I have a very quick question. I read your comments in *Le Devoir*. You don't really think the government coming to the assistance of the North American auto industry is bailing out dinosaurs—

Mr. Alain Dancyger: I don't know anything about cars.

Mr. Dean Del Mastro: —against artists?

I saw your comments, and I thought you didn't actually mean that.

Mr. Alain Dancyger: My point was actually to say that when you have a thriving cultural industry it seems very logical, or even strategic, as I mentioned in my discourse today, to support it. It means we could be even more competitive because we know the product is very strong out there.

At the end of the day, how much money are you talking about? You're talking about \$3 million. And I do understand that this government, like any government, has to make choices, but are those choices strategic?

I have to tell you that when I heard in Cairo that our name was mentioned as one of the key partners of the prizes....what do you call it?

•(1825)

Mr. Dean Del Mastro: The Canada Prize—

Mr. Alain Dancyger: In fact, nobody called us. You're talking about \$25 million to reward excellence for international companies while the whole performing arts sector is in demand outside of Canada for \$3 million.

I was the Canadian in Cairo trying to raise money, and I had to explain why the Canadian government is not supporting the tour to the Middle East when Shimon Peres and Susan Mubarak will be present at our galas in Tel Aviv and Cairo. These are difficult questions to answer. I'm a moderate, I think, and I'm always trying to find the positive in everything I do, but honestly I use that to respond to challenges every single year.

Believe me, I think the not-for-profit arts organizations are used to doing a lot with little money. This is \$3 million. We have all those contracts out there, but we have to say no to them.

The Chair: Thank you for that.

We move now to Mr. Simms, please

Mr. Scott Simms: Thank you, Chair.

I have a couple of comments to follow up.

We keep hearing from my colleagues about the overall amount of money. What I find more interesting is the fact that whether it's less or more by \$2 million, \$3 million, or \$10 million, it's a question of how it is spent.

In this particular situation you make the case for a program that is certainly exhausted with not much more demand on it. Culture.ca is perhaps not getting the pickup that it was, and to a certain degree that's understood, but what's lost in the narrative is the communications.

I would put this on Mr. Del Mastro's radar. You say in the particular situation of the north, of the over-air transmissions for people with televisions that are not hooked up to cable, yes, they're going digital, and yes, they will be obsolete, but that still doesn't solve the situation of whether these people have a right to receive that information. This is what Barack Obama is battling with now in providing coupons for set-top boxes for digital transmission. I just want to take a little bit of an issue with that.

In this particular situation I have a simple question. For 2011, it's a pretty bold tour you have here, with the United Kingdom, France, and Holland. I apologize if you didn't cover this off the top, but I want to ask again, if that's the case, where do you go? How are you going to do this in 2011? What is your plan B?

Mr. Alain Dancyger: Particularly for the large cultural organizations, we plan at least three years ahead of time. We have short-term and long-term concerns, but touring altogether, the short-term concerns are obviously the Middle East right now, where we are confirmed to actually do two performances as part of the centennial celebrations in Tel Aviv. We are the only large cultural organization, with La Scala de Milan, to have been invited. We have one performance in Jerusalem and four in Cairo.

We are, like all of my colleagues, waiting until the last minute, and we're also trying everything we can to raise the money. That's the reason I was in Cairo. We did raise \$50,000 from Egyptian companies supporting the presentation of Les Grands Ballets in Cairo, which is quite amazing. We are anticipating \$250,000 from PromArt. That's very difficult for us to raise, particularly in view of the current economic situation.

That's a long answer to your question, but in terms of touring, we have already cancelled tours. I mentioned the tour to the U.S. and to Poland. We have frozen our negotiations with Venezia. With regard to the Middle East, honestly, I don't know what to do, particularly if Shimon Peres and Susan Mubarak attend. I would hate to cancel. It's just bad to do that.

Can we afford the deficit? No, we can't. We will cancel the tour in England if we don't have the money. We will certainly not go on tour and incur a deficit. That doesn't make any sense.

• (1830)

Mr. Scott Simms: That's despite the demand.

Mr. Alain Dancyger: That's despite the demand, but that doesn't make sense either when your product is in demand, particularly in times of recession. It should be logical that you invest in products in Canada, which also gives work to Canadians.

Mr. Scott Simms: Before I get others to respond, I'll throw this in as well.

I guess you're going to be in a situation where what you normally book for administrative costs would now have to go for a potential tour that you cannot cover from funding that you've received before. Would that be correct?

Mr. Alain Dancyger: We have a number of activities, and the council supports our products and creations, but PromArt was actually the only program at the federal level that supported touring. If we don't have PromArt, then basically we'll get rid of that part of the activity.

Mr. Scott Simms: Any others on perhaps the short-term and long-term plans?

[Translation]

Ms. Lorraine Hébert: We conducted a survey of dance companies, and particularly the Grands Ballets Canadiens. Already this year, they have had to consider reducing by six the number of guaranteed weeks in next year's annual contract for a certain number of dancers.

In addition to that, they are changing a full-time position into a part-time position in the outreach department. As time goes by, if things don't improve, they will close the outreach department. And here, we are talking about the largest company, so you can imagine what it's like for the others.

[English]

The Chair: We've gone past our time.

Mr. Pomerleau, please.

[Translation]

Mr. Roger Pomerleau: Thank you, Mr. Chairman.

Ms. Hébert, you talked about the fact that art has the effect of uniting societies. It seems to me that is obvious for people who are either involved in artistic activities or part of their audience. This summer, I intend to go to the Stratford Festival, in the riding of my colleague, who is chair of the committee. There is no doubt in my mind that art brings people together within society and that I am going to like Shakespeare's Macbeth. I will be spending a lot of money in my chair's riding and I am most happy to do so.

Art does, indeed, unite societies and produce economic spinoffs. You referred to its effect on the young people coming up behind who have invested a lot in it. As Mr. Labossière was saying, it takes as long to train a dancer or an actor, in some cases, as it does to train an engineer. These people receive training to become creators in areas of endeavour where they know for a fact that they have little chance of making money. It's really too bad for them.

You say that you will be affected by the cuts being made in this sector. Are there any other programs that could replace the ones that are being cancelled? Is there something we could do now to try and resolve the problem, before the situation turns disastrous?

Ms. Lorraine Hébert: The funding has to be restored. It's urgent. In April, people have to be able to file their applications in order to save what they can for next year and two years from now.

We are talking of about \$3 or \$4 million. A transfer of \$4 million for the performing arts must be made to the Canada Council for the Arts as soon as possible.

Mr. Roger Pomerleau: Mr. Labossière, I really liked your example. You compared an MBA to someone who receives training in the arts. We too often forget that art is profitable; it is not an expense. It is in large part for that reason that we have problems when the time comes to set priorities. We see art as a form of education, as something that generates spending, when in actual fact, it is an investment, just like the bailout of the auto sector or building roads and bridges. It is a long-term cost-effective investment that allows people to earn a living, to do business and to forge relationships.

Will the budget cuts affect lot of arts organizations in your community? Will they affect the entire artistic community?

I believe you work in the museum community.

• (1835)

[English]

Mr. Robert Labossière: We represent art museum directors. They're the managers of the larger or smaller institutions that present art work—art exhibition performance forums, and so on.

[Translation]

Mr. Roger Pomerleau: Have you made use of the PromArt Program for foreign travel?

[English]

Mr. Robert Labossière: There are impacts within the museum community from the travel support programs, but I really can't speak to those issues. I don't have the specifics. I'm sorry about that.

I think what you're getting at is interesting, because the issue of management within the arts has developed in a very interesting way over the last 15 years. With the cuts that happened in the nineties when there was another severe retraction in the economy, the whole discourse within the visual arts sector turned toward self-generated revenue, sustainability, and so on. We've had that discourse developing over the last 10 to 15 years.

That has put a lot of pressure on management to find ways to make economic arguments that justify their institutions, but also to find ways to diversify their funding sources. So whenever there are changes in programs or programs are gone, you hope other programs will come into place, but it requires adjustment at the management level.

The Chair: Okay, we're out of time.

I'm going to go to Mr. Del Mastro for the final question, please.

Mr. Dean Del Mastro: Thank you.

Ms. Dorner, I listened to your comments as you talked a bit about television and new media and so forth. I just wanted to point out to you that the budget, of course, included \$200 million for the renewal of the Canadian Television Fund and \$28.6 million for the Canada New Media Fund.

I wanted to get your reaction on this. The Canadian Film and Television Production Association were quoted as saying they were pleased that the government is listening, given the two-year

extension of the Canadian Television Fund and the Canada New Media Fund.

Valerie Creighton, president and CEO of the Canadian Television Fund, said "The Government's commitment to Canadian television ensures the continued viability of this growth industry."

Do you disagree with those two individuals?

Ms. Jennifer Dorner: I don't disagree; however, it's a totally different sector from the one I'm representing.

It seems, again, that the current government is really shifting funds to commercial, entertainment-oriented spending. Those funds do not fund any of the members I represent—none of them. The Canada New Media Fund is for websites that are, for example, cooking shows or that sort of thing. Looking at how that fund has been spent in the past, I would say that out of the 12,000-plus people we represent, none of those people would qualify for that fund.

Mr. Dean Del Mastro: Is increasing the funding for the Canada Council for the Arts from \$100 million to \$181 million—

Ms. Jennifer Dorner: I'm sorry, that's wrong. It wasn't \$100 million; it was at \$150 million, and it was increased by \$30 million.

The biggest problem for our sector is that by the time the money trickles down to the media arts, it's not that much. Especially because right now with the whole shift to HD technology, our production centres across the country have equipment that's so outdated that within the next couple of years, artists across the country will not have access to television broadcasting, which is a major problem. So we need even more funding for the Canada Council.

Mr. Dean Del Mastro: Okay. Actually, the Canada Council was \$100 million prior to 2006, but I'm not going to argue on the numbers with you.

Ms. Jennifer Dorner: No, it was \$150 million. I was very much involved with that lobby.

Mr. Dean Del Mastro: But you're getting away from the point, which is if we're increasing that, doesn't that also take away from the argument that we're moving to commercial media instead of supporting artists? I don't quite understand.

• (1840)

Ms. Jennifer Dorner: That's the one thing we were very excited about, I will not disagree with that. I think the \$30 million that was invested in 2006 was welcomed by all of us, and we were involved with meetings at the council to look at how it was being distributed amongst all sectors. We're all fighting for that, because it's just not enough. It doesn't even come close to being enough.

Mr. Dean Del Mastro: What is enough? I guess that's the question.

Ms. Jennifer Dorner: What we were asking for was that it be doubled in 2006, and \$30 million wasn't double. Our campaign was \$5 per capita, which would have been from \$150 million to \$300 million. The \$30 million was just a little bit, and we were, like, "Yea!", but it doesn't come close.

Mr. Dean Del Mastro: Okay.

I just have one more question for you, Mr. Dancyger. Let's see if I can find it here. The National Ballet of Canada were out pretty strongly on the budget. Their comments were that they were very thrilled to see that the National Ballet School would benefit.

Kevin Garland, general director of the National Ballet, was reported as saying "We're really thrilled that there's a strong minister and that there were [two] pages in the budget devoted to the arts, which is a first in my history."

Do you agree with his comments?

Mr. Alain Dancyger: Do you know that the National Ballet of Canada practically does not tour internationally?

Mr. Dean Del Mastro: Okay. But obviously—

Mr. Alain Dancyger: I'm here to testify that we need to support international touring. The National Ballet of Canada tours across Canada, mostly to the west, but very rarely tours internationally.

Mr. Dean Del Mastro: But I'm assuming that they would provide some of the dancers and so forth to your...

Mr. Alain Dancyger: They don't.

Mr. Dean Del Mastro: They're not training any dancers of the future?

Mr. Alain Dancyger: As Lorraine was saying, ballet companies are international companies. We have dancers from Quebec, dancers from Canada, dancers from all over the world. And, yes, some dancers come from the National Ballet schools, some come from the Winnipeg schools, some come from Juilliard, some come from the Conservatoire de Paris, and so on. So we are an international ballet company, like all major international ballet companies.

Mr. Dean Del Mastro: The \$100 million for marquee festivals....

The Chair: This is the last question. Keep it pretty short.

Mr. Dean Del Mastro: Certainly.

There's been an awful lot of talk about how investments generate spinoffs and that then generates other economic activity.

The \$100 million for marquee festivals.... By the way, one of the reasons we're doing it is that advertising dollars...as you mentioned, in the United States, the private sector is not supporting the way they were. Will this not create significant economic spinoff in arts and culture? Will it not assist in productions right across Canada?

Mr. Alain Dancyger: Well, we all contribute to the Canadian economy. As a matter of fact, Les Grands Ballets Canadiens is one of the very few ballet companies in the world that has initiated reciprocity agreements with our sister companies.

I will give you an example. We saved the presentation of the Les Grands Ballets in Houston during the tour to the U.S. I referred to, which had to be cut down to four cities. One of those four cities was Houston. Why? Because we had a reciprocity agreement with the Houston Ballet. They came to Montreal, and they usually don't tour. Ballet companies like ours provide a yearly season, all year long, whereas festivals have their roles to play at specific times throughout the year. I guess we all contribute to the Canadian economy.

The dance world is in jeopardy, because what's happening now is that the elimination of PromArt is eliminating, basically, all activity of dance internationally, which will result in a loss to the Canadian economy.

The Chair: Okay.

I thank you so much for hanging around and letting us get our votes done. I thank our committee members for coming back afterwards to accommodate our witnesses who have come quite a distance to be here today. Thank you very much for your candid remarks.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.