



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 009 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Wednesday, March 11, 2009

—
Chair

Mr. Gary Schellenberger

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• (1535)

[English]

Mrs. Judith LaRocque (Deputy Minister, Department of Canadian Heritage): Mr. Chair, I have a very brief opening statement, if you will indulge me.

Thank you very much for inviting us here today. We're here to provide information and to respond to your questions about the Department of Canadian Heritage's strategic review of program expenditures.

[Translation]

I would like first to bring your attention to the scope of Canadian Heritage's mandate and activities.

Our headquarters are in Gatineau. We serve all regions of the country through our five regional offices and 21 points of service. The department is responsible for some 60 or so programs in a number of fields, including culture, official languages and sports.

I want to point out that all of the department's activities are reviewed on a regular basis in accordance with specific criteria. When we examine our expenditures, we review our entire range of programs.

To advise our minister, we try to determine whether, for example, the program examined continues to serve the interests of Canadians, whether it fulfils a legitimate role of the government, whether there are partners better equipped to deliver the program, such as the private or volunteer sector, whether the program enables the federal government to fulfil a responsibility within its field of jurisdiction, whether it is effective, whether it is affordable within the current economic context, and whether it performs well for Canadians.

[English]

I would like to give you some details about the Department of Canadian Heritage's participation in strategic review.

In the budget presented in May 2006, the government committed to adopting a new way of managing public funds. A key element of the new approach is the review of all programs and spending on four-year cycles. In 2007-08, 17 departments and agencies were selected by Treasury Board to be examined for their spending and programs as part of the strategic review. The Department of Canadian Heritage was one of these, but we also had Library and Archives Canada, and the four national museums were also selected in that first round.

Treasury Board asked our minister, as well as the ministers responsible for the other departments and agencies, to identify, for its

consideration, the 5% of spending out of their total budget that went to the lowest priority and the lowest performing programs. I wouldn't want you to misunderstand the words "low priority". Sometimes people jump on that as something that is no longer of value. In some cases, programs were considered to be of low priority because they had successfully achieved their original goals. In the case of other programs, conditions had changed since they were established, particularly with the rapid development of new technologies.

Cabinet considered the issue and the government has reallocated the savings from all departments and agencies involved in that particular strategic review. This reallocation took into account current government priorities.

[Translation]

I hope the information I have given you will be of use to the committee. I am now ready to answer your questions.

Thank you.

[English]

The Chair: Thank you very much.

Our first questions come from Mr. Rodriguez, please.

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you very much, Mr. Chairman.

Good afternoon to the three of you. Thank you for being here today. A few weeks ago, I introduced a motion to obtain documents from you justifying the budget cuts. You have read that motion; it was extremely precise. Its purpose was to request all analyses, reports and audits prepared by the Department of Canadian Heritage serving as a basis for the government's decision not to renew funding allocated to a series of programs, an exhaustive list which we have here.

We've received four documents. The first is the Formative Evaluation of Trade Routes 2003. We were in power at the time. That evaluation has nothing to do with the 2007-2008 evaluation you refer to. The second document is the Formative Evaluation of Canadian Culture Online, which was produced in 2004. Here again, it was produced well before the current evaluation. The same is true of the third document, the Formative Evaluation of the Canadian Arts and Heritage Sustainability Program 2004. Lastly, the audit of the Canada Magazine Fund was conducted in 2003. All these documents were prepared in 2003 or 2004, that is to say a number of years before the evaluation you refer to.

I don't know whether someone has an odd sense of humour or whether there has been a mistake, but you definitely did not rely on these documents in advising the government to make cuts.

Mrs. Judith LaRocque: When we received your motion, Mr. Rodriguez, we reviewed all the evaluations that had been used in conducting the strategic review. You received what appeared in the file. The evaluation is only one element of the strategic review. There are a number of others on, for example, costs, government priorities, whether programs are still relevant, whether technologies and the economy have changed, and so on. The evaluation is only one of the elements considered in a strategic review.

Mr. Pablo Rodriguez: If there aren't any other documents than these and you didn't rely solely on the evaluations in making this decision, then we can say that you relied on the philosophy behind the government's orientations. There's no study or specific analysis on which we can currently rely. It is really the government's orientations that took over. It was a choice.

• (1540)

Mrs. Judith LaRocque: I can't agree with that statement. You have to take the context into account. The strategic review is a budget exercise that is completely subject to budget secrecy, cabinet secrecy. All documents, opinions and advice that were provided to the government during the discussions are cabinet decisions; this is advice given to the ministers. Consequently, it cannot be disclosed. I can cite the laws guaranteeing the security of those documents so that cabinet can make its decisions in full knowledge of the facts.

Mr. Pablo Rodriguez: In 2003-2004, those documents were not deemed confidential and they were not necessarily submitted to cabinet. Today, however, they are.

Mrs. Judith LaRocque: We put these kinds of evaluations on our websites.

Mr. Pablo Rodriguez: Ms. LaRocque, we have a dilemma here. All the witnesses who have come here told us that these programs were essential not only for them, but for the Canadian culture industry as a whole, dancers, artists and theatre, as well as for Canada's credibility. No one said that the decision to make cuts was a good idea. The government tells us it based its decision on factual studies and so on. But we have nothing, except documents that date back four, five or even six years, in some cases. We find it very hard to believe this. We think instead that these cuts were of an ideological nature.

What was your recommendation? Did you recommend cutting those programs?

Mrs. Judith LaRocque: Mr. Rodriguez, the onus is not on me to speak out publicly on the advice I gave my minister. All I can tell you is that the advice we gave our minister is sacrosanct and protected by specific laws.

[*English*]

Maybe I'll stop there.

[*Translation*]

Mr. Pablo Rodriguez: The artists who came and testified before the committee said that support for tours has been cut, that they are facing deficits and that companies are closing their doors. At some

point, however, the government states the contrary, saying it's continuing to support exports.

What I'm going to ask you pertains specifically to your field and is not confidential. Where should these companies turn as of April 1, when PromArt is terminated? What are these programs that are intended to support our artists? How big is their budget?

[*English*]

The Chair: Yes, I'll give you time.

[*Translation*]

Mrs. Judith LaRocque: Thank you.

Mr. Rodriguez, I would like to clarify a number of things. First, I carefully read the official transcript of the meetings you held and the evidence you heard. To a large degree, people said they were concerned about the cancellation of PromArt, which is not a Canadian Heritage program. We didn't review that program or make any recommendations to our minister concerning it. That program was established by the Department of Foreign Affairs. As I told Ms. Lavallée earlier, that program was introduced in 1968. It was reviewed in 1976 and a new version of it was produced. I am therefore not responsible for that program. I'm not saying you have the wrong person before you, but it is clear that most of the witnesses who appeared before the committee are concerned about PromArt.

Mr. Pablo Rodriguez: I just want to clarify one point. That doesn't answer my question.

[*English*]

The Chair: We've almost gone seven minutes, so you can get that in the next round.

Ms. Lavallée, please.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Thank you very much.

I'm going to go to questions quickly because time is short. I find it hard to believe, Ms. LaRocque—perhaps because I don't understand how the public service works—that you conducted a strategic review of a number of programs, a dozen or so, seven of which were cancelled on August 8, that you conducted no evaluation that is still available, which you could submit to us, that would date from 2007 or 2008. You conducted no evaluation that can be presented. You did cost evaluations, but there again you can give us nothing.

You examined the economic situation, priorities. Did all that meet the objectives? And you conducted all those evaluations either orally with the minister or these are studies that you yourself sent directly to the minister. I simply want to say—and I'm not asking you to comment—that I find it hard to believe that.

Having said that, I also find it hard to understand how it is that, in the things—and I call them “things”—that you sent us, we can't find the evaluation of Trade Routes which is on the website. That was done in 2007, and it waxes rhapsodic on the subject of Trade Routes. This is a program of direct interest to you. The evaluation states that 80% of respondents consider the program invaluable and useful for their organization. A distinct majority, 61% found it very useful. Using the program resulted in an increase in clients' trade links. Virtually all Trade Routes clients (91%) said they wanted more.

And you turn around and advise the minister—that was in the fall of 2007—to terminate the program because you had allegedly met your priorities. What priorities? The artists came here, exactly where you are, and told us they had no other options. There is a small program at the Canada Council for the Arts that does not allow them to apply for more than \$50,000. In any case, that program has a budget of less than \$1 million and it previously had \$7 million.

As you will understand, there is currently an enormous hole in the supply of Canadian government services to cultural organizations, particularly those that conduct foreign tours. There is no longer a single door to knock on—they all said this—for touring abroad.

Is it because your department has decided that it is no longer one of Canada's priorities to send performing artists outside the country?

• (1545)

Mrs. Judith LaRocque: You've asked me a number of questions in a row. So I'm going—

Mrs. Carole Lavallée: Start by answering the last one.

Mrs. Judith LaRocque: That's the easiest answer. It is not up to public servants to determine the government's priorities. It is the government that determines its own priorities. We implement them. In my mind, that's very clear and very simple.

As regards the documents, I didn't say there weren't any documents. I told you that the documents were cabinet secrets. These are cabinet documents that are not made public, and that is the tradition, a tradition that has always been upheld in this country. As a result—

Mrs. Carole Lavallée: Pardon me for interrupting you, I imagine you involve a number of public servants in that kind of evaluation. So all the officials, from the moment they say they are working for cabinet, their work becomes ultra-secret. Is that correct? There aren't parts of documents, such as situation reports, that can be made available?

Mrs. Judith LaRocque: The strategic review, being part of a budget process, meets the same demanding, very strict standards of a budget process. In other words, the documents are documents that go directly to cabinet for consideration. What we provided were documents that were in the public domain and that could be shared.

Mrs. Carole Lavallée: And now, what are you suggesting to cultural organizations, theatre companies, dance companies that want to go abroad, that want to go and present their shows outside Canada? As a senior official of the Department of Canadian Heritage—which is not nothing—what are you suggesting to them? Where do you suggest they file applications? What door can they knock on?

Mrs. Judith LaRocque: There are a number of doors. There is \$22 million currently available for all kinds of international opportunities—

Mrs. Carole Lavallée: I'm talking about the performing arts. I'm talking about the Grands Ballets Canadiens, for example, and a tour that costs \$250,000—

[*English*]

The Chair: Ms. Lavallée, could you let the witness please answer the question?

[*Translation*]

Mrs. Carole Lavallée: I already know the answers, go ahead.

Mrs. Judith LaRocque: For book exports, for example, there is \$4.8 million from the Department of Canadian Heritage to assist book exporters. At the NFB, there is \$900,000, no doubt to assist in promoting documentaries internationally. At Telefilm Canada, there's \$1.9 million specifically to ensure a Canadian presence at the biennial events in Germany, at the Cannes Film Festival, and there is \$1.8 million at FACTOR and the Musicaction Foundation for international music, and that's in addition to \$13 million available at the Canada Council specifically for tours. I should add that there is still \$5 million in the Trade Routes program this year.

• (1550)

Mrs. Carole Lavallée: In all, what you've told me—

[*English*]

The Chair: Ms. Lavallée, we've gone over time.

Mr. Angus, please.

Mr. Pablo Rodriguez: On a point of order, could she table that information, please, with the details?

The Chair: Okay.

Mrs. Judith LaRocque: That would be the various options for people to apply?

Mr. Pablo Rodriguez: Yes, and where we can find more details on it.

Mrs. Judith LaRocque: Sure.

The Chair: Thank you.

Mr. Angus, please.

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

You said that when you checked it out, you would see whether the private sector or the volunteer sector can do a better job and whether we need these programs.

Can you tell me who in the volunteer sector is going to pay for the representatives at the Cheongju International Craft Festival that's taking place in Korea, where Canada has been the host country? Canada was chosen as the host country, and what we're being told is that they're scrambling to address your department's having pulled funding from them and that we're looking a bit like international clowns right now because there is no funding.

Mrs. Judith LaRocque: In the example I gave of looking to the voluntary sector, I was talking about the general review of our program. Often we will look to the voluntary sector. For example—

Mr. Charlie Angus: So did you—yes or no?

Mrs. Judith LaRocque: In this particular case, I'm not sure whether we did.

Mr. Charlie Angus: I don't want to be upset with you; you have to work for the Conservative government—my deep sympathies there. But when the minister came here, he told us clearly that these were wasteful programs, that this is bureaucratically heavy.

I was actually thinking that we'd find out, and yet you come here and give us a six-year-old report and tell us that everything else is classified—sacrosanct, you said. Sacrosanct means nothing, if you cannot justify on paper why a minister told this committee that this was a bureaucratic, wasteful program, and yet you come in here and tell us it's the Cuban missile crisis, that these are secrets.

There's nothing secretive about producing clear evidence to a committee to say yes, look—what does it say here in the informative report...?

Excuse me; this is a very old report, but it's all you gave us.

It says how Trade Routes is positive, “providing substantial and necessary support for the growth of the arts”; that it's “a flexible program”, that it was “market-driven”. These are the reports you gave us, and then you tell us you can't talk about anything else.

Do you have anything to justify this program's having been cut, anything at all to show us?

Mrs. Judith LaRocque: Certainly. Essentially, the Trade Routes program was determined to be too costly to run in relation to the amount of money it provided directly to arts organizations.

The structure of maintaining five cultural trade offices in five locations internationally was very expensive, and it limited our ability to respond to new priorities and emerging markets.

Mr. Charlie Angus: But you have not taken the money and said let's get rid of the overall part, but let's make sure we have money for touring. We're being told by the Montreal ballet that they're shutting up shop. Either they came here and were lying to us or there's a serious hole in the operation.

We're not seeing a program out there, and you're saying go to the Canada Council. Well, that's almost all domestic touring. What have you done specifically to say that this was a cost-heavy program, and here's something that will work as an alternative?

Mrs. Judith LaRocque: Trade Routes never provided funding for touring. PromArt provided funding for touring. PromArt belongs to another department. It belongs to the Department of Foreign Affairs, who went through their own strategic review exercise and made their own recommendations to their minister.

Mr. Charlie Angus: We heard very clearly that Trade Routes is an essential program. We have not seen any piece of evidence to show that it was wasteful, other than words from you, or the fact that the government's priority... You keep jumping back to priorities. I understand that; this is a government that has been against the exportation of cultural products since the beginning. But we're

seeing that we're moving money over for a torch relay. We're moving over to a torch relay....

The Chair: I just realized that these are government officials here, and they're not going to take political questions.

Mr. Charlie Angus: I fully understand, Mr. Chair, but they're telling us it's government priorities. I at least appreciate that. We're seeing that the priority is that supporting the export of our cultural industries is something they were against and they're moving the money over to a torch relay.

Are we to go back to the Montreal ballet and La La La Human Steps and everyone else who's come before us and say, sorry, but a single torch relay is more important than the 20 years that La La La Human Steps has spent creating and building an audience?

I have not seen anything. I was expecting that you would bring something to show us that this was a wasteful program. Then we could say now we understand. But you're telling us it's all a cabinet secret. You have to do better, if you're going to provide cover for your minister.

• (1555)

The Chair: Is that a statement? Are you finished with your statement?

Mr. Charlie Angus: I'm done.

The Chair: Thank you.

I'll go to Mr. Del Mastro.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you, Mr. Chair.

Thank you, Deputy Minister, for appearing today.

The Chair: Are you sharing your time?

Mr. Dean Del Mastro: I may, Mr. Chair. I promise I'll keep you posted.

Thank you very much for taking the time to appear before us today and for all the hard work you do on behalf of artists and culture in this country. We appreciate it a great deal.

One of the points in contention that we make on this side is that we have put a lot of money behind artists, that we are supporting touring, are supporting artists abroad, and are supporting the arts domestically. You already indicated, for example, that PromArt has nothing to do with the Department of Canadian Heritage, and I appreciate that.

Trade Routes was a model for funding artists abroad, but the Canada Council is also supporting artists abroad through a number of programs that they have. Perhaps you can touch on the additional money we have provided to the Canada Council. And secondly, can you talk a little bit about how the Canada Council is supporting artists abroad?

Mrs. Judith LaRocque: Thank you.

The Canada Council has, as I said, \$13 million that it provides to artists for work both domestically and internationally. They support international touring and exhibition of Canadian artists and art works. For example, they have international touring grants, and there are visual and media arts exhibitions abroad that they support. They provide support for the promotion of arts organizations or artists abroad—showcases, art and book fairs, pre-tours, translations, etc.

They have a program that's called the support for international reciprocity, which is a visiting foreign artists program, foreign tours in Canada, but primarily their support goes to a wide range of disciplines in Canada, including aboriginal arts, dance endowments, media arts, music, theatre, visual arts, writing, and publishing. Even though the department is separate from the Canada Council, which is a crown corporation in and of itself, we tend to work in partnership.

For example, if it is the time for the Hamburg book fair and we are trying to promote our authors and publishers at that fair, we would work in tandem with the Canada Council and with other partners in town.

Mr. Dean Del Mastro: I want to track some of the growth of the Canada Council, because the Canada Council is artists helping artists. It's free from what the opposition would call ideology. Of course, I would contest that all political parties have an ideology.

Can you explain to me or give me some scope as to how much the Canada Council funding has grown over the last number of years? I know Trade Routes came in in 2001. Can you give us some scope as to what the Canada Council funding was in 2001, what it is today, and what the growth has been specifically since we came to office in 2006? Can you give some idea of that?

Mrs. Judith LaRocque: We will get that information for you.

Perhaps I'll turn to Pablo to answer it.

Mr. Pablo Sobrino (Director General, Strategic Policy, Planning and Research Branch, Department of Canadian Heritage): The Canada Council received an additional annual funding of \$30 million a year in 2006, and that's been ongoing. It's for a total of \$181 million; it had been \$150 million before that. That funding is ongoing at the moment.

Mr. Dean Del Mastro: Thank you.

Mr. Uppal, did you have a question?

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): I do, thank you.

I just want to get back to the Trade Routes program for a second. Trade Routes was established as a spinoff from the trade investment development directorate. Can you walk us through the need for that program, the rationale behind establishing it?

• (1600)

Mrs. Judith LaRocque: Trade Routes was indeed launched in November 2001 as a trade development program designed for the arts and cultural sector, including the performing arts, visual arts, crafts, design, film, television, sound recording, publishing, heritage, and new media. It was established to ensure that Canadian arts and cultural exporters had the same kinds of export services and business opportunities that were available to other priority sectors of the economy. It supported both profit and not-for-profit in the arts and

cultural sector preparing to export and sell Canadian artistic work and cultural products in international markets.

Somebody mentioned earlier, maybe it was Mr. Del Mastro, that the Canada Council really does support artists. At the Department of Canadian Heritage we do not have a direct support route to artists because we prefer the arm's-length peer review opportunity of the Canada Council. But we do help cultural businesses. We help them export their goods, and that was why the Trade Routes program was originally created.

The Chair: Just ask a very short question.

Mr. Tim Uppal: Do you feel that Trade Routes has met its mandate and accomplished what it set out to do?

Mrs. Judith LaRocque: I feel that the Trade Routes program was very expensive to run, and that there are ways for us to maintain our nimbleness and be able to shift priorities as new markets develop. New governments come in. Priorities change. When you have a fixed model that has trade officers in five cities, and five cities alone, to dismantle it takes quite a bit of time. We feel there are more flexible ways to help cultural businesses in this country.

The Chair: Thank you.

Ms. Dhalla, please.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Thank you very much for taking the time to come here today.

If you sense some frustration on this side of the room, it's because of the frustration and anger we have heard, not only from the organizations that have come before us at this committee but also from the e-mails and the phone calls and the meetings we have had with a number of individuals.

You talked about having a strategic review take place, new governments coming in and governments having their own individual priorities. When you in the department did your strategic review, how did you consult with the organizations you were doing the strategic review on?

Mrs. Judith LaRocque: We were under a budgetary process model, which means that we were not out there consulting broadly on matters that would be considered by cabinet. We used information in previous evaluations. We have an ongoing relationship with our clientele. We did analyses and assessments, and all that was fed into the cabinet process.

Ms. Ruby Dhalla: Did you ever contact any of the organizations that would be receiving cuts or were under review? Did you ever speak to any of the individuals within the organizations?

Mrs. Judith LaRocque: No, we would not have, prior to cabinet's making its decision.

Ms. Ruby Dhalla: In terms of doing the review—because no one knew, and obviously that was for the cabinet to decide—did anyone from your department consult with any individuals at any of these organizations about how their programs were running, what the administration costs were, what the costs were for distributing the program itself?

Mr. Pablo Sobrino: That's an ongoing dialogue that we have with the organizations. We run 60 programs in the department, and our officers and directors general and all that have a lot of contact with the organizations and understand the pressures they face. That information was fed into our process as well.

Ms. Ruby Dhalla: Just to let you know, every single organization that we have heard from, each and every one of them—and I have the transcripts right here, which I'm sure you guys have looked at as well—has said that they were not consulted. I don't know what type of ongoing dialogue there was, unless these individuals are lying to us, but they have all told us unequivocally that they were not consulted.

Mrs. Judith LaRocque: I think they were all clients of PromArt, or many of them.

Ms. Ruby Dhalla: No, they were not.

This is my second question, because we're limited for time. When the decision was made by this Conservative government and cabinet to cut the particular programs, being the clientele of Heritage Canada, how were these organizations informed that they would no longer be receiving this funding for the programs that they distributed?

Mr. Pablo Sobrino: When the government decided it was time to announce, we contacted the heads of organizations, our third-party delivery agents, by phone. A director general responsible phoned the organization directly and letters were sent out to those organizations. Where there were programs with many recipients, such as Trade Routes, that information is posted on the website, because it's an annual application process and not necessarily everybody applies every time. But in Trade Routes, for example, we did talk to our advisory committee. Phone calls were made the day of the announcement.

• (1605)

Ms. Ruby Dhalla: Mr. Sobrino or Ms. LaRocque, you may want to go back and talk to your department, because let me read you one of the transcripts when I asked one of the organizations that was present.

I asked, "How did you find out about the fact that your organization was receiving a cut?" One of the individuals said they got a call on August 8. I asked someone else, who said they had a phone call. I asked another individual who said that they found out through the media. Someone else said they found out through a television interview. Someone else said they found out through a website.

I don't know where there's been a breakdown in communication, but a number of the organizations, I would say over 90% that have come forward to this committee, had absolutely no knowledge their program or their funding was getting cut, other than learning or reading about it through a newspaper or watching it unfold on television.

Mrs. Judith LaRocque: It's very hard for us to know without the names being given to us, but we had a systematic communications plan for every program that was cut, with phone calls and letters and websites, whatever happened to be appropriate in that circumstance.

Ms. Ruby Dhalla: You may want to take a look, because there has been a breakdown in that communication strategy somewhere, because the majority of organizations that have been in existence for the last five, ten, fifteen years that have clientele they answer to found out either through the media or through a letter, with absolutely no phone call or any type of discussion.

I know I'm running out of time, but you mentioned, Ms. LaRocque, that there were other options for people to explore who were originally taking part in the Trade Routes funding, which focused on exporting our product. What other programs can those individuals who were going through Trade Routes apply for now?

And secondly, with regard to Trade Routes, it's been mentioned repeatedly that there was a huge administration cost to run the program. I know my colleague asked for documents to be tabled to hopefully get answers. As my colleague Charlie Angus was saying, if we had those particular documents in front of us, then perhaps we could have some sympathy for the fact that the program was cut for those particular reasons.

So I have two questions. First, whose fault was it that there was such a high administration cost in this program? Could that not have been fixed? Second, where else do these people who have lost funding for their particular initiatives go to now within the government?

Mrs. Judith LaRocque: In answer to your second question, I just went through the list. They have options through the Canada Council with the \$13-million budget they have, the Association for the Export of Canadian Books, the National Film Board, Telefilm, and FACTOR Musicaction.

In terms of the original design of the Trade Routes program, in 2001 that was considered to be quite an innovative program. For the first time, we would have people across the world, in markets that were important to us, to help the export of cultural goods.

Times change and technologies evolve and you want your trade policy, I think, to be far more nimble than to have a fixed investment in five locations. Those happened to be probably the five most expensive locations in the world to establish residency for an official.

Also, we were continuing to use the network of trade officers in our embassies abroad elsewhere in the world and we were noticing equal opportunities or viable opportunities were coming to us through those channels as well. So it's not a matter that a design—

Ms. Ruby Dhalla: Who's responsible for the administration portion of it?

The Chair: Ms. Dhalla, we're going to move on.

Mr. Pomerleau, please.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Thank you, Mr. Chairman.

Ms. LaRocque, I entirely approve of the analysis done by Mr. Angus. We are representatives of the public, and the funds that you distribute come from the public. We are mandated by the public to ensure that that money is properly spent. We've begun an analysis here today for the purpose of getting a clear and simple answer.

Cuts to cultural funding are having an incredible impact, according to all those who have testified. This is not about billions of dollars, but rather about a few million dollars. That does not represent a lot of money for the government; it's peanuts. I agree that it's a considerable amount for you, but as part of the government's overall budget, it is nothing at all. However, the impact is phenomenal.

We're asking very simple questions. I'd like you to tell me whether my interpretation is accurate. You're saying you prepared documents for the ministers, but that we can't see them. The minister claims he received them, but he can't submit them to us. Lastly, the public, who have given this committee a mandate, is wasting its time. The public cannot have the final say; it is required to take your word.

• (1610)

Mrs. Judith LaRocque: Mr. Pomerleau, I clearly do not entirely share the view you've expressed.

I would like to give you more context. My role as deputy minister is governed by quite clear parameters and is based on two fundamental pillars. The first pillar is executive authority. I give my minister opinions and advice, which he then submits to cabinet, which considers it before making decisions on whether to create or cancel programs and with regard to the terms and conditions that will govern their implementation. The second pillar is the financial resources that are approved by Parliament, by all of you, and which give me that executive authority.

Mr. Roger Pomerleau: All right, I understand all that.

Is your role based on a third pillar, which consists in providing explanations to the public, who, through us, are asking for an accounting? You report solely to the minister, if I understand correctly. The public has nothing to do with that. The minister will receive certain reports that he will make public, the public will be made aware of what the minister is willing to tell it, and it will believe him as much as it believes you. Is it appropriate to present matters in that way?

Mrs. Judith LaRocque: Once again, I don't entirely approve of your interpretation of matters. As deputy minister, my role is to ensure proper management of the resources that are allocated to me by Parliament and that are approved by the executive authority, which is cabinet.

Mr. Roger Pomerleau: And the public is not informed of that.

It appears that everyone who came and testified, the majority of whom benefited from the PromArt program, received funds from

both sides, on an alternating basis. All of them, without exception, told us that the funding they received, which was relatively small, made their organizations profitable, since the business that they conducted outside the country brought in funds here. They gave us any number of examples to show that, most of the time, it was Canada that benefited from that, since the expenses they incurred in order to travel out of the country were incurred here.

They said that these international activities were necessary to their survival. We know perfectly well that all theatre, ballet and modern dance companies cannot survive solely in a market like Canada, even less so Quebec, which is far too small to ensure their long-term survival. All those people told us they needed this funding. Today, it's being cut, and we don't really know why. There are apparently good reasons for doing so, and that is what we'll be looking at with the minister later.

You're telling us that these people have the option of requesting funding elsewhere, if that's necessary to their survival. However, all these people confirmed for us that there was no other funding or options. That's what I don't understand. Are all those people wrong? Have they not done a proper search or have they turned to the wrong place? They claim they are in danger, that they are dying. It is the entire Canadian and Quebec cultural industry that is at stake.

Mrs. Judith LaRocque: I thank you for sharing your concerns with us. The fact remains that the Canada Council offers artists and companies major programs, particularly for touring. I understand the frustration expressed, but the PromArt program is not under our authority. People appear before you to testify about the importance of those programs, of course, but the fact is that our strategic review focused solely on our programs. I can't express an opinion on a program for which I have no responsibility, whose scheme I am not familiar with and which I do not know whether it is well managed or not. It is quite hard for me to offer a judgment on a program that is not the responsibility of our department.

[*English*]

The Chair: Thank you very much.

Ms. Grewal, please.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Mr. Chair.

Thank you so much for coming to answer our questions.

First of all, I would like to compliment you and your department for doing an excellent job. You've done a brilliant job of ensuring that money contained in our budget has gone out to assist the arts across this country.

My question concerns the strategic review. There have been many mistruths spread about the decisions made during the strategic review, so could you please elaborate a bit on where these funds are being reallocated?

• (1615)

Mrs. Judith LaRocque: There are perhaps two parts to your question, so perhaps two parts to my answer.

Strategic review, along with other mechanisms in place to review government spending, like evaluations, audits, and periodic renewals of our programs at Treasury Board, is the method this government has chosen to ensure proper and effective spending of taxpayers' dollars. Other governments have chosen other means. We went through strategic reviews in 1995 and 2005. Different governments approach it different ways.

In this strategic review exercise, as I said, we were asked to look at every program in the department. Even though we were asked to identify the lowest performing or lowest priority 5%, every single program was examined. Every one of our three pillars under the PAA, sport, identity, and culture, was looked at. Treasury Board asked us to have a person from the private sector on our committee, which we did. We had a principal from Deloitte & Touche, who helped us review every one of our programs.

In the end, choices are made by the duly elected government of the day as to which programs will be affected, to what extent, and when. We understand the consequences of those choices can be difficult for groups and organizations that have benefited from them in the past. However, the fundamental relationship of confidence between us, as public servants, and our ministers means that our advice to our ministers must remain confidential. It has been ever thus, and I suppose it will be ever thus.

In terms of the strategic review, if I could just take a moment for that, as you know, it was roughly \$45 million that resulted in decisions of the strategic review. That is roughly 3.4% of the department's budget, not the full 5%. Choices were made to not go for a full 5% with respect to the Department of Canadian Heritage.

Of course one might take issue, as I think Mr. Angus did, with the selection of what might have been reallocated or reinvested into the department, be it money for the torch relay, for summer sport, or for the official languages road map, which I think comes in at a total of about seventy-some million—I forget the number—but over a number of years. I think the torch relay and summer sport are two-year investments, and then the road map is a bit longer.

Even that's not the end of the story, because since then we've received \$30 million for festivals. We've just received a top-up in the last budget for the cultural spaces program of \$30 million a year for two years, which will be direct investments. That last one is part of the stimulus package.

It's very hard to compare apples and oranges. I understand that is frustrating for honourable members, but there is a larger story.

Mrs. Nina Grewal: There still seems to be a lot of confusion in understanding this \$45 million. Could you please provide us with an explanation of why it was really necessary to make reallocations following the strategic review? Perhaps you could begin with the Canada memory fund, which accounted for almost 25% of the \$45 million, and go from there.

Mrs. Judith LaRocque: The Canada memory fund was an incentive program, in the sense that its intention was to incent other federal departments to digitize crown collections where they were custodians of a crown collection that would be important to future generations of Canadians. Incentive money was given, say to the National Film Board, and last week or the week before the National

Film Board announced that 900 titles have now been digitized and they are now online. Funds were also provided to Library and Archives Canada to digitize their collection and get more and more of it online.

It was always intended to be a program with a beginning, a middle, and an end. You started it up. You invested the money. You ensured that the institutions of government had the proper equipment to start digitizing their collections, and over time the intention was—and it worked out—that they would integrate that into their ongoing business planning. Now the National Film Board, as part of its integrated business planning, has the digitization of the collection. The same with LAC, and with other institutions across the country.

• (1620)

Mrs. Nina Grewal: Mr. Chair, do I have any time left?

The Chair: No, your time is pretty well up.

Now we go to Mr. Simms, please.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Thank you, Mr. Chair.

To our guests, I've been here long enough and been on enough different committees to realize what a tough situation you're in. I know in a situation like this, with the cuts, it's difficult for you and obviously not so friendly here and somewhat friendly over there. So from this side, I would just like to say, you guys look marvellous today, by the way. You look great.

That being said, what I'm going to do is to make a comment on the Trade Routes program. Whether you choose to respond is entirely up to you. Perhaps this belongs, like many of the questions here today, on the floor of the House of Commons, and not necessarily in front of you. Granted, the minister is not here.

Here it goes. On the Trade Routes program, one of the things several witnesses before us talked about—and not just about Trade Routes, but PromArt as well—was how this money signified, to them, a steady money flow. It's not money that's dependent on the private sector, which is taking a huge beating these days, as we all know. Therefore, the Trade Routes money created an indirect mechanism or indirect opportunity for them to receive money.

Now, according to this and the minister's statements on February 7—and you reiterated this as well—there will be a \$7 million investment for a \$2 million direct benefit. That means we're top-heavy with an inefficient mechanism.

You talked about the places that you need to close because they are too expensive to operate. Therefore, my point is that \$7 million is going into this program, and \$2 million of that—the money I'm talking about—will translate into an even greater benefit to our witnesses. So instead of destroying the program, why wouldn't we reduce the \$5 million to get to our \$2 million direct benefit?

This is why we use terms like “ideological cut” to describe this, because what you've done is that you need to shave off an inefficiency, but with the philosophy of the program staying intact. And according to every witness, this was the program that helped them to distribute...as opposed to relying on something like YouTube.

Mrs. Judith LaRocque: Mr. Simms, at the heart of your question I believe is a political question, because these are political choices. These are—

Mr. Scott Simms: In that case, I may move on.

Mrs. Judith LaRocque: May I just add something?

I just want it to be clear, though, to the committee that the response you receive from us would be exactly the same response if we were serving another government.

Mr. Scott Simms: I agree; I totally agree. I'm not disagreeing with you there.

I just have a couple of quick questions.

There's a small town in my riding. They took advantage of a program that allowed them to digitize their local archives. Which program would that be?

Once you tell me what program it is, I want to know if you considered the fact that not 100% of the people in this province receive high-speed Internet, when you decided to cut this program.

Mrs. Judith LaRocque: Certainly I'm familiar with the program or project, if I remember the right one in your riding. They would have received money through LAC to digitize their project. And there would still be, I think, an opportunity through LAC for them to continue digitizing. I believe so.

• (1625)

Mr. Scott Simms: Oh, all right. I wasn't aware of that.

Mrs. Judith LaRocque: Because there's a broader context to LAC than simply digitizing their collections. They're interested in—

Mr. Scott Simms: Yes, I may take that up with you afterwards. I don't want to waste time on this particular file.

I have one final question, if I have time. The decision on APTN, the Aboriginal Peoples Television Network, is obviously taken in light of the fact that we're going to high definition over the air. Is it strictly that, because you're cutting this particular distribution mechanism?

Mrs. Judith LaRocque: Actually, no. The government, through the northern distribution program, provides right now \$2.1 million annually to APTN to ensure that aboriginal programming is distributed to the 90 northern communities.

This is a shift not to digital, but to satellite. So it's going from over the air to satellite.

Mr. Scott Simms: Okay. So this does not entirely cut funding—

Mrs. Judith LaRocque: No.

Mr. Scott Simms: —for APTN? But you're subsidizing the mechanism through satellite television, is that right?

Mrs. Judith LaRocque: The over-the-air component will come to an end March 31, 2010. By then—and I have people behind me who can correct me if I'm wrong—APTN should be fully operational on satellite.

Mr. Scott Simms: Yes, I see that.

Perhaps I'm going into the political realm once again, because I think this is going to be a huge mistake—a huge mistake—for this particular sector. Anyway....

Do I have some time left?

The Chair: A very, very short one.

Mr. Scott Simms: Oh, my goodness. Okay.

I want to go back to the Trade Routes question for a final time.

You used the word “nimbleness”. Tell me a program, whether it's through Canada Council, whether it's through something else, that provides the nimbleness you're looking for, if you were to give your advice not to a minister, but to a particular group that wants to take its thing abroad?

Mrs. Judith LaRocque: What I would be telling you is probably more my personal opinion—

Mr. Scott Simms: Oh, please do.

Mrs. Judith LaRocque: —than advice, necessarily.

That would be a program that was probably able to easily target new markets that could.... People don't necessarily need to have people on the ground to help open doors for them. What they need is help to get over there and open the doors for themselves. But we have expertise in the department. There is also incredible expertise in the various associations, be it the export book publishers association, etc. I would see more tag-team targeted teams that would help, rather than saying we're going to be in London, Paris, Singapore. That way, if a new market evolves or you discover a trade fair that is the latest thing, you don't penalize yourself by the lack of flexibility in your program.

That is what I would have in mind.

The Chair: Okay. Thank you.

Mr. Bruinooge, for the last question, please.

Mr. Rod Bruinooge (Winnipeg South, CPC): Thank you, Mr. Chair.

Thank you very much for coming today. I really appreciate your testimony.

To follow up a bit on what Mr. Simms was saying, in terms of a nimble program, I'll bet the money the Canada Council invested for the Aboriginal Arts Secretariat.... I'm sure I know a number of the groups that have taken some of that money, especially the carvers in Cape Dorset. I bet their return on investment is higher than anything you've got under your wings.

But I'm going to move on to a couple of questions in relation to the origin of Trade Routes, because looking back to the formation of the program, I think it was roughly in 2001, at the time there was of course the existing program in the Department of Foreign Affairs, PromArt, that was operational not only in Canada but throughout the world.

Was there a degree of consultation between the departments at that time? Or was a demand being expressed by the artists? Can you give some testimony about the origin of the program?

Mrs. Judith LaRocque: Believe it or not, Mr. Bruinooge, I wasn't around in 1968 when they developed the first—

Mr. Rod Bruinooge: I think 2001, sorry, is when—

Mrs. Judith LaRocque: For PromArt, but for Trade Routes, yes.

I think that Trade Routes was conceived to help cultural business, cultural commerce. PromArt was designed to help with touring and artists, per se, artist companies, touring companies. So I think that would be the real difference between the two.

Susan or Pablo, would you like to add anything?

• (1630)

Mr. Pablo Sobrino: I'll take that.

The Trade Routes program was developed to support market entry in targeted markets. That was the original design of the program, which is why we had people on site in those areas. We provided a small, about \$2 million, contribution program to support individual project initiatives in terms of getting people to markets and stuff—those things. That was developed in support of objectives in particular markets, in terms of our cultural industries being able to market their wares abroad.

The PromArt program was very much around providing grants to artists and cultural organizations in support of international touring and organizing cultural events abroad.

Mr. Rod Bruinooge: Though some of the funds from Trade Routes have been reallocated, as you've already stated in testimony, you have referred to some of the decision-making as being political.

Going back to the genesis of the program, would you suggest that the decisions related to the choices of the five cities in which some of the program is administered—as we know, they are very expensive to operate—were more political decisions, versus decisions of the bureaucracy?

Mrs. Judith LaRocque: They were decisions of the government of the day. They haven't always remained the same. There was at least one shift in city as priorities changed for a previous government, and we were able to make that shift.

Mr. Rod Bruinooge: So you're suggesting they were a political decision to some extent.

Mrs. Judith LaRocque: It's not for me to say, honestly.

Mr. Rod Bruinooge: Okay. Well, I do appreciate your testimony. Thank you very much.

The Chair: Thank you very much.

We thank our witnesses from the ministry for appearing today. Thank you for your answers.

We will recess for about five minutes as we prepare to go in camera for the rest of the afternoon for our committee business.

Thank you.

[Proceedings continue in camera]

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

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