



**HOUSE OF COMMONS
CANADA**

**REPORT ON THE ANALYSIS OF THE ARTS
PROGRAMS THAT WERE CANCELLED IN
SUMMER 2008**

**Report of the Standing Committee on
Canadian Heritage**

**Gary Schellenberger, M.P.
Chair**

APRIL 2009

40th PARLIAMENT, 2nd SESSION

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THE STANDING COMMITTEE ON CANADIAN HERITAGE

has the honour to present its

FIRST REPORT

Pursuant to its mandate under Standing Order 108(2), and the motion adopted on Monday, February 9, 2009 the Committee has studied the Strategic Review of Arts and Culture Program Expenditures and has agreed to report the following:

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PART 1: SUMMARY OF ARTS AND CULTURE BUDGET REALLOCATIONS

In March 2009, the Standing Committee on Canadian Heritage held a series of meetings on the Strategic Review of Arts and Culture Program Expenditures. The Committee wishes to thank those who accepted our invitation and helped us to study the matter.

This report provides a summary of the evidence heard with respect to the repercussions of the Strategic Review. The Committee will then present its position as well.

Recap of Events

In the February 26, 2008 Budget, the Government said that a number of departments should undertake strategic reviews of their programs and spending. As a result, departments were "... streamlining operations, realigning their activities and transforming their organizations in order to deliver better programs and better results to Canadians."¹ With regard to the Department of Canadian Heritage, the Budget said:

Through a comprehensive review of its programs and spending, Canadian Heritage has identified certain programs that have now achieved their original goals. The Government is redirecting all savings toward other Canadian Heritage programs, including investments to strengthen that department's Official Languages Action Plan, and support in this budget toward the 2010 Olympic and Paralympic Torch Relays and toward the Government's Road to Excellence for summer Olympic athletes.²

1 Department of Finance, "Budget 2008: The Budget Plan," February 28, 2008, <http://www.budget.gc.ca/2008/plan/chap3a-eng.asp>

2 Ibid.

Specifically, the Budget identified the following areas in which savings would be made and into which the savings would be reallocated:

| Strategic Review Savings (millions of dollars) | 2008–09 | 2009–10 | 2010–11 |
|---|----------------|------------------|----------------|
| Increasing Efficiency and Effectiveness | | | |
| Funding to federal agencies for digitization no longer required | | 11.6 | 11.6 |
| Funding for over-the-air transmission no longer required upon transition to satellite | | | 2.1 |
| Improve alignment of programs with demand | 1.0 | 4.9 | 4.9 |
| Focusing on Core Role | | | |
| Make better use of new and emerging technologies | 4.9 | 9.9 | 10.0 |
| Align program activities with core mandate | | 0.5 | 0.5 |
| | 5.9 | 26.9 | 29.1 |
| Reinvestments in Canadian Heritage Programs | | | |
| 2010 Olympic and Paralympic Torch Relays | | 24.5 | |
| <i>Road to Excellence</i> for summer Olympic athletes | 8.0 | 16.0 | 24.0 |
| Official Languages Action Plan ¹ | | to be determined | |
| Note: Totals may not add due to rounding. | | | |
| ¹ Pending the recommendations from the Consultations on Linguistic Duality and Official Languages. | | | |

Source : Department of Finance, "Budget 2008: The Budget Plan," February 28, 2008.
<http://www.budget.gc.ca/2008/plan/ann3-eng.asp>.

Between February and August 2008, the Department of Canadian Heritage announced it would end a number of arts and culture programs or reduce their budgets. In other instances, programs reached the end of their term and were not renewed. The affected programs are briefly described below. One of these programs is administered by the Department of Foreign Affairs and International Trade (DFAIT).³

A. Programs Discontinued Since April 1, 2008

1. Culture.ca

Culture.ca was a website primarily funded by Canadian Culture Online, which is part of the Department of Canadian Heritage's strategy to encourage a uniquely Canadian presence on the Internet. According to the list provided by the Department to the Canadian Press, its annual budget was \$3.8 million.⁴ A note on the Culture.ca website said:

We wish to inform you that Culture.ca has been discontinued since April 1st, 2008. This is a result of a Strategic Review of Government of Canada programs and activities announced in the 2008 Budget. The original program objectives of Culture.ca have been fulfilled, and the decision to discontinue the Web portal reflects the changing conditions in the digital and online environment. Please note, no new content will be developed. The site will be maintained for the next several months until it is taken offline and archived. During this time, every effort will be made to make content and digital collections related to the Department of Canadian Heritage's mandate available to Canadians as the Department integrates its online services.⁵

2. Canadian Cultural Observatory

The Canadian Cultural Observatory was an information service about cultural development issues in Canada. It did this by informing the cultural policy and research community. According to the list provided by the Department to the Canadian Press, its budget was \$560,000.⁶ A note on the Canadian Cultural Observatory website said :

3 Although the Department did not make a formal announcement, notices were posted on the websites of most of the affected programs and a list was provided to the Canadian Press in August.

4 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008, <http://news.sympatico.msn.ca/Canada/>.

5 "Culture online: Made in Canada," <http://www.culture.ca/> (no longer available).

6 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

We wish to inform you that Culturescope.ca has been discontinued since April 1st, 2008. This is a result of a Strategic Review of Government of Canada programs and activities announced in the 2008 Budget. The original program objectives of the Cultural Observatory have been fulfilled and the decision to discontinue the Culturescope.ca website reflects the changing conditions in the public digital and online environment...

Please note, no new content will be developed. The site will be maintained for the next several months until it is taken offline and archived. In particular, the Culturescope.ca Groups will continue for the next six months with basic support. During this time, every effort will be made to make content and archives related to the Department of Canadian Heritage's mandate available to Canadians as the Department integrates its online services.⁷

B. Programs Not Being Extended Beyond Fiscal Year 2008-2009

1. Canadian Memory Fund

The Canadian Memory Fund made key Canadian cultural collections held by federal institutions available free of charge through the Internet. The Fund placed a particular emphasis on projects that implemented accessibility measures for Canadians with disabilities and provided for the digitization and presentation online of original French-language content, and content that reflects Canada's cultural diversity.⁸ According to the list provided by the Department to the Canadian Press, its budget was \$11.57 million.⁹ A note on the Department of Canadian Heritage website says:

Please note that the Canadian Memory Fund will not be extended beyond fiscal year 2008-2009. This program has clearly achieved its original objective to encourage federal agencies to digitize their collections and make them available online to Canadians. Developing Web sites and online documents containing digitized works is now common practice within these agencies.¹⁰

7 Department of Canadian Heritage, "2007 Financial Support Programs," April 2007, http://www.pch.gc.ca/pch/pubs/2007/4_e.cfm (no longer available).

8 "Culturescope.ca," http://www.culturescope.ca/ev_en.php (no longer available).

9 Department of Canadian Heritage, "2007 Financial Support Programs," April 2007, http://www.pch.gc.ca/pch/pubs/2007/4_e.cfm (no longer available).

10 Department of Canadian Heritage, "Canadian Culture Online: Canadian Memory Fund," <http://www.pch.gc.ca/pgm/pcce-ccop/pgm/mem-eng.cfm>.

2. Research and Development Component of Canadian Culture Online

The Canadian Culture Online Branch of the Department of Canadian Heritage developed policies and programs related to the Internet and digital technology to make Canadian cultural content accessible. According to the list provided by the Department to the Canadian Press, its budget was \$5.64 million.¹¹ A note on the Research and Development Component of Canadian Culture Online website says:

Please note that the New Media Research Networks Fund will not be extended beyond fiscal year 2008-2009. Also, the New Media Research and Development Initiative, a pilot program that ended in March 2008, will not be renewed. Through its investments of \$27.3 million, the federal government has helped build a strong foundation for innovation in the interactive media sector. These investments, combined with the industry's success, make it possible for the industry to play a key role in interactive media research and development.¹²

3. National Training Program for the Film and Video Sector

The National Training Program for the Film and Video Sector (NTPFVS), administered by Telefilm Canada, fostered the professional development of emerging Canadian creators and skills renewal for professional Canadian creators.¹³ The Canadian Independent Film and Video Fund (CIFVF) worked with inexperienced producers for the development and production of English and French language films or videos and interactive digital new media programs in a variety of subject areas using the formats of documentary, docu-drama, drama and animation to the list provided by the Department to the Canadian Press; its budget was \$2.5 million.¹⁴ A note on the Canadian Heritage website says: "The National Training Program for the Film and Video Sector will not be extended beyond April 1, 2009."¹⁵

11 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

12 Department of Canadian Heritage, "Canadian Culture Online: Research and Development Component of Canadian Culture Online," <http://www.pch.gc.ca/pgm/pcce-ccop/pgm/mednet-nmrd-eng.cfm>.

13 Telefilm Canada, "National Training Program in the Film and Video Sector," http://www.telefilm.gc.ca/03/311.asp?lang=en&doc_id=39&fond_id=5.

14 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

15 Department of Canadian Heritage, "National Training Program for the Film and Video Sector," <http://www.pch.gc.ca/pgm/pnfsfv-ntpfvs/index-eng.cfm>.

4. Canadian Independent Film and Video Fund

The CIFVF was a non-profit funding body that supported non-theatrical film, videos and new media projects created by Canadian independent producers. The CIFVF worked with inexperienced producers for the development and production of English and French language films or videos and interactive digital new media programs in a variety of subject areas using the formats of documentary, docu-drama, drama and animation. The CIFVF's annual budget was \$1.5 million. The projects that received CIFVF funding included schools, universities, colleges, libraries, health care institutions and cultural and multicultural associations.¹⁶

A note on the Canadian Heritage website says: "Please note that Canadian Heritage's contribution to the CIFVF will not be extended beyond April 1, 2009."¹⁷

5. Audio-Visual Preservation Trust of Canada

According to the list provided by the Department to the Canadian Press, two programs administered by the Audio-Visual Preservation Trust of Canada (AV Trust) are being phased out as of April 1, 2009. These are the Feature Film Preservation and Access Program (\$150,000) and the Canadian Music Preservation and Access Program (\$150,000).¹⁸

6. Trade Routes Program

Trade Routes was a trade development program that helped profit and not-for-profit organizations in the arts and cultural sector prepare to export and sell in international markets. The program offered access to market research, trade experts in Canada and abroad, and financial support.¹⁹ According to the list provided by the Department to the Canadian Press, its budget was \$7.1 million.²⁰ The program gave \$2 million in direct contributions to arts organizations. These contributions enabled organizations to attend fairs and conventions and to be a part of foreign trade missions. The lion's share of \$5 million dollars was spent on service offerings from trade specialists based in Canada and

16 CIFVF, Brief to the Standing Committee on Canadian Heritage in connection with its review of the \$45 million in cultural sector cuts, p. 1.

17 Department of Canadian Heritage, "Canadian Independent Film and Video Fund (CIFVF)," <http://www.pch.gc.ca/pgm/fcvi-cifvfs/index-eng.cfm>.

18 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

19 Department of Canadian Heritage, "Trade Routes: Taking Canadian Arts and Culture to the World," <http://www.pch.gc.ca/pgm/route/pcrc-trcp/index-fra.cfm>.

20 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

abroad. A note on the Trade Routes website says that the Government of Canada will stop financing contributions under the Trade Routes program at the end of this fiscal year, March 31, 2010.

Trade Routes will continue to offer market entry support, in-market assistance and market research services to its clients until the end of the 2009-10 fiscal year—that is, until March 31, 2010. ...The portfolio organizations and delivery partners of the Department of Canadian Heritage, including the Canadian Conference of the Arts, Telefilm Canada and the Association for the Export of Canadian Books will continue to offer programs that have an international component. As well, the Department of Foreign Affairs and International Trade will continue to offer support for Canadian artists and cultural entrepreneurs through its Trade Commissioner Service across Canada and abroad, through its network of diplomatic missions, cultural attachés and trade commissioners.²¹

7. Canadian Arts and Heritage Sustainability Program

The role of the Canadian Arts and Heritage Sustainability Program was to strengthen organizational effectiveness and build capacity of arts and heritage organizations. The Stabilization component helped establish stabilization projects run by independent, non-profit organizations that supported arts and heritage organizations in their areas by offering technical expertise.²² According to the list provided by the Department to the Canadian Press, two components are to be phased out and one component reduced. The budgets of these programs totalled \$3.9 million. A note on the Stabilization Projects website says:

Please note that the Stabilization component will not be extended beyond fiscal year 2008-2009. This program has achieved its original objective to strengthen the organizational, administrative and financial health of arts and heritage organizations benefiting from the program, through support provided through third parties. Since stabilization projects are established as an agent of long-term change, usually seven to ten years, applications to this component will no longer be accepted.²³

21 Department of Canadian Heritage, "Trade Routes: Taking Canadian Arts and Culture to the World," <http://www.pch.gc.ca/pgm/route/pcrc-trcp/index-eng.cfm>.

22 Department of Canadian Heritage, "Canadian Arts and Heritage Sustainability Program," <http://www.pch.gc.ca/pgm/pcapc-cahsp/index-eng.cfm>.

23 Department of Canadian Heritage, "Stabilization Projects," <http://www.pch.gc.ca/pgm/pcapc-cahsp/101-eng.cfm>.

The Capacity Building Component of the Canadian Arts and Heritage Sustainability Program helped arts and heritage organizations strengthen their organizational, administrative, and financial circumstances.²⁴ A note on the Capacity Building website says:

The current funding cycle of the Canadian Arts and Heritage Sustainability Program will expire on March 31, 2010. The last deadline to apply to the Capacity Building Component for the current funding cycle is October 15, 2009 for projects starting in the spring of 2009. Projects submitted to the Department must be entirely completed by March 31, 2010.²⁵

8. Arts Promotion Program (Department of Foreign Affairs and International Trade)

The Arts Promotion Program of the International Cultural Relations Division at Foreign Affairs and International Trade Canada (DFAIT) provided funding to Canadian artists and arts organizations. The Program transferred approximately \$4.8 millions in grants and contributions each year.²⁶ Of this amount, 70% or \$3.3 million went to the performing arts, in two parts. The first \$3 million (or 90% of the performing arts envelope) supported international tours, and the rest was used to host foreign buyers at festivals or other major Canadian international events. A note on the website says: "Please note that the Cultural Sector Grant program mentioned below will be concluded as of March 31, 2009. Please refer to the webpage of your specific discipline for further details".²⁷

24 Department of Canadian Heritage, "Canadian Arts and Heritage Sustainability Program," <http://www.pch.gc.ca/pgm/pcapc-cahsp/index-eng.cfm>.

25 Department of Canadian Heritage, "Capacity Building". <http://www.pch.gc.ca/pgm/pcapc-cahsp/102-eng.cfm>.

26 Public Accounts 2007-2008, Section 6, transfer payments, p.71.

27 Foreign Affairs and International Trade Canada, "Arts and Cultural Industries," <http://www.international.gc.ca/culture/arts/menu-en.asp>

C. Programs Not Being Extended Beyond Fiscal Year 2009-2010

1. Northern Distribution Program

The Northern Distribution programming element of the Aboriginal People's Program provides \$2.1 million annually to the Aboriginal Peoples Television Network (APTN) to lease, operate and maintain the satellite channel by which Aboriginal television productions are broadcast over the air in 96 northern and remote communities.²⁸ This part of the Program will be gradually wound down as of April 1, 2010.²⁹

D. Programs Being Reduced

1. Supply Chain Initiative of the Book Publishing Industry Development Program

The Supply Chain Initiative of the Book Publishing Industry Development Program supports the Canadian book industry's adoption of innovative technologies.³⁰ According to the list provided by the Department to the Canadian Press, its budget will be reduced by \$1 million as of April 1, 2008.³¹ A note on the website says:

Support for publishers' activities in developing high-quality bibliographic data ended in 2007-2008 as planned. The recent Strategic Review of all program spending of the Department concluded that since the objectives for this funding have been met, \$1M will be reallocated starting in 2008-2009. This represents a small fraction of the total funding allocated to the book publishing industry by Canadian Heritage, and the remaining budget will be adequate to meet current program objectives.³²

28 Department of Canadian Heritage, "Northern Native Broadcast Access Program," <http://www.pch.gc.ca/pgm/padn-ndp/index-eng.cfm>.

29 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

30 Department of Canadian Heritage, "Supply Chain Initiative," <http://www.pch.gc.ca/pgm/padie-bpidp/dem-app/sci/index-eng.cfm>

31 "Canadian Heritage provides list of \$40 million in arts funding cuts," Sympatico MSN News, August 28, 2008.

32 Department of Canadian Heritage, "Supply Chain Initiative," <http://www.pch.gc.ca/pgm/padie-bpidp/dem-app/sci/index-eng.cfm>.

E. Canada Magazine Fund

The Canada Magazine Fund (CMF) contributes to the production of high-quality magazines in order to showcase the work of Canadian creators. The CMF helps build industry capacity through support for business development of small magazine publishers, industry development projects and support for arts and literary magazines.³³ On February 17, 2009, the Department of Canadian Heritage announced that the Canada Magazine Fund and the Publications Assistance Program would be replaced by a single program called the Canada Periodical Fund. However, the existing programs will continue to operate until the new program is launched in 2010-1011.³⁴

33 Department of Canadian Heritage, "Canada Magazine Fund," <http://www.pch.gc.ca/pgm/fcm-cmf/index-eng.cfm>.

34 Department of Canadian Heritage, "The Government of Canada Creates Canada Periodical Fund to Better Support Magazines and Community Newspapers," <http://www.pch.gc.ca/pc-ch/infoCNtr/cdm-mc/index-eng.cfm?action=doc&DocIDCd=CJM082334>.

PART 2: SUMMARY OF EVIDENCE

On March 2, 2009, the Committee heard testimony from Mr. John Lambert, an agent who represents artists in the performing arts from British Columbia, Alberta, Ontario and Quebec. A number of his clients perform in both Canada and other countries. He emphasized that the Canadian market is limited and that Canadian artists had to perform abroad in order to make a reasonably good living.

Mr. Lambert relied on the Arts Promotion Program to pay part of the travel and equipment transportation costs. PromArt covered about 20% of the total costs. Mr. Lambert stressed that because he used Canadian passenger and freight transportation companies, the money invested remained in the Canadian economy.

Mr. Lambert argued that cancelling the Arts Promotion Program would have a destabilizing effect on Canada's cultural industries. It is a sector in which Canada should spend more, not less.

Mr. Lambert said that foreign tours would be cancelled in 2009-2010 because contracts had been signed before the decision to terminate the Program was announced. Foreign producers were becoming more reluctant to enter into agreements with Canadian producers. Canadian producers will lose the competitive advantage they have over other countries, such as Australia, the United Kingdom and France, which continue to support foreign tours.³⁵ Mr. Lambert suggested that the Committee examine other funding options, such as turning over administration of the Arts Promotion Program to the Canadian Council for the Arts (CCA), with an increased budget.

Next, Ms. Robin Jackson, Executive Director of the Canadian Independent Film and Video Fund explained the repercussions of cancelling the CIFVF. CIFVF management said they were surprised by the program's cancellation because the conclusions of the 2007-2008 evaluation report on the National Training Program for the Film and Video Sector had been positive.³⁶ This appeared to be confirmed by the signing of a contribution agreement with the Department of Canadian Heritage. The notice that the CIFVF received from Canadian Heritage in August 2008 stated that the contribution agreement was being terminated because it was no longer a priority for the government. Canadian Heritage said

35 *Evidence*, Standing Committee on Canadian Heritage, Meeting No. 6, Fortieth Parliament, Second Session, March 2, 2009, 4:00 p.m.

36 Department of Canadian Heritage, Summative Evaluation of the National Training Program in the Film and Video Sector, February 2008, 68 p.

that it was giving priority to feature films for the cinema instead of documentaries. Ms. Jackson said that over the longer term, there would be a harmful impact on students still in school and on documentary makers in the early stages of their career.

In Ms. Jackson's opinion, the CCA would not be able to effectively replace the CIFVF, because its budget in that area is inadequate and it focuses on assisting artists rather than producers. The National Film Board of Canada (NFB) is not in a position to replace the CIFVF, either. The CIFVF estimates that about 100 producers may not receive the final payment for their current projects, as Canadian Heritage is refusing to provide funds for projects that are not completed by March 31, 2009.³⁷ In addition, the CIFVF will have administrative costs of more than \$100,000 associated with the cessation of its operations.

Mr. Max Berdowski, Executive Director of the Canadian Screen Training Centre (CSTC), testified before the Committee along with Mr. Marc Robitaille, a screenwriter. The CSTC is one of four Canadian organizations that provide film and video training in Canada. For the last 29 years, the CSTC has been providing top-notch training to 500 students a year. A number of them have made a name for themselves on the national and international scene.

Like many other witnesses, Mr. Berdowski maintained that arts and culture are economic drivers that must be supported in difficult economic times. He cited, as did a number of other witnesses, the recent study by the Conference Board of Canada which stated that the economic footprint of Canada's cultural sector in 2007 was \$84.6 billion, or 7.4% of the country's total real GDP, based on its direct, indirect and induced effects.³⁸

Ms. Amy House, President of the Association of Cultural Industries of Newfoundland and Labrador, explained that the cancellation of the Arts Promotion Program and the Trade Routes Program had left significant gaps in Canadian cultural producers' ability to interest foreign markets in their products and organize tours to present their works to foreign audiences. For example, it will be impossible to honour some agreements, e.g. the one with Tasmania. The provincial government has accordingly been "forced to provide \$250,000 in support to Newfoundland and Labrador artists and groups to account for these cuts to export programming."³⁹

37 *Evidence*, Standing Committee on Canadian Heritage, Meeting No. 6, Fortieth Parliament, Second Session, March 2, 2009, 3:45 p.m.

38 Conference Board of Canada, *Compendium of Research Papers: The International Forum on the Creative Economy*, August 2008, <http://www.conferenceboard.ca/documents.aspx?did=2701>

39 *Evidence*, Standing Committee on Canadian Heritage, Meeting No. 7, Fortieth Parliament, Second Session, March 4, 2009, 3:50 p.m.

Ms. Lucy White is Executive Director of the Professional Association of Canadian Theatres (PACT), an organization that represents more than 140 professional for-profit and not-for-profit theatre companies in Canada, excluding Quebec. The support provided by the various federal arts and culture programs is crucial, particularly in an economic crisis. The PACT is pleased with the additional investment of \$30 million in the CCA and Cultural Spaces Canada. However, cancellation of the Arts Promotion Program and the Trade Routes Program could halt the development of international markets for artists and arts organizations.⁴⁰ One of the recommendations made by the association to the Committee was to increase the CCA budget to support international market development and touring for the arts and culture sector.

Mr. Pierre MacDuff, the Executive Director of Les Deux Mondes theatre company, referred to the Arts Promotion Program several times. The Program supported tours by the theatre company to more than 200 cities in 32 countries. Performing outside the country is a necessity in the theatre industry, according to Mr. MacDuff. It is an opportunity to meet and develop other audiences and earn more revenues from a play over a longer performance period. In addition, the fees that the company receives in foreign countries, particularly for children's theatre, are often higher than the fees paid in Canada. However, Mr. MacDuff stressed that touring foreign countries benefits all of Canada:

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.⁴¹

Mr. MacDuff emphasized that Canadian transportation companies benefited most from the assistance and that the money stayed in Canada.⁴² He criticized the lack of consultation prior to the Arts Promotion Program's cancellation. Mr. MacDuff suggested that the Government of Canada inject additional funds into CCA to continue to support for foreign tours.

The Committee heard testimony from Mr. Jim Everson, Executive Director of Public Affairs for Magazines Canada. Magazines Canada is a national trade association representing leading Canadian-owned, Canadian-content, general-interest, cultural, specialty, professional and business magazines. Mr. Everson reiterated how important it was for the federal government to continue investing in the magazine sector. The current economic slowdown and Canada Post's 2006 decision to eliminate its \$15 million annual contribution have affected the sector's financial health. Magazines Canada also welcomed the announcement made by the Minister of Canadian Heritage on February 17 concerning

40 Ibid., 3:55 p.m.

41 Ibid., 4:00 p.m.

42 Ibid., 4:05 p.m.

the establishment of the Canada Periodical Fund. Mr. Everson noted, however, that it would be necessary to clearly define the guidelines and eligibility criteria to include certain special categories of magazines.⁴³

Mr. Alain Dancyger, Executive Director of Les Grands Ballets canadiens de Montréal, agreed to testify and describe the Montréal dance troupe's export activities. Exporting the troupe's productions to other countries dates back to the 1950s. With 33 performances this season, Les Grands Ballets canadiens de Montréal will reach more than 53,000 people around the world.⁴⁴

Preparing a foreign tour requires complex planning, which includes negotiating contracts guaranteeing Les Grands Ballets' appearance at least three years in advance. In addition, through the Trade Routes Program, 40 international presenters were able to see the troupe perform in Paris, which resulted in a tour of the Middle East (June 2009). Negotiations are under way with the Bregenz festivals in Austria, Cologne and Berlin, the Ravenna Festival and the Venice Biennale: and tours are being finalized in Italy (2010), France, Holland and the United Kingdom (2011).

In Mr. Dancyger's view, it is essential for the federal government to continue supporting the export activities of Les Grands Ballets Canadiens de Montréal. The Montreal market is not big enough to ensure the troupe's survival. The company's export activities are a necessity. However, Les Grands Ballets is up against international competitors that enjoy continuous support, in some cases increased support, from their governments.⁴⁵ Elimination of the Arts Promotion Program and the Trade Routes Program is further jeopardizing an art form that depends on public funding. Tours have been cancelled for the 2009-2010 season. Mr. Dancyger believes that the long-term survival of Les Grands Ballets Canadiens de Montréal is in doubt without financial support for the troupe's exports.

The Canadian Art Museum Directors' Organization (CAMDO) also appeared before the Committee in the person of its Executive Director, Mr. Robert Labossière. Arts and culture programs are support mechanisms that help art museum directors lead their institutions. Canada's art museums give local and national communities a sense of coherence and meaning, which in turn gives citizens a sense of responsibility and pride.

43 Ibid., 4:10 p.m.

44 Ibid., 4:55 p.m.

45 Ibid., 5:00 p.m.

Ms. Lorraine Hébert, Executive Director of the Regroupement québécois de la danse, spoke on behalf of the entire professional dance community in Quebec. Ms. Hébert pointed out that dance is special because it is neither Québécois nor Canadian, but international. For example, nearly a third of the performers in Quebec dance companies are from other countries.⁴⁶

Through the years, federal government funding to support and foster international outreach activities by Quebec dance companies has kept dance alive in Quebec and Canada.⁴⁷ The economics of dance requires exports, and domestic markets in Quebec and Canada are not large enough to ensure the survival of dance troupes.

In concrete terms, the elimination of the Arts Promotion Program means that companies have to invest more money from their operating funds. It then has to make agonizing choices between honouring a touring contract, which means reducing the budget for its next production, and “deciding to engage in no creative work whatsoever for the next two years.”⁴⁸ In the latter case, layoffs of employees and performers are inevitable. To avoid this situation, the CCA should be given \$3 to \$4 million of additional funding.⁴⁹

Ms. Jennifer Dorner, National Director of the Independent Media Arts Alliance (IMAA), explained the strategic review’s consequences for film, video and new media production, distribution and presentation organizations. The IMAA surveyed its members concerning the strategic review, with particular emphasis on media arts programs.

Of the thousands of answers it received, not one reflected a negative opinion about these programs.⁵⁰

As in the dance sector, some organizations in the media arts industry are concerned that they will be unable to continue their arts activities without financial support from the federal government. The IMAA identified the CIFVF and Trade Routes as absolutely essential programs for the dissemination of independent media art. The short-term consequence of eliminating those programs will be increased pressure on the CCA. However, the CCA’s media arts division has a smaller budget than all the other divisions (music, theatre, writing, publishing and visual arts), even though media art is the fastest-growing sector, according to Ms. Dorner.⁵¹

46 Ibid., 5:15 p.m.

47 Ibid., 5:15 p.m.

48 Ibid., 5:15 p.m.

49 Ibid., 6:30 p.m.

50 Ibid., 5:25 p.m.

51 Ibid., 5:25 p.m.

The IMAA had three recommendations for the Committee. First, the federal government should reinstate funding to the media arts programs. Second, the programs of the Department of Canadian Heritage should be restructured and expanded to include independent media arts. Third, the federal government should invest in the CCA's media arts division so that it can address the needs of a growing industry.

Mr. Alain Paré is President of the International Exchange for the Performing Arts (CINARS). The organization was founded to support the export of Canadian performing arts to other countries. The organization is particularly concerned about the cancellation of the Arts Promotion Program and the Trade Routes Program. It conducted an in-house survey of 64 respondents to identify the repercussions of the government's decision. According to Mr. Paré:

In the next three years, 327 international tours would be compromised, representing some 3,395 shows across the globe and losses of more than \$24 million.... Companies are living through a real nightmare. They can no longer undertake tours, or they must run a deficit. Foreign talent buyers are now turning to other countries to fill their show calendars. In the long term, Canada is putting itself in a position from which it will be very difficult to recover.⁵²

Mr. Paré felt that the disappearance of some performing arts companies was a plausible scenario. CINARS is asking the federal government for the immediate reinstatement of the funding so that the tours planned for 2009 and 2010 can go ahead as scheduled.⁵³ In Mr. Paré's view, the CCA would be the appropriate agency to manage the budgets because it uses independent juries. In the medium and long term, CINARS is calling for "an increase in the budgets dedicated to the export of the performing arts."⁵⁴ It would be concrete evidence that the federal government is providing adequate support to arts companies.

Mr. Martin Faucher testified as President of the Conseil québécois du théâtre (CQT). Echoing other witnesses heard by the Committee, Mr. Faucher stressed that the Quebec and Canadian markets are limited, and that international presentations of Quebec works are essential because they extend theatrical runs.⁵⁵

The CQT maintains that the federal government is responsible for taking the appropriate action to support drama artists on global markets. Every G8 nation, including England, Germany and France, supports its artists in their tours of other countries.

52 Evidence, Standing Committee on Canadian Heritage, Meeting No. 8, Fortieth Parliament, Second Session, March 9, 2009, 3:30 p.m.

53 Ibid., 3:35 p.m.

54 Ibid., 3:35 p.m.

55 Ibid., 3:35 p.m.

Consequently, the CQT requested the full reinstatement of the Arts Promotion Program and the Trade Routes Program so that the companies would not be deprived of financial resources on April 1, 2009. The CQT also recommended that the funds be transferred to the CCA programs that support international touring.⁵⁶

Ms. Shannon Litzenberger is Executive Director of the Canadian Dance Assembly (CDA), which represents more than 350 professional dance organizations. Financial support from the Arts Promotion and Trade Routes programs is needed so that dance and arts organizations can be competitive in a global economy. Ms. Litzenberger was critical of the fact that these programs were cancelled without consultations with those who benefited from them.

On behalf of the professional dance industry, Ms. Litzenberger asked the Committee to recommend \$12 million in additional funding to support international touring and foster the development of new foreign markets for Canadian cultural products.⁵⁷ The CDA also recommended that the Canadian Arts and Heritage Sustainability Program be renewed to include an endowment fund for capacity-building measures for small and mid-sized organizations. Lastly, the Committee was asked to support the proposal for \$100 million in new permanent investment for the CCA.⁵⁸

Mr. Édouard Lock is the Artistic Director and founder of the La La La Human Steps dance company. Since it was established in 1980, the troupe has performed in prestigious venues such as New York, Paris and London. Such tours have had a positive impact on the troupe's development and recognition on the international scene. Financially, the funds generated through international co-productions make up 80 percent of the company's revenues. For La La La Human Steps, cancellation of the Arts Promotion Program could mean a loss of prestige and credibility that took years to acquire. Mr. Lock maintained that invitations to perform in other countries were the result of the troupe's excellent and unique artistic product. According to Mr. Lock, the strength of the Arts Promotion Program is that it supports and rewards success.⁵⁹

In the second hour of the March 7 meeting, the Committee heard testimony from Mr. Stanley Péan, President of the Union des écrivaines et des écrivains québécois (UNEQ). Mr. Péan began by addressing the question of the international promotion of works by the UNEQ's members through federal government support. It is important to note that the Arts Promotion Program benefited publishers, who received assistance toward the payment of travel costs for writers invited to meet with their foreign readers at book fairs and launches and other activities connected to book promotion outside Canada. In all, half

56 Ibid., 3:35 p.m.

57 Ibid., 3:40 p.m.

58 Ibid., 3:45 p.m.

59 Ibid., 3:50 p.m.

a dozen Quebec publishers obtained financial support from the Arts Promotion Program to send their writers on tours of foreign countries. In 2008, the Association nationale des éditeurs de livres received funding from the Trade Routes Program to take part in book fairs in Bordeaux and London.⁶⁰ According to Mr. Péan, it is wrong to say that the two programs were poorly managed and ineffective.

Mr. Jacques Blain, a member of the board of directors of the Institut national de l'image et du son (INIS), and Mr. Jean Hamel, the INIS's Director of Communications, spoke about the strategic review's impact on the INIS. The INIS is a professional training centre that contributes to the development of the film, television and interactive media industries in Quebec and Canada. Since it began operating in January 1996, the INIS has trained 381 professionals who work as screenwriters, directors and producers. The federal government has provided \$14 million in funding to the INIS since it was established.

On Friday, August 8, 2008, the INIS was informed that the National Training Program for the Film and Video Sector, funded by Canadian Heritage and administered by Telefilm Canada, would not be extended beyond April 1, 2009. For the INIS, cancellation of this program means the loss of some \$900,000 annually, or almost 25 percent of its operating budget. Moreover, the INIS no longer has access to the Canada New Media Fund, another program funded by Canadian Heritage. With the disappearance of this funding source, the shortfall in its operating budget stemming from the loss of federal contributions will exceed \$1 million. In concrete terms, the INIS's very existence is threatened, according to its executives. To remedy the situation, the INIS plans to obtain funding through the National Arts Training Program, whose budget was increased in the last federal budget.

Ms. Colette Brouillé is Executive Director of the Réseau indépendant des diffuseurs d'événements artistiques unis (RIDEAU), the largest network of French-speaking arts event presenters in Canada. RIDEAU was founded 30 years ago and now has 150 members based in over 200 entertainment venues across Quebec, and three member networks in French-speaking Canada as a whole.

Every year, the organization holds the Bourse RIDEAU, the largest francophone performing arts market. It is an event where Canadian companies can sign contracts and reach agreements. Shows from other countries make up 10% of the Bourse RIDEAU's arts programming, and most of them will subsequently mount a Canadian tour. The artists' home countries pay the international transportation costs when they present them at the Bourse RIDEAU and later on tour. RIDEAU pays the ground transportation costs and

60 Ibid., 4:35 p.m.

accommodation expenses in Canada. In 2009, RIDEAU received \$16,000 in financial support from the Trade Routes Program. In contrast, the Arts Promotion Program withdrew its support three months before the event.⁶¹

Ms. Brouillé stated that the government's cuts, especially in the Arts Promotion Program and the Trade Routes Program, will put an end to the reciprocity, wiping out years of work. Consequently, the Department of Canadian Heritage needs to find alternative solutions, since presenter networks are not eligible for CCA programs.⁶²

The Deputy Minister, Ms. Judith Larocque, provided an explanation of the Strategic Review of Program Expenditures conducted by the Department of Canadian Heritage in 2008. She pointed out that the Department reviewed its program expenditures on a regular basis. To advise the Minister of Canadian Heritage, the Department's officials:

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.⁶³

Treasury Board asked federal government departments to identify the 5% of spending out of their total budget that went to the lowest-priority and worst-performing programs. The term "low priority" also includes programs that have achieved their original goals or become outdated because of the development of new technologies. Then, recommendations were made to the government, which in turn made the final decision based on its priorities. Ms. Larocque noted, however, that in the case of the Department of Canadian Heritage, it was more accurate to say that 3.4% of its total expenditures were affected by the strategic review.⁶⁴

Ms. Larocque informed the members of the Committee that the budget review process is covered by Cabinet secrecy. All documents, opinions and advice provided to the government are Cabinet decisions and cannot be disclosed.

Ms. Larocque pointed out that the Arts Promotion Program was a DFAIT program and was therefore not included in her Department's strategic review. With regard to the Trade Routes Program, Ms. Larocque explained that it was expensive to operate and that

61 Ibid., 4:50 p.m.

62 Ibid., 4:55 p.m.

63 Evidence, Standing Committee on Canadian Heritage, Meeting No. 9, Fortieth Parliament, Second Session, March 9, 2009, 3:35 p.m.

64 Ibid., 4:15 p.m.

there were other ways of supporting Canada's cultural industries.⁶⁵ In regard to funding recipients directly affected by the elimination of certain programs, Ms. Larocque made the following suggestions:

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 is \$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.⁶⁶

Recipients affected by the strategic review were contacted by the responsible managers and officers by telephone or by mail. The information was also posted on the Department's website.

65 Ibid., 4:00 p.m.

66 Ibid., 3:45 p.m.

PART 3:

THE COMMITTEE'S POSITION

The Committee reaffirms the importance of the arts culture to the quality of life of Canadians. It is one of Canada's essential economic drivers, and it contributes significantly to strengthening Canada's social fabric. The arts and culture reflect the distinctiveness of the people of our country and give it its identity. On the basis of the evidence heard, the Committee feels that it is essential for Canada to maintain a strong international presence for our artists.

The Committee is concerned that the Strategic Review of Arts and Culture Program Expenditures has weakened this identity by undermining what has been accomplished by artists in Canada and abroad.

Because of its small population scattered over a vast expanse, the Canadian market offers limited prospects to Canadian artists. Performing arts companies emphatically argued that they needed to perform abroad to generate additional revenue. International exposure is also an excellent way to make other audiences aware of their creativity and talent.

Representatives from theatre, dance and other performing arts companies repeatedly used concrete examples to demonstrate to us how popular Canadian cultural productions are around the world. In their own way, these companies contribute to Canada's diplomatic efforts. The witnesses were emphatic about the fact that it took years to build their reputation and credibility.

Several witnesses noted that strictly from an economic standpoint, the financial support received under the Arts Promotion and Trade Routes programs generated business for Canadian passenger and freight transportation companies. Given that these funds were re-injected into the Canadian economy, the cancellation decision is, to say the least, debatable.

Financial support under the Arts Promotion Program is also part of a bigger financial picture. The loss of this support will force theatre and dance troupes to make operating budget cuts in order to be able to go ahead in the short term with the tours that have already been planned. However, layoffs or a reduction in the number of creative works planned will be necessary. The worst-case scenario would compel a number of performing arts companies to cease operations.

Several witnesses told us about the dire repercussions of the Strategic Review on film, video and the media arts, particularly in the field of training. The Canadian Independent Film and Video Fund would disappear, and the INIS would lose part of its funding. A key component of audiovisual, communications and entertainment professional training is thus in jeopardy.

It is difficult for the Committee to comment on the cogency of the decisions made by the Department of Canadian Heritage in its Strategic Review of programs. The evaluation reports sent to us were out of date, and the Department's analyses are confidential documents.

The Committee also believes that the arts and culture community ought to have been consulted beforehand to identify the potential repercussions of the Strategic Review of Expenditures on their activities. This would have made it possible to identify ahead of time which decisions might potentially jeopardize their performances in Canada and abroad, their operations, and indeed, their very survival. Accordingly, the Committee has reached the following conclusions:

- That cuts to arts programming, particularly the loss of the Department of Heritage's Trade Routes and Department of Foreign Affairs PromArt had major negative impacts on Canadian arts organizations;
- That the cuts were announced with no apparent deliberation on the impacts that they would have on the long-term budget planning of organizations. None of the organizations undergoing a strategic review by the department and the minister were consulted or engaged, nor were they advised of the cuts that they were going to receive;
- That the coordinated decision to cut two key programs in two different departments that were dedicated to promote Canada's arts industry in international markets left the impression that these cuts were ideological in nature;
- That the Minister's department provided no relevant or credible information to explain why these programs were no longer justified; underscored by the decision to withhold all departmental reports used in their deliberations, and by submitting exceptionally outdated reviews to the committee in the place of anything useful;

- That the cuts have had a serious impact on the ability of Canadian arts organizations to continue the development of export markets and are likely to have profound negative implications for the ongoing development of Canada's arts sector;
- That the Heritage Committee fully rejects the Minister's decision and calls on the government to reinstate the programs, directly or through the Canada Council for the Arts, or establish new programs with similar objectives.

APPENDIX A LIST OF WITNESSES

| Organizations and Individuals | Date | Meeting |
|--|------------|---------|
| <p>Canadian Independent Film and Video Fund Robin Jackson, Executive Director</p> <p>Canadian Screen Training Centre Max Berdowski, Executive Director and Chief Executive Officer Marc Robitaille, Screenwriter</p> <p>John Lambert and Associates Inc. John Lambert, Chair</p> | 2009/03/02 | 6 |
| <p>Association of Cultural Industries of Newfoundland and Labrador Amy House, President</p> <p>Canadian Art Museum Directors' Organization Robert Labossière, Executive Director</p> <p>Grands Ballets Canadiens de Montréal Alain Dancyger, Executive Director</p> <p>Independent Media Arts Alliance Jennifer Dorner, National Director</p> <p>Les Deux Mondes, Theatre Company Pierre MacDuff, Executive Director</p> <p>Magazines Canada Jim Everson, Executive Director, Public Affairs</p> <p>Professional Association of Canadian Theatres Lucy White, Executive Director</p> <p>Regroupement québécois de la danse Lorraine Hébert, Executive Director</p> | 2009/03/04 | 7 |
| <p>Canadian Dance Assembly Shannon Litzenberger, Executive Director</p> <p>Conseil québécois du théâtre Martin Faucher, President</p> <p>Institut national de l'image et du son (INIS) Jacques Blain, Producer, Business Development, Cirrus Communications Jean Hamel, Director of Communications</p> | 2009/03/09 | 8 |

| Organizations and Individuals | Date | Meeting |
|--|------------|---------|
| <p>International Exchange for the Performing Arts Alain Paré, President and Chief Executive Officer</p> | 2009/03/09 | 8 |
| <p>La La La Human Steps Edouard Lock, Artistic Director</p> | | |
| <p>Réseau indépendant des diffuseurs d'événements artistiques unis (RIDEAU) Colette Brouillé, Executive Director</p> | | |
| <p>Union des écrivaines et des écrivains québécois (UNEQ) Stanley Péan, President</p> | | |
| <p>Department of Canadian Heritage Judith LaRocque, Deputy Minister Susan Peterson, Associate Deputy Minister Pablo Sobrino, Director General, Strategic Policy, Planning and Research Branch</p> | 2009/03/11 | 9 |

APPENDIX B LIST OF BRIEFS

Association of Cultural Industries of Newfoundland and Labrador

Canadian Independent Film and Video Fund

Conseil québécois du théâtre

Culture Montréal

Grands Ballets Canadiens de Montréal

Institut national de l'image et du son (INIS)

International Exchange for the Performing Arts

La La La Human Steps

Les Deux Mondes, Theatre Company

Professional Association of Canadian Theatres

Réseau indépendant des diffuseurs d'événements artistiques unis (RIDEAU)

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings ([Meetings Nos. 6, 7, 8, 9 and 10](#)) is tabled.

Respectfully submitted,

Gary Schellenberger, M.P.

Chair

Dissenting Opinion

It is the opinion of the Conservative members of the Standing Committee on Canadian Heritage that the above report, including the conclusions and recommendations contained within, are not a true reflection of the testimony given, and do not truly reflect the facts presented during the study. Only a fraction of the story was heard during this study, the premise is not a true reflection of the facts surrounding the re-allocations and decisions made by the government, the assumptions are misleading and the recommendations are far reaching above what was primarily discussed during the study.

This dissenting report will not be a substantive examination of all the shortcomings of this report; the Minister of Canadian Heritage will have the opportunity to do that in detail in the forthcoming government response. That being said, it is incumbent upon the minority to take umbrage with the manner in which the study was undertaken and the premise upon which the recommendations are based.

By casting a narrow scope of discussion the committee was only able to hear the story of those negatively affected by the strategic review process. There was no mention of the programs that benefited, no witnesses from organizations that received budget increases from this government and no talk of the new programs created because of the decisions made by the Conservative government.

The Conservative government was first elected on a promise to restore a measure of fiscal accountability to Ottawa. We were given the task of ensuring that the hard earned money of the Canadian taxpayer is spent responsibly, that programs are effective in achieving their stated purpose, that they do so efficiently and that the needs of the Canadian public continue to be met by them.

This is not a responsibility that the Conservative government has taken lightly, nor is it a task that can be ignored for political expediency. That is why, as part of the Budget 2008 process, several government departments were mandated to perform a strategic review of programs and spending. The Department of Canadian Heritage was one of those departments.

The result of that review was not, as the opposition continues to claim, drastic cuts to the arts and culture budget at the Department of Heritage. Rather, the result of this strategic review exercise was the reallocation of funds within the department so that the greatest benefit for the Canadian public could be realized. It is this misconception on the part of the opposition that makes this dissenting opinion necessary. It should also be re-iterated that the government only chose to re-allocate 3.4% of the funds, and not the full 5% as requested.

It is not a difficult task to discover that overall funding for the arts and culture sector, not to mention the budget at the Department of Canadian Heritage as a whole, has been increased by this government year after year. In fact, this

government has increased support to this vital sector to levels never before seen, not even prior to the cuts made by the previous Liberal government in the mid 1990's.

We have committed this funding, on behalf of the Canadian taxpayer, because we know the value of a vibrant cultural sector. We understand the economic benefit that stems from having an artistic and cultural sector that is recognized as being amongst the best in the world. The benefits are worth the investment.

However, that does not enable the government to abdicate its responsibility to review program expenditures and ensure that maximum value for dollar is attained. That is why this government sought to streamline the operations of these programs and maximize the benefits to the Canadian public who have paid for them.

For example, the Canadian Memory Fund, which encouraged federal agencies to digitize their cultural collections and make them available online, had an annual budget of more than \$11.5 million, equalling about one quarter of the overall re-allocation of funds. Developing web sites and online documents containing digitized works is now common place within federal agencies, and changes in technology over the past decade have made this activity infinitely easier, exponentially less expensive, and less time consuming to complete. What is the *raison d'être* of a program whose objective has been achieved?

The \$2.1 million per year Northern Distribution Program to upgrade broadcast services in the north is another program will surpass its usefulness and become redundant following the transition to digital in 2011. Should the government not be expected to reallocate that funding to a program that has not yet realized its goal?

The elimination of the \$7.1 million a year Trade Routes program was the focus of much attention and debate during this study. This organization was created to promote Canadian culture abroad. However, of the \$7.1 million in annual funding allocated to them, only \$2 million was earmarked for direct support to artists while the remainder was put towards administrative costs. This has been acknowledged by more than one witness as a wasteful aspect of the program.

It should also be noted that while this program has been eliminated, the international promotion of Canadian art, artists and cultural exhibits will not end. In fact, there are several programs that will continue to perform these duties but this fact was not acknowledged by the committee in this report. For example, diplomatic missions, cultural attaches and trade commission offices abroad will continue to promote the sector as part of their mandate, as will the Trade Commissioner Service across Canada.

While the committee discussed the elimination of Trade Routes at length, there was no discussion of the \$181 million budget of the Canada Council of the Arts. There was no mention of the nearly \$30 million increase proposed by this government and approved by the House of Commons. There was no recognition of the \$13 million given by the Council to directly support the international promotion of Canadian artists and their craft or the additional \$9 million provided for international outreach by government delivery partners consisting of the National Film Board, Telefilm, Factor/MusicAction and the Association for the export of Canadian Books. Although these organizations had similar mandates, functions and duties only the organization that saw a reduction in funding was called before the committee.

While the opposition was criticizing the government for the elimination of one program, the Chair of the Canada Council, Mr. Joseph Rotman, was praising the government for our investment in another. In December of 2008 he was quoted as saying, “proof exists that the federal government supports the arts, through its funding to the Canada Council” (Le Devoir, December 2008). Yet Mr. Rotman was not called to present his story to the committee.

Without a doubt some organizations had their federal funding eliminated or reduced and the government had difficult decisions to make in that respect. What this report fails to recognize is that this government has increased support to the sector to record levels. More organizations are receiving more money than

ever before. This record of this Government is admirable in this regard and deserves recognition in this report.

Rather than engage in a debate about the decisions made during the strategic review process in 2008, opposition members of the committee have decided to focus solely aspects of the strategic review they do not agree with, without acknowledging the governments effort to provide fiscal responsibility to the tax payer, while streamlining funding to the maximum benefits, which is the reason for the strategic review process.