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The Honourable Rob Moore

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•(1210)

[English]

The Chair (Hon. Rob Moore (Fundy Royal, CPC)): Okay, we're in session.

Welcome, Minister Moore. We're here studying the main estimates. We're pleased to have you here with the Standing Committee on Canadian Heritage. I'll let you introduce the people who are with you.

I'll give you the floor.

Hon. James Moore (Minister of Canadian Heritage and Official Languages): Thank you, Mr. Chair.

Thank you, colleagues. I appreciate the invitation. I'm always glad to come here and discuss the budget or whatever issues are on the minds of members of this committee. I appreciate this committee's work on a number of files. I know over the past few months I and my office have been obviously watching closely what you have all been discussing, and some of the recommendations and thoughts that have come from this committee have been indeed very helpful.

With me today are Daniel Jean, the deputy minister of Canadian Heritage, and René Bouchard, who is the executive director of the Portfolio Affairs Secretariat.

First, I would like to reiterate a principle of our government. Our government understands and believes in the importance of the arts, culture, and heritage sectors and their contribution to Canadian society, not just in terms of their social benefits to the country, but indeed for their economic benefits. Our government is proud to be investing more in arts and more in culture than any government before in Canadian history.

While governments in other countries have made decisions to heavily cut and in some cases eliminate entirely their support for culture, our government has chosen a different path. Our two-year economic action plan to invest in the Canadian economy during the worst parts of the global recession didn't cut, didn't maintain, but rather increased our funding for culture. The next phase of our economic action plan, budget 2012, maintains our support for culture.

Our recent budget maintained funding for the Canada Council for the Arts, which currently receives the largest amount of funding in its history. Our recent budget maintained funding for all of Canada's national museums. Why did we do these things? Well, we did it because we believe supporting arts and culture is absolutely essential to our economy and to keeping it on track.

[Translation]

Contrast this with the decisions of other governments around the world.

[English]

Just look south of the border at what the U.S. government is currently doing with the National Endowment for the Arts.

[Translation]

In the United States, the National Endowment for the Arts runs on less money now than it did 20 years ago. Arts Council England has seen its funding cut by 30%, and its operating costs cut in half. Italy has cut its culture budget by over \$1 billion since the recession began. In the United States, local government support for the arts is down by over 10%.

[English]

In the State of Michigan they've taken measures to cut funding for the arts by up to 80%. In Australia the budget allocated for the Australia Council for the Arts is \$163 million.

The budget for the Canada Council for the Arts is more than \$181 million for this year, and we've protected that going forward. In Canada we decided to permanently increase funding for the Canada Council for the Arts by 20%, the largest funding increase for the Canada Council in decades. We kept it at that level this year, protecting the Canada Council's funding, because we understand what it does for our cultural communities—providing direct support for theatre, for dance, for publishing, music, and the performing arts. During the recession we have increased support for local theatres and arts festivals across the country.

Again, in comparison, in the U.K., for example, grants to museums have been cut by 15%. Meanwhile, here in Canada we created two new national museums: the Canadian Museum of Immigration, at Pier 21 in Halifax; and the Canadian Museum for Human Rights, in Winnipeg.

[Translation]

As I just mentioned, our budget has maintained funding for our national museums because we know the importance of the role they play in the cultural life of Canadians and in preserving and sharing our national history.

We also announced in Budget 2012 that we will increase support to museums and galleries in Canada through the Travelling Exhibitions Indemnification Program. The indemnification limit will be increased from \$1.5 billion to \$3 billion. That is a very positive development for our museums and galleries.

• (1215)

[English]

Our budget has been widely praised, I think, and certainly well regarded by Canada's cultural communities. Simon Brault, who is the president of Culture Montréal, said, "This budget is a clear signal of support for the arts." Eric Dubeau, who is the co-president of the Canadian Arts Coalition, said, "We feel the government has heard us regarding the importance of arts and culture for the economy and the creation of jobs."

[Translation]

Joseph Rotman, Chair of the Canada Council for the Arts said that this government clearly appreciates the positive contribution the arts have to the economy and the identity of this country. Ensuring a strong economy is our government's top priority, and we understand that investing in arts and culture is a sound decision that contributes to our objective.

As Canadians, we have so much to be proud of. Christopher Plummer won an Academy Award this year. The movie *Monsieur Lazhar* was nominated and has received critical acclaim around the world.

[English]

In December, four of the five top-selling *Billboard* artists in the United States were Canadian artists.

The Royal Winnipeg Ballet is the oldest and most successful ballet company in North America, indeed in all the Americas.

The Toronto International Film Festival is the largest public film festival in the world. The Festival de Jazz de Montréal is the largest, most successful jazz festival in the world. The festival *Juste pour rire* is the largest, most successful comedy festival in the world. We have some of the best museums and galleries in the world here in Canada.

Keep in mind that Canada, while we are the second-largest country in the world in size, is the 36th-largest in population. So culturally we have a tremendous amount to be proud of because of what our cultural communities have been able to achieve. We've achieved these things together, in partnership—the federal government, provincial governments, municipalities, NGOs, and arts organizations. Most importantly, leading all this are the brilliant men and women and creators in our cultural industries who lead the way in doing what they do so well, which is being creative and shining not only on the Canadian stage, but indeed on the world stage.

I will gladly take any questions you may have with regard to the budget, our government's priorities, or where things are.

I think when one considers the decisions other governments in the world have made, even what other provincial governments have made, and you juxtapose that with the priorities of our government

and the successes we've had in our country, culturally, from coast to coast, I think we have a great deal to be proud of.

Thank you.

The Chair: Thank you, Minister Moore.

Now we'll begin our question and answer time. These are seven-minute rounds. You have seven minutes for the question and the answer.

We'll start with Mr. Calandra.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Thank you, Mr. Chair.

Welcome, Minister.

I wonder if we could talk about at least two of the reductions to the department through the economic action plan.

Could you talk a little bit about the process and the decision on Katimavik? Why was that program cut, and how will we be supporting youth moving forward?

Hon. James Moore: We have a wide number of programs that support youth all across this country, including SEVEC, Encounters with Canada, Forum for Young Canadians, and the YMCA/YWCA. I will continue to support those programs. Those programs have had a great track record.

The decision on Katimavik, as I've said, was not a difficult one. In the past, under Liberal governments and Conservative governments, departmental officials, prior to my current officials, and others have always done ongoing assessments of Katimavik and youth programs. The reality is that this is a program that has received taxpayer funding for 34 or 35 years, if memory serves. They started receiving funding the year after I was born. When they were created, 99% of their funding came from taxpayers, and here we are in 2012, and 99% of their funding still comes from taxpayers. The assessment done by my department, which we tabled in the House of Commons a few months ago—I believe it was six months ago—showed that over the past four years, on average, there was a one-third dropout rate among students who participated in the Katimavik program. The fact that they haven't held a serious fundraiser at all in years showed me a great deal about the lack of reciprocity with the degree to which taxpayers have invested in this program.

There's no doubt in my mind that the goals of Katimavik and the aspirations are noble and well intentioned, but I don't think the results match the investment. I think it was an organization whose taxpayer funding was due to run out for lack of achievement of those goals and lack of reciprocity with taxpayers.

• (1220)

Mr. Paul Calandra: Thank you.

One of the other main elements of the economic action plan was a reduction in funding for the CBC. We heard from the CBC president some time ago about their 2015 plan. I wonder if you could comment on some of the rationale for the reduction and whether they still, in your estimation, will have the ability to implement their plan.

Hon. James Moore: Yes. CBC is obviously a very important institution for the country in terms of culture, but economically as well.

[Translation]

As the minister in charge of official languages, I would say that only the Canadian Broadcasting Corporation provides information and news in every region of the country in both official languages, on every electronic platform—be it radio, television, websites or iPad applications.

The Canadian Broadcasting Corporation is very important for our country's cultural future.

[English]

After the election, I sat down with the president and the board of the CBC. I asked a simple question about the 2015 plan that they've outlined, which I believe every member of this committee has had access to and had a good discussion about. I asked how much money they need to achieve it: how much money they need to achieve their mandate in the Broadcast Act and how much money they need to achieve the opportunities that are expressed and outlined in the 2015 plan.

Budget 2012 provides those funds. It's still providing more than \$1 billion every year to the CBC. They have the funds necessary to fulfill their obligations under the Broadcast Act, and the 2015 plan—I don't mean to just gloss over it—is pretty impressive. This is stuff that this committee, and the Senate committees that have examined the role and mandate of the CBC in years past.... Certainly I think it is a strong, effective approach to public broadcasting.

The pillars of it, of course, are that it be 100% Canadian content, with no *Wheel of Fortune*, no American films; that Canadian films, television shows, news, shorts, children's shows, and animation—all Canadian creations—be shown on the CBC; that they fully embrace the digital opportunities, because I think it's critically important for the CBC to make those connections with young Canadians, so that the next generation of young Canadians think of the CBC as a go-to place for Canadian content. Their full embrace of digital technologies has, I think, been very well received and well regarded and is essentially the centrepiece of their 2015 plan.

I also think, as I said, that their national footprint, maintaining services in all regions of the country, with zero station closures—there's not one station closure—and the maintenance of their national footprint in both of Canada's official languages is core to their mandate. Those things are all built into their 2015 plan, and they have the funds to start to deliver on that plan.

Would CBC, like everybody, prefer to have their budget increase by 10%? Sure. Everybody who has come before this committee, I'm sure, has made that argument. But the reality is that we have an obligation. We made a commitment to Canadians and were elected on a platform commitment to balance the budget in the medium term and to do so responsibly. Responsibly means doing, I think, what we did, which is sit down with all of our crown corporations and all of our agencies and ask them those questions—not how much money they want but how much money they need to fulfill their mandate, what their goal is, what they are planning to achieve in the coming few years, and how they can best do it.

That's what we did with the CBC. We didn't work against them; we worked with them in this process, so that they have the funds available to deliver their 2015 plan.

It's not going to be easy. They're going to have some challenges, there's no question, but they're going to be able to do it. A great deal of credit certainly goes to Hubert Lacroix, the president and CEO, the board, the management, and the team that they have there, who have I think come together with a really ambitious plan for the coming five years that will serve the country very well.

Mr. Paul Calandra: With 35 seconds left, I want to.... Well, I'll just leave it. There's not going to be enough time, so I'll pass.

Thank you, Minister.

The Chair: Mr. Nantel.

[Translation]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Thank you, Mr. Chair.

Good afternoon, Mr. Moore. Thank you for joining us. We are very pleased. This meeting is a highlight of our session. I would also like to say hello to Mr. Jean and Mr. Bouchard, whom we saw yesterday.

I would like to begin by complimenting you on your skating skills. You are a very good skater, and you must work very hard on the presentation of your work. In Quebec, people took note of your appearance on *Tout le monde en parle*, where you said you were a friend of the arts community. I think I know how important it is for you to appear sincere on that issue. You said that several of your colleagues are clamouring for you to go after CBC. That is fairly clear. You said that on the air.

At times, this approach can become a bit delicate because it may have a domino effect, as we say. Clearly, your verbal support for the arts is one thing, but it does not take away from the fact that huge cuts have been made at CBC, and they have an enormous impact. Various shows may be cancelled. There will be 13 episodes instead of 12. All sorts of cuts will be made, and Radio 2 will have to run advertisements.

How do you explain claiming to be a government that has done the most for artists when, clearly, significant cuts like these have been made? How can you say that this is a priority for you and go ahead with such cuts?

● (1225)

Hon. James Moore: I am not the one who said that. Witnesses who appeared before the Standing Committee on Canadian Heritage pointed that out. They are saying that our copyright legislation protects artists and takes care of their need to make piracy illegal in Canada. We impose the WIPO Internet treaties, we protect artists' interests regarding electronic devices, and we protect the investments in the Canada Council for the Arts and in our museums. Under Budget 2012, we have increased the financial aid to our museums across the country to \$3 billion.

I think that the appointments made at the Canada Council for the Arts and other cultural organizations have been effective and responsible. They have met regional needs. Debates will certainly be held in regions across the country regarding the best way to protect, invest in and establish policies on culture. That much is certain, but it doesn't mean that you are against culture or that I am against culture. We can have different opinions about this.

Mr. Pierre Nantel: Absolutely. This is a management issue.

Hon. James Moore: Exactly.

Mr. Pierre Nantel: Absolutely. In addition, you talked about the copyright legislation, Bill C-11. Honestly, I want to ask you the question again: what do you suggest to artists who will have lost \$20 million to broadcasters? What do you suggest to them?

Hon. James Moore: I would say that Bill C-11 is a fair and responsible piece of legislation that has been debated here, in the House of Commons, for over two years. That bill makes piracy illegal.

What hurts artists the most are people who steal from them using their computers. That is what hurts them the most. I do not agree with the analysis that artists are losing \$20 million. What hurts our artists the most are people who steal from them. Bill C-11 protects our artists. Piracy is now illegal in Canada.

Mr. Pierre Nantel: If we are talking about the kind of piracy that is done using devices.... You say you don't agree with that \$20-million amount. Yet there is not doubt about it. There is an agreement, at the Copyright Board Canada, with broadcasters that—

[*English*]

Mr. Paul Calandra: I'm sorry, Mr. Chair....

The Chair: Yes, Mr. Calandra?

Mr. Paul Calandra: We're rather straying from main estimates a little bit.

Mr. Pierre Nantel: Oh, back to estimates...? Okay.

[*Translation*]

That's great. There is no problem. Thank you, Mr. Calandra, for bringing us to order.

Yesterday at noon, I met with archivists who told a different story that was not very positive—perhaps it wasn't as negative as what popcorn sellers in movie theatres may say. They said that the cuts were actually very substantial. They didn't understand because, to a very clear question I asked you on May 17—I believe—regarding what would happen with all those archives, you, Mr. Moore, Minister of Canadian Heritage, said that digitalization was the way of the future.

When you said that, did you make a mistake, or did you simply not know that someone else, on the other side, would reduce the staff that was going to be involved in the digitalization?

Hon. James Moore: No. It's not that simple. When we are asked a 20- or 30-second question in the House of Commons, we have 20 or 30 seconds to answer. I had the opportunity to discuss only one or two points, and that was all.

Things will no doubt be difficult for Library and Archives Canada. However, they will probably be able to meet their commitments under their mandate and do what needs to be done.

What I took the time to point out is the fact that online services will be available to Canadians. And that's true; Library and Archives Canada services will be available online. And they will certainly change their approach, their way of doing things.

The process has not begun in 2012 because of our budget. It has taken a few years. So they were already going down that path in terms of policy. That's responsible. That's what we see in the United States. That's what we see in the provinces and in Europe in similar organizations that are going down that path and adopting that type of policy.

I have no doubt that Library and Archives Canada wanted a bigger budget, as did the Canadian Broadcasting Corporation and everyone else. However, in reality, decisions must be made.

• (1230)

Mr. Pierre Nantel: It's too bad that you didn't say the same thing in the House.

I understand that the answer had to be very short, but it's still a fact that some sort of hope for those people stems from digitalization, and in the end, staff is being reduced. There is a kind of inconsistency with that. That's too bad for us. I am the first to want to accept your sincerity, your sensitivity to the arts world, culture and Canadian heritage.

However, you still work for a sheriff who has completely different view of things. For many people, CBC should be a public radio-television service. It's an example.

My remarks may seem confusing, but in reality, it's the intention that counts. We all know that it's the intention that counts. You operate based on the budget directives you receive.

Hon. James Moore: The perceived issue may stem from an ideological difference. For you, being sincere about something means spending increasing amounts of money. For us, being sincere means working with organizations to come up with a policy and a program that will meet the needs of artists, culture, the public, taxpayers and everyone else.

Whether the only way to score goals—to use a hockey analogy—is to increase funding in order to prove our sincerity—

Mr. Pierre Nantel: No one here is saying that. What we are talking about is a kind of dialogue with the stakeholders, and that's what missing.

[*English*]

The Chair: Thank you, Mr. Nantel.

Mr. Simms.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Thank you, Chair.

Good day, skipper. How are you? Skipper's a term of endearment, by the way, from the east coast.

I want to acknowledge your comments about the Canada Council for the Arts. I agree, very well done. I look forward to you guys using it against me some day.

Hon. James Moore: Paul's working on a ten-percenter.

Mr. Scott Simms: Yes, that's what I figured. I can see the smoke.

But I do want to dive into the topic that was just here. We're talking about the Library and Archives because I think that yesterday, when we went to the demonstration, there was a fundamental gap between what people do in telling our story as Canadians as opposed to what we think is a place to cut for reasons of inefficiencies.

I know what you said in the House, and you just discussed that, but you've got to realize when it comes to digitization, it's not a question of just piling a bunch of photographs at someone to put them on a repository when there's a story to tell.

The NADP, the national archival development program, was an essential part of telling a story in the smallest of communities. I have 200 communities in my riding, and some of them took advantage of this. They're in a situation now where the expertise is not really there.

I feel that we've fundamentally, just by the sake of digitizing something, missed the narrative, the fact that archiving is something more than we give it credit for. Would you agree?

Hon. James Moore: I think it can be seen by some obtusely as just sort of a bureaucratic function, but I think you're right. I come from a family of teachers. My mom is a teacher. My sister is a teacher. My brother-in-law is a teacher. I've taught. I understand that this is about protecting, not just digitizing. Digitizing often becomes a blanket platitude for seeming like you're à la mode and it seems like it's sort of a catch phrase. But you're right, it's about protecting and ultimately championing Canadian culture and history through archives, so it's an important tool of learning.

Mr. Scott Simms: But the NADP was a vital tool of that, and it almost seems like we've taken something extremely vital to the core of what you believe in. So you have to question, do you really believe in what it is they're doing?

Hon. James Moore: We do, but you know, look, there are going to be other initiatives that Library and Archives is going to be announcing and we are going to be providing—

Mr. Scott Simms: Any hints? No?

• (1235)

Hon. James Moore: No. I'll leave that for Library and Archives to talk about.

But also with regard to the macro-subject that you're raising, which is the responsibility of the government not only to protect Canada's archives but to protect their information, to work in the pan-Canadian network of archivists and libraries all across the country, I believe in that. I'll just put it this way: soon we will have more to say on the subject.

Mr. Scott Simms: Okay. But the inter-library loans issue, how did you come to that decision?

Hon. James Moore: Through Library and Archives Canada?

Mr. Scott Simms: Yes.

Hon. James Moore: That was their decision.

I think it's important to understand, the way in which the draft process comes, this is not I as the minister going to the organization and saying here's how you're going to absorb a 5% to 10% reduction and here's how we're going to force it upon you. We ask them to come up with 5% and 10% of the money that they think is the least effectively spent or the least related to their core mandate and responsibilities.

Mr. Scott Simms: Okay.

Hon. James Moore: So they come to us and they say, "If our budget is reduced, this is what we think is the least effective 5% of the money that we're spending."

Mr. Scott Simms: I'm sorry, Minister, but I have to keep moving here.

I'll cut to the CBC. One of the things they've talked about is based on what they do with the BBC in the U.K., and that is a funding model that is over a five- to ten-year period, something that's longer term. Would you consider doing something like that?

Hon. James Moore: The funding that we have for the CBC.... As you know, all these reductions are over three years. The CBC's macro-budget for this year, including all ad revenue, is \$1.6 billion, if memory serves me. The reduction for this year is 2.4%. It ramps up to a total 10% reduction between now and the three-year period. So they do have certainty over—

Mr. Scott Simms: But you're talking about including the \$60 billion, right? You pulled that into the—

Hon. James Moore: That's included in the overall amount.

So, certainty over five years.... Look, they have certainty over three years, and this is.... Actually, I agree with you, and this is something the opposition has raised before, as has the CBC and as has the public: that certainty in funding is an important thing, which is part of the problem of the \$60 million recurring programming fund. Every single year with the Liberal and Conservative governments there was always a doubt as to whether or not the \$60 million would get renewed.

The truth is, and you can speak to members of the cabinet of the former Liberal government, that there was always a debate about the \$60 million and whether or not.... There was a bit of a carrot and stick game with the CBC about how they were managing things, and that shouldn't be part of it. We should take the politics out of it and we should just make sure that they have a base funding, lump in the \$60 million, and have the 10% reduction phased in over three years. It's a 2.4% reduction in year one and the 10% will be absorbed over three years.

Mr. Scott Simms: But if you take that to its logical conclusion, then you would think that a five- to ten-year funding model that gives them some security as to what they could do.... I mean, you talked about getting into digital and the like and getting into the digital realm, which is changing all the time. This steady funding would certainly allow them to be far more flexible going forward.

Hon. James Moore: That's true. However, there's a flip side to that. In government, you also have an obligation—are we going to say to every single crown corporation and every single agency in the government that they'll get 5% and 10% funding? What's the point of Parliament? What's the point of your oversight of my decisions? If you're just going to lock in funding and say “Well, there you go”, then what's the point of having Parliament discussing these issues? Plans and priorities change.

Mr. Scott Simms: We see that now for everything.

Hon. James Moore: Also, you appoint different boards, you appoint different chairs, and you appoint different presidents to crown corporations and agencies. They want to have different flexibility and different approaches to things. If, for example, people are going to be replaced at museums, if they want to have a new approach to things, if you lock in their budget for five or ten years and you say, “You're going to be absolutely isolated from any kind of budget reduction, or even consideration of your mandate and approach to things”, I think that frankly neuters the obligation that we have on behalf of taxpayers to ensure that organizations are being as effective as possible in their approach to governing and spending taxpayers' money. If you just lock everything in for ten years, then what's the point of Parliament?

Mr. Scott Simms: Well, it may not be ten years, but nonetheless you get the idea about how they're dealing with them. Obviously the funding model's out there, and it has proven to be successful.

Hon. James Moore: There's not one single crown corporation or agency or museum or anybody who wouldn't say, “We would really love five to ten years of locked-in, guaranteed funding so we can have certainty for the next generation”. Everybody would want that, but I don't think that's prudent governing.

Mr. Scott Simms: You don't, for the simple reason that it takes control out of Parliament.

Hon. James Moore: That's it in part. That's one of the arguments.

The Chair: Thank you, Mr. Simms.

Mr. Armstrong.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you, Mr. Chair.

Minister, I want to thank you and your departmental staff for being here today.

To start, overall there's a 12% increase in your department's funding, and you expressed to us that many other countries are reducing their funding because of economic pressures in the recession, so that's a very positive thing for your department.

The CBC has seen a budget reduction, but they have also said they have the needed funds to implement their 2015 plan. A big part of the 2015 plan, as I understand it, is to have more Canadian content and more Canadian-produced television shows. In fact, by 2015 I think that's all they're going to be showing. Am I accurate in saying that?

Hon. James Moore: That's correct, in both English and French.

Mr. Scott Armstrong: That's for both English and French.

When you look at the increase your department has received, much of it is due to an increase in the funding for the Canada Media

Fund. That media fund, as I understand it, is to support artists in actually producing Canadian content and Canadian media. Would there not be a significant possibility that it could support the CBC, and provide them the content they need to meet the 2015 plan? Could you expand on the use of the Canada Media Fund?

• (1240)

Hon. James Moore: Yes, there's no question that it's an important point. This can't be lost. I'll give an example. We talked about the importance of our national museums and galleries. People ask why the government isn't increasing funding, for example, for the MAP program, the museum assistance program, or why we couldn't be doing more for our national museums. Yet again, you have to draw back to 10,000 feet, and look at the entire suite of programs that we have to support Canadian culture.

For example, in the budget, the indemnification program is a simple concept. There are galleries and museums all across the country, from the big, from the Art Gallery of Ontario, to Glenbow Museum, to the smallest, the Port Moody Station Museum, a little museum in my riding—all shapes and sizes of museums. They apply to the Government of Canada for indemnification; that is, the Government of Canada agrees to be an insurance underwriter for the cost of transporting and hosting paintings, sculptures, any kind of exhibit that might be shown in a gallery or museum across the country.

Local museums can't take this on. Local museums in this country are overwhelmingly volunteer organizations. It's not as if somebody like my father, a retired dentist, is going to take on the financial liability of hosting something from Rembrandt. He's not going to expose himself to that, to vandalism or what have you, nor is a volunteer organization. The Government of Canada steps in and backs them up, helps underwrite and fund them. We've doubled that.

Some people ask if the government couldn't be doing more for galleries and museums. On the cash side, we say sure, there's always an explanation for that, but if you draw back and look at the indemnification program, \$3 billion is a massive relief for our galleries. The current envelope of \$1.5 billion is usually taken up and consumed within the first three months of the year. We recognize that. Also, the big, professional organizations that have decent-sized budgets can go straight after those funds and crowd out the little guys. So we fixed that.

The reason I mention it is that there's a similar parallel to the CBC. The CBC's budget is being reduced by 10% over the coming three years, it's true. However, on the other side, our government has created the Canada Media Fund. The Canada Media Fund receives \$100 million per year from the Government of Canada. All told, the total partnership is \$375 million. So \$1 billion per year of A-based, Government of Canada money goes to the CBC, plus they get their ad revenue, which constitutes about a third of their operating budget. On top of that, we're committing \$100 million every year to the Canada Media Fund, a public-private partnership that we created, which in total kicks \$375 million into Canada's audio-visual sector.

All those shows are created and have to be Canadian in content and available in multiple platforms. The CBC leads the country in multiple platforms. It allows the CBC to access up to \$375 million worth of productions of Canadian content to be shown on Canadian platforms all across the country. What we've done is take the Canada Television Fund and the Canada Media Fund, merge them together, and create a partnership.

The Canada Media Fund and the Canada Television Fund were created by the Liberals after the 1995 cuts to the CBC as sort of a stopgap from some of the blowback it received from those cuts. Those were both sunsetters and were lapsed every year. So production companies relying on those funds in order to create their Canadian television shows didn't know if those funds would be available multiple years down the road.

What we did is merge those two funds, create the Canada Media Fund, and build a partnership with the private sector. We put in \$100 million, and the private sector kicks in \$275 million this year into this fund. Now we have all this money available. And better than that, the fund is not a sunsetter; it's an A-based fund. In budget 2011, which we passed just after the last campaign, we A-based it, which is to say that it's not a sunsetter any more, it's now a permanent part of the Government of Canada's funding infrastructure for Canadian television and shorts and movies, and content in both official languages. Part of it is reserved for productions in French, part of it is reserved for productions in aboriginal languages and in aboriginal communities, and part of it is reserved for all these things that are critical to Canada's diversity across the country.

When people are critical of the reductions to the CBC, I understand, but you have to draw back and see the entire suite of things being done to support Canada's audio-visual sector. In that regard, I think we're doing very well.

Mr. Scott Armstrong: Thank you.

How much time do I have left?

The Chair: You have a minute and a half.

Mr. Scott Armstrong: I want to move on to another increase in funding, the \$29.9 million for the aboriginal peoples' program, which is related to the cultural connections for aboriginal youth and the aboriginal languages initiatives. I think this is a very positive investment. For someone who has had a lot of background and experience and education of our first nations youth, this ability for them to engage like this, for the federal government to engage our aboriginal youth, which is the fastest-growing population in Canada...

Could you elaborate a bit on why that decision was made? I think it's a positive decision. I think it's the right direction to go.

Hon. James Moore: Well, we've shifted the fund itself and the program to the Department of Aboriginal Affairs. We've directed it there, and it has the funding necessary, in part because.... There are these asymmetries all through government. For example, the Department of Canadian Heritage funds youth programs, whether it's SEVEC or Katimavik or Forum for Young Canadians, but also HRSDC has a number of youth programs. They have different goals and different purposes. It doesn't mean that they should be doing them, but there are these asymmetries.

After having been minister for three years, it was our view last year that it seemed to make a lot more sense to have these programs integrated more effectively under the Department of Aboriginal Affairs, in part because there's greater expertise there—no slight meant to anybody who has worked in my department over many years on these programs and done so with good intentions. The point is that the aboriginal affairs department has a better, comprehensive appreciation for the needs of aboriginal youth in the country—in particular, urban aboriginal youth. To give them the funds, rather than have us try to manage it as a cultural file, and to have it as part of a broader-based approach to supporting aboriginal communities made more sense to us.

• (1245)

The Chair: Thank you, Mr. Armstrong.

Mr. Cash.

Mr. Andrew Cash (Davenport, NDP): Thank you, Mr. Chair.

Thank you, Minister, for being here today.

I want to pick up on a couple of things you and my colleague Mr. Nantel were talking about, because you mentioned ideology and an ideological difference, and you brought in sincerity. You know, sincerity is that the things you say match the things you do, and on that account we don't see sincerity coming from you.

And in terms of ideology, we know that the Conservative government has loved to hate the CBC, but they've got you, and you are like a knife I have in my kitchen. You know, I've got some blunt knives that don't do a very good job, then I have a beautiful knife with a nice handle and it's sharp and big. You don't feel it sticking in at first, but it cuts nonetheless. And you cut. You cut. You say that you love the arts, you say that you love artists, and yet you cut. You are James the Knife. You've cut at the CBC, you've cut art, you've cut funding for artists, Minister.

When you cut 175 hours of programming in prime time on the CBC, you're cutting funding to artists. You're cutting funding to actors, to musicians, to directors and producers, to writers. You know, you mentioned Christopher Plummer, and I know you love to be around all these guys, but what you're doing is you're cutting the very foundation that nurtured these artists. I don't know if this government really understands how artists make a living.

Now, with respect to the parliamentary secretary, it was you who mentioned copyright here today, and I wanted to pick up on something you said there. You said the main issue with copyright is that we have to deal with the piracy and that's going to help artists. How does piracy and a loophole that allows broadcasters to not pay a royalty to artists connect at all? It's like saying you've got to go the dentist to fix your tooth, and when it's being fixed he's going to break your legs at the same time. He only had to fix your tooth. It makes no sense. That argument makes no sense.

On the subject of the CBC, you also say that allowing a large crown corporation with a billion-dollar budget to have three years—let's say three, let's not say ten—of budget certainty is not prudent government. How is that a fact when about every large corporation in the country needs that planning time, needs to plan in advance?

Now, what you did say was that the CBC has some certainty in terms of what has been cut over the next three years. So are you saying that there are going to be no more cuts other than this \$115 million from the CBC? Is that what you're saying today, that that's it for cuts to the CBC?

Hon. James Moore: First, to your opening analogy with the reference to the knife, thanks for calling me big and beautiful.

But look, nice try with the leg-breaking analogy. Not quite so true. As I explained to your colleague with regard to the audio-visual industry, not only are we still spending over a billion dollars every year to the CBC, but there is \$375 million in money that didn't exist prior to, frankly, our government. Not to be immodest, but the first initiative that I took on as Minister of Heritage was to re-establish that public-private partnership and to build the Canada Media Fund.

I appreciate you waving the flag here for a 10% reduction over three years to the CBC, which is \$115 million, but feel free to go ahead and acknowledge the \$375 million that is also being invested on the other side into the audio-visual sector, looking forward to that analogy.

With regard to the CBC, our economic action plan is a plan and the reductions that we have are over three years. Everything we have put in place is to arrive at a balanced budget by 2015. That's over three years. Everything that we've put forward in the budget is our plan over three years. The certainty that we've given the CBC, and every single other government organization, is that these reductions will be phased in over three years. This is a three-year plan, and the CBC is planning accordingly, specifically to their mandate and their plan for 2015.

Our whole approach to this, on policy and on funding, has been to support and recognize the 2015 plan and to make sure that it is realized in the full scale they hope it will achieve, and the funding is there in order to do that.

• (1250)

Mr. Andrew Cash: Yes, but when they presented their 2015 plan they presented also \$50 million in cuts. At the time, you said you were satisfied with that and that CBC had what they needed to fulfill the mandate. Then you proceeded to cut another \$115 million. These cuts are.... You know, you can talk all you want about the various other ways in which you—

Hon. James Moore: It's just a third of a billion dollars. It's no big deal, right?

Mr. Andrew Cash: What's that?

Hon. James Moore: It's just a third of a billion dollars.

Mr. Andrew Cash: But that doesn't relate to the CBC.

The Chair: Your time is up.

Hon. James Moore: Nice try.

The Chair: Mr. Young.

Mr. Terence Young (Oakville, CPC): Thank you, Chair.

Thank you, Minister, for being here today.

I want to quote from the remarks we have in front of us that you read today. You said that supporting arts and culture is absolutely essential to keeping our economy on track.

I spent a couple of years of my life in the music business, booking and managing bands, etc. I am thinking of how when someone writes a song it leads to economic activity. To give you a brief summary, one person with a guitar or a piano writes a song and records it, which employs engineers and technicians in the studio and graphic artists if they're going to release an album, and production workers and distributors, and retail sales and radio station staff, and all their advertisers and all their employees. Then they may decide to perform that song.

Earlier today I was thinking of a song. Tom Cochrane is from Oakville. He wrote *Life Is a Highway* in 1991. He sold six million copies of his album *Mad Mad World*. Then he went out and performed it. That employed sound and lighting technicians, people in ticket sales, ushers, security, souvenir sales, and beer sales, of course. That's repeated year after year across Canada.

I wonder if you can comment on how funding for the arts consistently—and I'm thinking of the Canada Council for the Arts—directly benefits the Canadian economy.

Hon. James Moore: I think it's a great way of framing it.

I saw some criticism. You may remember there was an interview with Maggie Gillis where she was attacked because of the assumption that there wasn't a return for investment in the arts. Sometimes there isn't, but it's also not subject to a very static analysis, such as saying, "We built this bridge and we had this many crossings, and the typical speed was this. Therefore, we're moving this many people to and from work in different parts of the city. Therefore, we can assume that we've taken this many GHGs out of the atmosphere. Therefore, we've improved productivity." We can do those kinds of analyses on a number of projects, for example on shipbuilding, but when you invest in the arts, it's not subject to such a quick and easy static analysis of what the economic and social benefits are. This is often why those of us who believe in the importance of the cultural economy have to very persistently engage and re-engage in making and bolstering and re-emphasizing the argument for supporting the arts and what it means to our economy and to our society.

The macroeconomic numbers are known, and I say them every time I have the opportunity. Arts and culture is \$46 billion in the Canadian economy and over 640,000 jobs. It is three times the size of Canada's insurance industry, twice the size of Canada's forest industry. It's a massive part of our economy.

When Les FrancoFolies happens in Montreal and all the people rush into town to see these fantastic performances, they fill the hotels, they buy gas, they buy sandwiches, they buy drinks, they go out at night. Maybe they take a side trip to Charlevoix or they go up to Quebec City. The economic benefits and the spinoffs are things that are often hard to quantify, but we all know they're there.

We also know that housing prices go up when houses are next to a park. Housing prices in Vancouver go up for homes that are next to the park that hosts Bard on the Beach. We know these things. How do you quantify and loop into the economic benefit of investing in the arts if we're supporting Bard on the Beach? All those condos in Kitsilano and on the west side of Vancouver have higher property values. Why? Because of the green spaces and because of the arts and culture and because of the milieu that is there and that has been nurtured for years.

There is an economic benefit to that, but it isn't expressly quantified by those who would attack the arts and ask, "You invested how much in Bard on the Beach? What were the ticket sales? What were the numbers? Then it's an economic downturn." It's not true. Investing in culture is investing in the economy. In the long term, it's investing in the economy by stirring children's imaginations and brains.

When we talk about wanting the next generation of kids to be inventors of iPad apps, to be the great technological innovators and thinkers of the future, it doesn't start when they're choosing their major in university and college after high school or grade 13. It starts when they're five or six years old and we take them to see the performing arts and we expose them to music, which their parents may not have had the opportunity to do. When they see culture, those synapses in the brain fire. Those cultural sectors of the brain are stirred at a very young age. That's when it starts. It starts when they're five or six years old.

Sometimes that does require public subsidy, and it does require our working with organizations to ensure that galleries and museums and films are available to our kids, because it's so critical. The economic benefit of all that is immeasurable.

You know of Richard Florida's book in which he segments the country into the different zones. He makes an argument—which is not always true, but I think there is a compelling argument—that it's not a coincidence the most prosperous and innovative part of the digital economy in the United States is housed in the same place where we find Berkeley, in San Francisco, one of the most creative cities in the United States. The cultural sector and the arts are generated in San Francisco and those places that are seen as the cultural hubs of North America. It's not an accident that all the technological companies are based there as well. These things actually feed on one another.

• (1255)

The Chair: Thank you, Mr. Young.

Mr. Terence Young: That's it?

The Chair: That's it. You are 20 seconds over.

Mr. Terence Young: Thank you for a fulsome answer.

The Chair: Minister Moore, thank you to you and your team for being here today. Thank you for your testimony.

There is just one final item. Now is the time when we would vote on the main estimates. I think we have gone through this once before, so we're all familiar with it.

CANADIAN HERITAGE
Canadian Heritage

Vote 1—Operating expenditures.....\$180,023,000

(Vote 1 agreed to)

Vote 5—Grants and contributions.....\$1,077,017,000

(Vote 5 agreed to on division)

Canada Council for the Arts

Vote 10—Payments to the Canada Council for the Arts.....\$181,761,000

Canadian Broadcasting Corporation

Vote 15—Payments to the Canadian Broadcasting Corporation for operating expenditures.....\$967,284,000

Vote 20—Payments to the Canadian Broadcasting Corporation for working capital.....\$4,000,000

Vote 25—Payments to the Canadian Broadcasting Corporation for capital expenditures.....\$103,035,000

Canadian Museum for Human Rights

Vote 30—Payments to the Canadian Museum for Human Rights for operating and capital expenditures.....\$10,000,000

Canadian Museum of Civilization

Vote 35—Payments to the Canadian Museum of Civilization for operating and capital expenditures.....\$62,454,000

Canadian Museum of Immigration at Pier 21

Vote 40—Payments to the Canadian Museum of Immigration at Pier 21 for operating and capital expenditures.....\$9,950,000

Canadian Museum of Nature

Vote 45—Payments to the Canadian Museum of Nature for operating and capital expenditures.....\$33,135,000

Canadian Radio-television and Telecommunications Commission

Vote 50—Program expenditures.....\$4,317,000

Library and Archives of Canada

Vote 55—Operating expenditures.....\$87,115,000

Vote 60—Capital expenditures.....\$19,353,000

National Arts Centre Corporation

Vote 65—Payments to the National Arts Centre Corporation for operating expenditures.....\$35,631,000

National Battlefields Commission

Vote 70—Program expenditures.....\$7,146,000

National Film Board

Vote 75—Program expenditures.....\$66,782,000

National Gallery of Canada

Vote 80—Payments to the National Gallery of Canada for operating and capital expenditures.....\$40,206,000

Vote 85—Payment to the National Gallery of Canada for the acquisition of objects for the Collection and other costs attributable to this activity.....\$8,000,000

National Museum of Science and Technology

Vote 90—Payments to the National Museum of Science and Technology for operating and capital expenditures.....\$28,931,000

Telefilm Canada

Vote 115—Payments to Telefilm Canada to be used for the purposes set out in the Telefilm Canada Act.....\$105,667,000

(Votes 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, and 115 agreed to)

The Chair: Shall I report the main estimates to the House?

Some hon. members: Agreed.

The Chair: I will do so.

The meeting is adjourned.

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