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## Standing Committee on Finance

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**Tuesday, November 1, 2005**

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**Chair**

**Mr. Massimo Pacetti**

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•(1015)

[*Translation*]

**The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)):** I thank the witnesses for travelling here to make their presentations. I know we're starting late. Representatives from seven groups are here to testify. We're going to try to start as soon as possible.

We are here pursuant to Standing Order 83.1 in the context of the pre-budget consultations 2005. If you can stick to a speech of seven to eight minutes, that would be appreciated. Committee members will then want to ask you questions. I have the list of groups here. We'll start with Mr. Holland, from ACTRA.

[*English*]

**Mr. Matt Holland (President, ACTRA (Montreal)):** Good morning, Mr. Chair and honourable members of the committee.

My name is Matt Holland and I'm the president of the Montreal branch of ACTRA, the Alliance of Canadian Cinema, Television and Radio Artists. I'm also a working performer. I've also worked as a content analyst in the television unit of Telefilm Canada. Currently I'm employed as a screenwriter on a television project that has received funding from the Canadian Television Fund. I have a vested interest in seeing the CTF not only become permanent but actually be increased to account for inflation.

I'm speaking today on behalf of ACTRA members who are very interested, as they should be, in performing in indigenous productions.

I would like to introduce my colleague Dawn Ford, a working actor and a member of our branch council. She will say a few words on the importance of strengthening the CBC.

English performers in this province have a unique cultural perspective. We work in English on U.S. films and television shows that come here to shoot. We work on English Canadian films and television series, and many of us also work on series and films in French. We have unlimited access to American television shows on our airwaves and Hollywood films in our theatres. We can also admire the French culture in Quebec for its profitable and critically acclaimed films, its popular television shows, and its star system. But when it comes to our own television shows and movies, there is a startling lack of consistency, a tentativeness that not only lets down the performer but the English Canadian viewer as well.

In 1999, the year of the CRTC's disastrous policy shift that allowed cheaper magazine and reality shows to count as Canadian drama, there were 12 English Canadian drama series on the air. Last

year they numbered as low as four. More and more English Canadians are losing opportunities to see themselves reflected in their culture, and performers are missing out on an opportunity to contribute artistically to that culture—and that only hurts us as a people.

An artist's life in this country can be a struggle. We are independent contractors and small-business persons. Not knowing where the next job is coming from is linked to wondering if projects will be supported financially. Many of the nation's producing entities were in turmoil two years ago when the Minister of Finance announced significant cuts to the CTF. Producers scrambled to find outside funding, and many worthy shows were dropped. There was some relief when the fund was restored to its original level in the next budget, but there is lingering worry that the CTF is vulnerable to fiscal ravaging due to its temporary status.

Making the fund permanent and bringing it up to 2005 levels would go a long way towards strengthening our industry. It would give artists an often-elusive taste of stability and reassure the English Canadian viewing public that their government recognizes the importance of culture. On behalf of ACTRA, I ask this committee to recommend that the Canadian Television Fund be given permanent status.

Thank you.

Dawn, over to you.

•(1020)

**Mrs. Dawn Ford (Councillor, ACTRA (Montreal)):** Hi. I'm here as a member of the branch council of ACTRA Montreal. I was born and raised in Montreal, and I'm very proud to be a Canadian actress.

Over the last 25 years of my career, I've been increasingly aware of how wonderful and precious our culture truly is. Living in a bilingual community, I'm able to experience a very rich culture that is vibrant with creativity. I love being Canadian. I love the stories that we tell, and I love the unique ways that Canadians have of telling them. The CBC is a vital part of telling these stories and showcases the creative talents of performers, writers, directors, producers, and more. Their mandate is to reflect Canada's identity.

Television and radio are two of the broadest ways that we communicate with each other and with the world. We know that we can be proud of our culture through the communication that is reflected by CBC and the fine Canadian programming it brings to us. But how are we going to keep the CBC if there's not enough money to continue to give us that programming? The \$390 million that was cut over the 1990s has never been restored. We have to start by putting some of that back into the CBC, before it's too late.

We were very pleased that the report of this committee last year recommended that the government should increase funding to the CBC, and we ask this committee to renew that recommendation.

As long as CBC is uncertain of its future funding levels, it cannot create and implement long-term strategies to succeed. This uncertainty has unquestionably been a factor in the current state of labour relations at the CBC, but it in no way excuses the drastic measures taken over the past seven weeks by the CBC's callous and short-sighted management

We believe that although the immediate situation has been resolved, without sufficient multi-year funding, the stability of our national public broadcaster will continue to erode. We'd like to see the CBC meet its obligation to reflect and promote Canada's national identity, with new Canadian comedy and drama, by having the resources to do so.

**Mr. Matt Holland:** Thank you.

I would like to conclude by emphasizing that English Canadian culture, while not distinguished by language or governed by the principles of the U.S. Constitution, does nevertheless exist and should be heard and seen wherever possible, by as many people as possible, in order to grow and thrive as it deserves.

*Merci de votre attention.* Thank you very much. We welcome any questions.

[Translation]

**The Chair:** Thank you, Mr. Holland.

We'll now hear from Mr. Bouchard, from the Association des producteurs de films et de télévision du Québec.

**Mr. Jacquelin Bouchard (Chair, Administrative Council, Association des producteurs de films et de télévision du Québec):** Mr. Chairman, ladies and gentlemen, members of the committee. Thank you for inviting us here today and for allowing us to present the budget priorities of our industry.

I am Jacquelin Bouchard, Chair of the Board and CEO of Pixcom Group, and also Chair of the Board of the Association des producteurs de films et de télévision du Québec. With me is Vincent Leduc, Vice-president - Production of Zone 3 and Vice-chair of the APFTQ Board.

The APFTQ represents more than 130 independent film and television production companies - in other words, the vast majority of Quebec firms producing for screens of all sizes in both French and English.

Our industry faces many challenges: a tight domestic market, foreign competition, difficult access to international markets, and technological changes in distribution methods, to name but a few.

There is a connection between these challenges and last year's seven percent fall-off in Canadian film and television production, which now stands at about \$2 billion. If you include foreign product shot here and in-house work by broadcasters, the overall volume of production in Canada amounts to \$4.9 billion.

In terms of employment, the sector as a whole provided 134,700 direct or indirect full-time-equivalent jobs in 2004, four percent less than the year before. In light of this disturbing decline and of our industry's sizable challenges, we have identified three priority needs: first, increase funding for the Canada Feature Film Fund; second, improve the performance of the Canadian production tax credit; and third, stabilize support for the Canadian Television Fund with a five-year budget allocation.

● (1025)

**Mr. Vincent Leduc (Vice-President, Television, Association des producteurs de films et de télévision du Québec):** Our first priority is to increase funding for the Canada Feature Film Fund. The Canada Feature Film Fund has given the Quebec industry the means needed to produce high-quality feature films with wide public appeal. In 2004, Quebec-made movies generated 21 percent of all box-office revenue in Canada's Francophone market - a phenomenal upsurge of 114 percent since the Fund's inception three years ago. The Government can take pride in this remarkable success and the contributing role of the Canada Feature Film Fund.

However, despite this success, the Fund's budget for French-language production has been reduced by \$500,000 over the past three years. And yet inflation and production costs continue to rise. The direct consequence of these cuts is obvious: fewer films are made each year, jeopardizing the critical mass needed to ensure a diversity of genres and sustain the interest of varied audiences.

Furthermore, because the Fund already lacks enough money for drama production, it cannot support theatrical documentaries. This flies in the face of the box-office success of Canadian documentaries like *The Corporation* and *Les voleurs d'enfance*, with earnings in excess of \$1 million. And of *Shake Hands with the Devil*, winner of the World Audience Award at the last Sundance Festival. Canada's expertise and triumphs in this genre, along with the public's growing appetite, plead in favour of dedicated funding for long-form documentaries.

In concrete terms, we estimate that if Canada wants to continue to produce a critical mass of movies and see more box-office hits, and if it wants to support the production of high-performance theatrical documentaries, the Canada Feature Film Fund budget will have to be doubled, with an additional allocation of \$60 million.

**Mr. Jacquelin Bouchard:** The second priority is to improve the performance of the Canadian production tax credit. The tax credit program for film and television production has encouraged economic growth and corporate productivity throughout the industry. However, it has failed to achieve one of its primary objectives, which is to create a sustainable impact on industry capacity. Companies have quickly funnelled the monies into production, seriously undermining the anticipated boost to corporate capitalization on which their growth depends.

We should also point out that all funding amounts from public programs, like the Feature Film Fund, are subtracted from the production costs before the tax credit is calculated. As a result, the credit rate generally works out to less than two percent of a feature film's budget, far below the 15 percent target rate.

There is a simple solution for improving this performance, and that is to make all government funding in production budgets eligible for the tax credit calculation. This would automatically increase the credit amount and, at the same time, encourage the use of Canadian labour and talent. We are asking the Government to examine this possibility with a view to harmonizing the tax measures for film with other industry programs. Our solution would be direct, fair and beneficial for the entire industry.

We also want to talk about a possible expansion of the tax credit, to help finance projects at the development stage. The APFTQ is asking the Government of Canada to take an innovative step, one that will help maintain its international leadership in the area of industry support programs. We are calling for the introduction of a new system - a fiscal tool that would foster project development and increase productivity across the Canadian production sector.

A tax credit program for project development would help finance the costs at the start-up stage of a production. As things now stand, companies are undercapitalized and therefore cannot invest enough in development. Here in Canada we develop an average of 4 projects for every one that gets produced, whereas the ratio is 8 to 1 in the United States and 9 to 1 in Europe. By expanding the project pool at the development stage, we would increase the number of first-class productions and our chances of selling them on the international markets.

If you look at the costs involved in project development, you see that 75 percent of the money goes to individual talent. The tax initiative we propose would be of primary benefit to writers, concept creators, authors and directors. Consequently, it would have a lasting effect on the industry and help fulfil the government's initial intention in regard to corporate capitalization. The impact in terms of government cost would be minimal, but the benefits to the industry would be enormous. If needed, the APFTQ would be pleased to present details of its project to a Department of Finance working committee.

• (1030)

**Mr. Vincent Leduc:** Our third priority is to stabilize support for the Canadian Television Fund with a five-year budget allocation. The APFTQ wants to thank the Government for renewing the Canadian Television Fund's funding for two years, through March 2007. This commitment underscores the importance placed on programming with a high level of Canadian content. That being said,

we believe that a multi-year allocation - a five-year commitment, for example - would greatly reduce the uncertainty that accompanies short-term allocations. Keep in mind that every dollar invested by the Fund leverages \$2.18 in funding from other sources. The government must continue to support this industry and to demonstrate its support with concrete measures.

Beyond fame, success and audience interest, film and television production represents thousands of jobs in Canada. We must continue to facilitate access to homegrown productions for all Canadians. This industrial and cultural sector must remain a priority in establishing the federal budget.

Thank you for your attention. We would be pleased to answer any questions you may have.

**The Chair:** You said that just to make sure we were listening, didn't you?

**Mr. Vincent Leduc:** Exactly.

**The Chair:** Now let's move on to the Association nationale des éditeurs de livres.

Mr. Bellemare.

**Mr. Gaston Bellemare (President, Association nationale des éditeurs de livres):** Good morning and thank you for receiving us.

We indeed have problems similar to those of the film industry since we have the same target population. Since Canada has a population deficit, we always have trouble selling our products. We also have a proximity deficit. In a country of bungalows, selling films or books is an expensive proposition, since the distances between towns and cities raise our marketing and promotion costs exponentially. We're trying to reach the entire Francophone population. We work over four time zones. You need a lot of plane tickets to be able to reach 23 million people, whereas I can buy a subway ticket in Mexico City and have access to that number. So the proximity deficit costs this country dearly. That's why the situation of the book industry is absolutely abnormal in our country.

The Canadian market is small and flooded with foreign competition. The French-language publishers of Canada, the 110 members of our association, come from French Canada and Quebec. Our goal is to capture the equivalent of the Canadian market for French-language books through increased sales of their books in Canada and other countries. If the GST on books is not abolished, it is urgent that the Canadian government reinvest the tax revenue in support for the shipping, promotion and translation of Canadian books and to increase its assistance to the Canada Council for the Arts. Those, in brief, are our four points.

In 2003, out of Canadian book sales of \$1.2 billion, the Canadian government made a net profit of \$24.6 million after it had reinvested the money. So it made more money, without doing a bit of work, than all publishers put together. It is very hard for us to understand how the government can make more money in a cultural activity than the people who take part in it and promote it. There was a profit of \$24 million, whereas the publishers' profits declined every year. They were only four percent for all publishers who took part in the Canadian Heritage program, less than two percent for Quebec publishers. If you subtract subsidies, we are all operating at a loss and absolutely share the poverty of our authors.

Going back to the abnormal situation of the book industry, we have 2,405 full-time jobs and 416 part-time jobs, and that does not include the 4,390 authors, editors and writers who are the first link in the book publishing chain. If you collect \$84 million in GST revenues and reinvest only \$56.5 million, including all federal programs, in the Canada Council and Canadian Heritage, you're left with a net profit of \$27.5 million. We would like to be able to capture the equivalent of 100 percent of the Canadian market.

If you go to a bookstore in Vancouver or Toronto, you'll see that 75 percent of the books are not Canadian. How will we be able to capture the equivalent of 100 percent of our market? I believe we're at least entitled to work on this. Sixty percent of the wealth produced in Canada comes from exports. All budget surpluses come from exports. Why does Canada allow 60 or 75 percent of books to be imported? You're asking the book industry to run counter to the wealth creation trend in Canada. We say "the equivalent" since we know perfectly well we'll never be able to capture 100 percent of the Canadian market. So we're trying instead to capture the equivalent through exports.

Export sales of Canadian books have risen 240 percent in the past 10 years and foreign sales of rights 449 percent. We see this increase, and we note that when people outside Canada see our books, they buy them, whereas you can't even find them in a bookstore in Canada. There's a distribution problem and a lack of funds for promotion.

• (1035)

According to the surveys, Canadians would prefer to buy Canadian books than American or British books. However, if they don't find Canadian books in bookstores, they'll buy others. If you go to a bookstore, and want to buy a book, you're definitely going to buy one. However, if you can't find the Canadian book you're looking for, you'll buy another one. That's the way it always works. When they think about a book, 85 percent automatically first think of a bookstore, while 15 percent think of a library.

We have to promote exports. If we don't want to open the Canadian market, or if the government doesn't want to open the Canadian market because it doesn't want to displease the Americans who occupy our market, then we should promote book exports. There is an association for Canadian book exports. It consists of the Association of Canadian Publishers, the ACP, our English Canadian colleagues, and the Association nationale des éditeurs de livres, ANEL. This export association is managed by publishers, who know how much sales have increased in terms of the percentages I cited earlier.

How is it that, when programs are managed by officials from the Department of Canadian Heritage who have never sold books, sales stagnate or decline? Perhaps we should review the way the programs are managed and assign program management to people who know the industry, not to people who are there more to build relationships with the Treasury Board than with the book-buying public.

Direct foreign sales should not be neglected. Enemy number one of the book industry in Canada is Canada Post. Since e-mail has replaced letter mail, the highest rates apply to small parcels. Who sends those small parcels outside the country? Publishers send books outside the country. It costs between \$3 and \$4 to produce a book and you have to pay between \$6 and \$9 to send it to France, England or Romania. It's absolutely abnormal that Canada Post could have made \$140 million in profits in 2004, when publishers can't even manage to make \$2 million. For us, Canada Post is enemy number one.

We receive subsidies from Canadian Heritage and from SODEC in Quebec. Both departments — Quebec's ministry of culture and communications and the Department of Canadian Heritage — ultimately subsidize Canada Post. So all our money goes to Canada Post because of the excessive costs involved in mailing books. The Department of Finance should give very serious consideration to this question because we're all going to wind up in poverty, but Canada Post will still be rich. That's what I wanted to say about establishing a program.

Our last point concerns the establishment of a national translation program. Our country considers itself bilingual, but less than \$1 million is available to publishers for translation, making works known across the country. We think it's virtually impossible to continue defining the country this way if there is no more money for translation. Canada will therefore have to invest itself. Let's hear no more about the two solitudes because, for the book industry, there are solitude budgets. Things will definitely stay the same because there's no money for translation.

We've therefore proposed that Ms. Frulla establish a national translation program over three years, involving specific amounts. You'll find this in Appendix 2, entitled The National Translation Program.

In conclusion, we'd also like to draw your attention to the review of the Copyright Act. When you go to the grocery store, you can't ask to taste a Pepsi before you buy it. However, with books, people always ask to have a passage quoted, to borrow or to use the book. Recently, one of the education ministers asked in Toronto — not the Quebec minister, who refused — to be able to use all books and all learning materials across Canada without paying royalties.

Since when are authors paid by the state? We aren't state employees, and publishers and authors aren't the parents of all the children in Canada. So you have to ensure we don't lose our copyright revenue.

Thank you.

•(1040)

**The Chair:** Thank you, Mr. Bellemare.

I turn the floor over to Mr. Bordeleau, from the Canadian Hemophilia Society.

**Mr. Stéphane Bordeleau (Executive Director, Canadian Hemophilia Society):** Thank you for this opportunity to express our viewpoint on the issue of Hepatitis C.

[English]

Thank you to all members and to all the organizers of this event for giving us this opportunity to present our perspective on the hepatitis C epidemic that has been going on for many years.

I am Stéphane Bordeleau. I am with the Canadian Hemophilia Society, executive director.

The Canadian Hemophilia Society has the mission to respond to the needs of the people living with bleeding disorders across the country.

[Translation]

As you probably know, during the tainted blood crisis, between 60 and 70 percent of the people from our community who received blood products were infected by HIV or HCV, the Hepatitis C virus. Since then, we've been actively involved in the action strategy for Canadians living with Hepatitis C.

I'm here today to present a document developed in collaboration with all the patient groups affected by Hepatitis C in Canada. I'll briefly name them: the Anemia Institute for Research and Education, the Canadian Aids Society, the Canadian Aids Treatment Information Exchange,

[English]

Canadian Harm Reduction Network,

[Translation]

the Canadian Hemophilia Society, the Canadian Hepatitis C Network, the Canada Liver Foundation, Hepatitis C Council of B.C., Hepatitis C Society of Canada and the

[English]

Prisoners' HIV/AIDS Support Action Network.

[Translation]

This document was developed in collaboration with all these groups. It contains a proposal to establish a Canadian Hepatitis C strategy.

More than 250,000 Canadians are currently living with Hepatitis C in Canada, and 160,000 were infected during the tainted blood crisis, during the years from 1980 to 1990. Hepatitis C is a curable disease. That's the good news. However, as a result of the complex nature of the clientele, of the people who are dealing with this disease, it is hard to control the epidemic. That requires a concerted strategy by the federal and provincial governments, which is virtually non-existent today.

The program in effect in recent years was not very effective. The situation has not improved. Every year, 5,000 people are infected

with Hepatitis C. The people most threatened by the disease, or among whom it is most frequently found, are drug addicts, inmates, street-involved youths and poor people. These people have few resources and lack information. The disease is also insidious: it develops slowly over years, it goes undetected, and, during that time, can be transmitted to others through blood. All that explains why the epidemic is ongoing and the situation is not improving. I'll add another point.

•(1045)

[English]

We have an estimate of \$500 million that is spent yearly on hepatitis C, on the treatment and all the things that we do for the community living with hepatitis C. In 2010 we expect that number to grow to \$1 billion. Because hepatitis C is kind of new in Canada and because it's a slow, progressive kind of disease that grows through the body, it will really be affecting the system, the whole system, in the coming years. What we say is that if we want to do something for this community, we need to do it now, and we need to invest the money to do it.

[Translation]

I'll spare you the details because that's not the purpose of our meeting, but our objective is to sensitize you to the urgent need to provide financial support for the programs that will help us prevent the disease, to the urgent need to invest in reinforcing the community groups that work with hepatitis patients, in research and in the care, treatment and support of that community.

The group of associations that I represent is asking you to invest \$35 million a year over the next five years to support this project and to open the way so that all of us who are concerned by this situation can work together in a constructive manner to eradicate Hepatitis C in the coming years.

Thank you.

**The Chair:** Thank you, Mr. Bordeleau.

It's the turn of Ms. Dorner, from the Independent Media Arts Alliance.

[English]

**Ms. Jennifer Dorner (National Director, Independent Media Arts Alliance):** Good day, Chairman and members of the committee.

I'm Jennifer Dorner, and I'm an artist. I'm also the national director of the Independent Media Arts Alliance.

On behalf of the Independent Media Arts Alliance, I would like to thank the Standing Committee on Finance for this opportunity to present our views on the current needs of the independent media arts community.

I'm also accompanied here by Linda Norstrom, who is the president of the board.

The IMAA is a national network of 80 non-profit, independent film, video, and new media production, distribution, and presentation organizations representing over 12,000 artists and cultural workers. The IMAA was formed in 1981 and since then has worked to improve the means and access for independence at every stage, from funding to production to distribution and exhibition.

We have member organizations divided into five regions in all ten provinces, as well as in the Yukon and Northwest Territories. This past year the alliance established a new region called the National Indigenous Media Arts Coalition, consisting of indigenous media artists and organizations from across the country.

First and foremost, I would like to underline the value and importance of the arts in Canadian culture. Not only can the value of art be measured economically, but the benefit of having a strong artistic society enhances the lives of all Canadians. To illustrate this point, our member organizations are artist-run and not for profit, and they operate in the bigger cities such as Toronto and Montreal as well as in the rural and more isolated regions such as Yellowknife and Nain, Labrador. In all cases our centres have an open door policy, inviting all members of their communities to participate, to learn, to create, to tell stories using film, video, and new media.

It is through the arts that we can have a better understanding of each other and build a sense of cultural identity. Our media arts organizations are central to our expression of Canadian identity and help to shape our values in relation to inclusiveness, diversity, tolerance, and multiculturalism. Canada is recognized as being a prosperous and fair society. This is in great part due to our artists and arts organizations that reflect these values in the work that they do.

Earlier I mentioned that the value of art could be measured economically. Government statistics show that the cultural sector has beneficial economic spinoffs, contributes more than \$33 billion to Canada's GDP, and creates more than 600,000 jobs—and this doesn't take into account the thousands of volunteers who work incredibly hard to ensure the survival of the organizations.

There are more and more students graduating from colleges and universities with arts degrees. This places an increased demand for access to cultural funding. Since 1998 applications to the Canada Council have increased by 50% for arts organizations and 30% for individual artists, yet there have not been increases to the Canada Council to match this growth. Each year thousands of eligible artists and arts organizations are turned down for support, resulting in an enormous loss of creative potential for Canada. It is critical that public funding keep pace with the growth in the number of artists in Canada.

We feel that the best model for disbursing funds to the arts is that of the arts council. In our brief we recommend that the Government of Canada secure increased funding of the arts through the Canada Council for the Arts by doubling the current funding to \$300 million a year.

The IMAA has joined a national arts coalition made up of artists and organizations that are all giving the same message, that federal funding for the not-for-profit arts sector needs to be increased by \$5 per Canadian, effectively doubling the current annual contribution.

Canada's contribution to the arts lags far behind most of its European counterparts, both in terms of per capita spending and spending as a percentage of GDP. For example, the Arts Council England receives approximately \$24 per capita. The Scottish Arts Council is at about \$22 per capita, and the Arts Council of Ireland obtains about \$18 per capita. An increase of \$5 would bring Canada

to \$10 per capita and would go a long way toward rebuilding Canada's cultural sector.

I'll now pass it over to Linda Norstrom.

• (1050)

**Ms. Linda Norstrom (President, Independent Media Arts Alliance):** For other recommendations, we also recommend that the Government of Canada make cultural funding statutory. Arts organizations are the backbone of the independent milieu and provide a multitude of services to artists. These include access to equipment, resources and training, and dissemination and exhibition opportunities, as well as helping to create a healthy, thriving arts community.

Many organizations are struggling to mount their shows, their exhibitions, tours, productions, and festivals. They are often underfunded, short-staffed, and unable to pay adequate artist fees. The struggles facing many arts organizations are directly due to the lack of stable core funding. Many groups must seek special project funding to alleviate the financial constraints in their centres. One-time funding does not sustain ongoing activities for a centre to build upon and inevitably creates extra work for an already overworked staff.

The cultural sector suffers from unstable funding. By instituting a portion of the federal budget to become statutory funding, the government would be making a significant move towards showing their commitment to investment in the arts in Canada. In addition, we recommend that the government increase capital support for arts groups seeking to purchase their spaces and institute a program for guaranteeing mortgages for arts and cultural organizations.

Many arts groups and organizations establish themselves in less expensive areas of cities and towns, seeking affordable spaces in vacated formerly industrial buildings, only to see the neighbourhood become popular and rents increase, so they must move again. It is critical that arts organizations be sustainable over the long term and be given the opportunity to establish themselves within their communities. Many centres expend a large portion of their limited funding on renting in downtown locations in order to maintain visibility for the greater community and to bring into play various outreach, youth, and educational programs. However, without permanent venues many of these initiatives go off course when a centre is faced with having to relocate.

In order to resolve this ongoing predicament, we are asking that the government provide guaranteed mortgages for non-profit cultural organizations, as the government does for low-cost housing. Another method would be increasing capital programs for purchasing buildings.



In our brief we recommend that the government assure increased funding for archives of audiovisual and media art works. I'd like to underline the urgent need for measures to be taken to protect and preserve the thousands of media art works that are rapidly deteriorating, housed in inadequate conditions within arts organizations, and that in many cases are still in the possession of the artists, who do not have the proper facilities to store the work. These audiovisual materials must be recognized as national treasures.

We are also recommending that the Government of Canada implement tax measures for artists. We are asking for an exemption of up to \$60,000 of annual copyright income on a sliding scale similar to that which currently exists in Quebec. Canadian artists on the whole live below the poverty line, with average earnings being \$23,500.

However, an artist's income level can fluctuate dramatically from year to year. This variability in income often means that they pay much higher taxes one year versus the next. Implementing tax exemptions on copyright income is a way of increasing support and providing concrete measures to improve the living wages of artists.

We believe that the government must support increased funding for the arts in order to build vibrant communities that reflect our diversity and promote an inclusive society.

Thank you. We'd be happy to answer any questions.

• (1055)

**The Chair:** Thank you, Ms. Norstrom.

[*Translation*]

It's the turn of Ms. Rech, from Réseau Solidarité Itinérance du Québec.

**Ms. Nathalie Rech (Coordinator, Réseau Solidarité Itinérance du Québec):** Good morning, Mr. Chairman, committee members. First, I would like to introduce the person with me, Mr. Pierre Gaudreau, who is coordinator of the Réseau d'aide aux personnes seules et itinérantes de Montréal and president of the Réseau Solidarité Itinérance du Québec. My name is Nathalie Rech, coordinator of the provincial network.

I'll briefly introduce our organization. We represent regional stakeholders in most of the regions of Quebec. Around 200 groups working with the homeless across Quebec are our staff. The diversity of our members — shelters, soup kitchens, street-work agencies, day centres — reflects the variety of needs of the homeless in Quebec.

The needs of the homeless are not merely related to housing problems. Homeless persons are people who are living with poverty and a number of problems related to health, substance abuse and especially social exclusion. The solutions to these various homelessness-related problems are not merely housing solutions.

In addition, the expansion of needs in recent years and the fact that the resources for assisting these people are highly unstable make our work, which is to get people off the street, increasingly difficult.

I'm going to let Pierre Gaudreau tell you about the federal homelessness initiatives funding program, the SCPI program.

**Mr. Pierre Gaudreau (President, Réseau Solidarité Itinérance du Québec):** I'd simply like to remind that, in 1998, the UN

Committee on Economic, Social and Cultural Rights criticized Canada for not paying appropriate attention to the harmful effects that fighting the deficit was having on respect for the economic, social and cultural rights of the Canadian public as a whole, especially the most vulnerable groups.

The committee felt that public policies on income security and employment insurance and cuts to education, housing, health and social services had led to an increase in the number of homeless. It recommended at the time that the government should treat homelessness and the housing shortage as a national emergency and adopt a national strategy to reduce homelessness and poverty. That was seven years ago. What's the situation today?

First, the government has taken action, and we acknowledge that fact. It introduced the National Homelessness Initiative, the main component of which is the Supporting Communities Partnership Initiative, the SCPI, the federal homelessness program.

The government has invested — it's an investment for us — in support for community organizations that assist the homeless population in order to prevent and relieve homelessness. This is an appropriate model. As has just been pointed out, there are a lot of homelessness issues: sheltering, housing, taking in, supporting and defending the rights of the homeless.

It's also very important for us to say that this program, which has been delivered in two parts, if we can put it that way, SCPI-1 and SCPI-2, which today we are asking to be renewed and expanded, is being carried out in the context of an entirely appropriate model.

Some federal programs have been criticized; we're not here to discuss them again.

The federal homelessness program is delivered by the community. Community plans are established in the community, in cooperation with the government, local authorities and the provinces. Projects are selected by the community, and this program has not been the subject of any scandal. Every penny has helped relieve and prevent homelessness.

This program will terminate on March 31, 2006. The federal Liberal government has made a commitment to extend and improve the program. In its Throne Speech a year ago, it made a commitment to extend and improve it. Unfortunately, the last budget didn't deliver the goods.

Before moving on to our demands, I'd just like to remind members that this program has had an enormously positive impact. We've been asked the question in our submissions.

There are still homeless people on Canada's streets; in all the major cities, there's even been an increase in the number of homeless, but matters would be far worse without the program. There would have been more deaths, and people in this situation would be more alone, with less assistance, and sicker. So it's important to continue investing in this program.

•(1100)

**Ms. Nathalie Rech:** We therefore ask, as Mr. Gaudreau said, that the government extend the SCPI program, the Supporting Communities Partnership Initiative, which helps support the work of numerous community organizations in Quebec and the rest of Canada.

We ask that \$50 million be allocated to Quebec each year, a level three times higher than that granted under the first two phases of the SCPI, in view of the increasing needs and the number of people affected by the homelessness phenomenon, and the fact that intervention with these people has had to be more or less tripled in the hope of getting them permanently off the streets.

A third phase of the SCPI program should also maintain the multi-clientele, multi-problem and multi-strategy aspect the program has had to date, because that's been extremely positive in all communities.

We also want to increase your awareness of long-term intervention. To date, the SCPI program has been carried out in two three-year phases, and we feel that, to ensure effective action and intervention with people in serious difficulty, long-term solutions should be favoured. Greater program recurrence would therefore be desired to make it possible to work with people over a longer period of time and to provide them with counselling and support in getting them off the streets.

Lastly, we would like you, as the Standing Committee on Finance, to recommend that the government continue this action, this commitment, and that you, as members, also take action starting today so that this announcement isn't delayed until the next budget, but rather is made immediately.

We are 150 days away from March 31, 2006, the date on which funding for many homelessness groups in Quebec and elsewhere in Canada will terminate. Many groups are concerned by the fact that, in less than 150 days, they'll be required to lay off caseworkers who assist thousands of people in great difficulty and distress.

We had to wait 12 to 14 months between the first and second phases of the SCPI. So we feel that 150 days is very little time to put in place a program and the entire process for tendering and so on that that entails.

I'd like to remind you that we began mobilizing a long time ago, before the previous Standing Committee on Finance, and that we have since secured the support of many social groups across Quebec, as well as the largest municipalities in Quebec and even the Government of Quebec, which, in September, spoke to Minister Fontana, who is responsible for the issue.

Consequently, I ask you to take action as soon as possible.

**Mr. Pierre Gaudreau:** I'd just like to add a final remark. No one wishes for this, but we hope that the government won't wait until there's a crisis before it intervenes. We're talking about a program that helps people who are on the street. It's a program that has proven itself and that is recognized as relevant by all parties. So action should be taken quickly. We just referred to the deadlines that may cause a break in services. The government has announced that it intends to focus the next election campaign on integrity. The

homeless may not vote a lot, and, in many cases, not at all. However, for us, integrity is also a matter of keeping a crucially important commitment such as this one to the homeless, for the public's health and well-being.

**The Chair:** Thank you. For your information, the report will be tabled in early December, or, if an extension is requested, in the second week of December. Then everything will depend on when the Minister of Finance tables his budget. I don't know whether that will cause you any problems as regards deadlines. It'll be tight.

From SCO Health Services, we have Mr. Chambers.

•(1105)

[English]

**Dr. Larry W. Chambers (President, Élisabeth Bruyère Research Institute, SCO Health Services):** Good morning.

I brought my wife, Karen, here this morning because she has an 87-year-old frail father at home. She's very concerned about the services and care he receives at home and about his needs being met.

Canada's changing demographics, according to the Right Honourable Paul Martin, Prime Minister of Canada, are the highest priority for the Government of Canada at this time. From the perspective of those of us concerned with investments to ensure the quality of life of our older family members, pressing issues are driven by these changing demographics. These issues include the following points.

The most rapidly growing segment of the population of Canada is the group aged 85 and over. If present trends continue, approximately 20% of the population will be aged 65 and over by 2050.

The frail elderly need continuing care. Continuing care comprises home care and opportunities for long-term care in residences, including long-term care homes, hospitals, and hospices. These changing demographics are driving upward health care expenditures since the elderly are provided health care resources out of proportion to their numbers.

The health care workforce is not adequately prepared to meet the need for continuing care. The demographic shift to an older population has created an urgent need to invest in training and research if appropriate continuing care is to be available to all Canadians in the need of this care.

The scope of health care services for the elderly is broad. Short-stay acute care services within hospitals, including large teaching hospitals, remain important, but as the burden of chronic diseases—for example, heart disease, cancer, diabetes, arthritis, and depression—increases with age, maintenance of function and satisfaction with care loom large as the primary outcomes in the assessment of the appropriateness and effectiveness of health services.

Critical services in the demographic shift are diverse, including clinical and personal care of frail elderly who live at home or who have to live in long-term care homes and hospitals. Further, it is possible that investments outside short-stay acute care hospitals—for example, lay caregiver training or housing or social environments—will in the end be more effective in improving elder health than those in short-stay acute care hospitals.

At present, academic health centres exist in 17 communities across Canada. I won't list them, but I can if you want. These centres, led by short-stay acute care hospitals, receive designated academic funds for education and research to be integrated into clinical services. However, no organizations involved in the provision of continuing care receive such designated funds for teaching and research.

The exception is in Quebec, where designated funds are flowed to two geriatric academic centres, one in Montreal and one in Sherbrooke. No other provinces have designated continuing care academic centres for building community care capacity in clinical expertise, management expertise, educator expertise, and research expertise.

An array of services is required across the health care continuum: short-stay acute care, complex continuing care, long-term care, and home care. In Ontario, for example, 24 of the 157 short-stay acute care hospitals are designated as acute care sites and receive additional funds in recognition of their important teaching and research roles in addition to their providing clinical services.

In contrast, none of the 11 complex continuing care free-standing hospitals in Ontario are designated as academic centres. Similarly, none of the 600 long-term care homes in Ontario are designated as academic centres, even though they serve 75,000 clients, half of whom have early or full Alzheimer's disease, and employ 100,000 workers. Finally, there are 450 organizations in Ontario providing home care services, but none are designated as academic centres even though they serve 100,000 clients and employ 75,000 workers.

At the SCO we have been pursuing a role as a continuing care academic health science centre, and we've requested that the Ontario Ministry of Health and Long-Term Care designate academic status for our organization. It could become part of a network of continuing care health facilities that include the two Quebec centres and, for example, the Baycrest Centre for Geriatric Care in Toronto, which doesn't receive special funding either.

• (1110)

A continuing care academic health science centre designation would help to attract more graduate students as well as additional research grants from funding agencies. This designation would also ensure the following: regional best-practice resource centres for continuing care knowledge exchange; regional training centres for continuing care providers, including physicians, to improve recruitment and retention of health care staff in Ontario, which is a huge issue; and centres for innovation and evaluation of new programs to improve quality, organization, and efficiency of services in Ontario.

In the brief, we have outlined the kinds of expenses and costs the SCO Health Service has incurred and would like to expand to provide, with about a \$2.8-million operating fund. We need capital funds of about \$1.6 million, just as an example. Currently, our budget in the SCO Health Service can't absorb this total cost. These costs as proposed are incremental in nature and are modest estimates for the funds required. However, as the Élisabeth Bruyère Research Institute at the SCO service grows, for example, efforts to enhance funding for research and education will intensify and require enhancement.

My four recommendations for the committee this morning are as follows.

The federal government should invest in building the capacity of the continuing care in Canada. It can immediately start this investment by adding continuing care to the priorities of existing federal programs. The total annual cost of this initiative would be \$115 million per annum, if we do these four things.

First, the Canada research chairs program should add 17 new chairs on continuing care, one for each of the 17 academic centre communities in Canada. This crucial academic personnel investment would cost 17 times \$300,000, which would be \$5.1 million dollars.

Second, the Canada Foundation for Innovation should introduce a new continuing care research fund. It already has established a short-stay acute care hospital research fund. The new continuing care research fund would be available to establish continuing care research infrastructure within each of the 17 academic health centre communities in Canada. The cost of the new continuing care research fund would be 17 times \$2.5 million, or \$42 million.

Third, the Canadian Institutes for Health Research should provide continuing care priority research funds to its Institute of Aging to increase the number of research programs, projects, and personnel in continuing care. The cost of the program would be 17 times \$2 million, which would be \$34 million.

Finally, the Canadian Health Services Research Foundation should introduce a continuing care research project priority area, which they presently don't have. They focus on short-term acute care. This would increase the number of research projects in the 17 academic health centre communities and beyond. The cost would be 17 times \$2 million, or \$34 million. This all adds up to \$115 million per annum that we should put into continuing care.

The future of continuing care in Canada is that if we do not plan for the changing demographics, we will get what we deserve.

**The Chair:** Thank you, Mr. Chambers.

[*Translation*]

I just want to inform witnesses that five minutes will be allotted for questions and answers. If speeches are very brief, that will give committee members the opportunity to ask more questions.

Mr. Prentice, over to you.

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Thank you.

Welcome. I want to thank you for your efforts. I know about the experience of artists because my youngest daughter is one. She's a painter, and she's poor. I'm the source of funding for that student. I know what that's about.

I'd like to go back to the potential for the operation and promotion of French-language arts in Canada, particularly Canadian French-language books and French-language film and television production. I heard it said today that we have an enormous opportunity.

In your view, what is the Canadian government's responsibility in this matter, relative to that of the Government of Quebec?

• (1115)

**Mr. Gaston Bellemare:** They both have a responsibility. Quebec isn't the only one responsible for exporting Quebec books, and Canada isn't either. I believe that both have to make an effort. There are two departments of culture; there is the Department of Canadian Heritage at the federal level, and the ministry of culture and communications in Quebec. So, if there are two culture departments, the two should get together to help us export.

If the Canadian market is closed to Canadian publishers and filmmakers, we have to open up foreign markets. Ultimately, we'd prefer to sell in Canada rather than outside Canada. If we can't sell in Canada because bookstores and the entire distribution system are controlled by non-Canadian interests... It's very hard to find a Canadian film industry. The entire distribution system isn't necessarily Canadian; it's mainly foreign.

If we can't sell in our own country and Canada withdraws all its profits, its export surplus, it has to understand that we can't live in an import system that puts us at a disadvantage either. We have to take part in the export system too.

Why are Quebec singers successful in France, and why do singers from Canada succeed in the United States? Because there's a political will for them to succeed, which isn't the case for books.

**Mr. Jacquelin Bouchard:** I entirely agree with my colleague from the Association nationale des éditeurs de livres. To put it briefly, this is one thing that should be shared by both governments. Television and film have always had a responsibility that was divided between the two levels of government.

Exports are the next major challenge for our industry. Five years ago, the government called on us and gave us a challenge. It put large amounts of money on the table. At that time, Quebec box-office revenues represented eight to 10 percent. In the five years in question, the period of time that has just elapsed, we've managed to raise that figure above 20 percent. A number of our films are already being exported broadly; you're aware of the success of recent films. So it's clear, at both the federal and provincial levels, that we also have to continue supporting this major success and exporting it more and more.

**Mr. Jim Prentice:** I'd like to ask a question about artists. We have a very strong artistic community in Quebec. Do you know why?

[English]

**Ms. Jennifer Dornier:** I think so. The support in Quebec is unlike the support in other provinces. There's more municipal funding and provincial funding for the arts—more levels of council support.

I think the result is that artists are able to take more risks in Quebec. That makes a big difference in international visibility of the work that's being shown and exhibited. There's more risk-taking out there, basically.

**Ms. Linda Norstrom:** I agree. Provincial funding for arts is very different across the whole country. With the support the province is able to give to Quebec artists.... It also has to do with personal pride in Quebec. There is a lot more feeling that art and culture is a really strong part of their society. That doesn't necessarily translate at times all across Canada in all areas.

When you're looking at the arts in Quebec, it does seem to have a stronger community involved with it. We'd like to see the national support increased so everybody across Canada has the opportunity, as Jennifer was explaining, to take those risks and really push the boundaries of art.

• (1120)

**The Chair:** Thank you.

[Translation]

Mr. Bouchard.

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Thank you, Mr. Chairman.

Welcome and thank you for your excellent presentations.

My first question is for the representatives of the Association nationale des éditeurs de livres. You seem to be in favour of abolishing the GST, and you say that, if it is not abolished, you recommend that a program be established to provide assistance for shipping.

**Mr. Gaston Bellemare:** Yes, for shipping and translation.

**Mr. Robert Bouchard:** I assume that would be much easier for the book publishing industry and perhaps even for the federal government. I'd like you to explain to us why you're in favour of abolishing the GST rather than introducing programs, and what the benefits of that would be.

**Mr. Daniel Desjardins (Vice-President, Association nationale des éditeurs de livres):** We're not in favour of abolishing the GST. In fact, there's not sales tax on books in Quebec. There's just the federal GST.

**Mr. Robert Bouchard:** Are you in favour of exempting books from the GST?

**Mr. Daniel Desjardins:** That's correct. The GST exemption would promote the book market as a whole. However, you have to understand that 70 percent of books sold in Canada today come from foreign countries. I believe it would be much more sensible for the government to maintain the GST, but to use that revenue to promote the Canadian industry until it has recovered its share.

Canadian books currently capture scarcely 30 percent of the market. Consequently, I don't believe that it would be a good idea to abolish the GST. However, we emphasize the fact that, through its GST on all books, the government collects more money than it redistributes. So it earns more money than publishers make in profits.

This is a case where the tax should be used to develop the industry in such a way as to promote economic impact. This is an industry that uses an enormous number of staff, authors and so on. All these people who earn incomes pay taxes.

**Mr. Gaston Bellemare:** Canada is also one of the champions of cultural diversity. If the book industry isn't supported, cultural diversity will be affected. The book industry has always been one of the prime factors of cultural diversity.

**Mr. Robert Bouchard:** My question is for the representatives of Réseau Solidarité Itinérance du Québec. I think we can say that you're sounding an alarm when you request that the SCPI program be extended. One senses that the delay in confirming the program's renewal is having a major impact.

I also understood that there would be other consequences, including lay-offs. I'd like to hear what you have to say about the other consequences, in addition to the lay-offs. What is the real impact on the clientele?

**Mr. Pierre Gaudreau:** We didn't come to defend jobs. This issue concerns the living conditions of people who receive widely offered services, at soup kitchens, housing facilities and shelters. In the major centres like Montreal and Toronto, the SCPI program has made it possible to improve current action taken to address growing needs.

Again today, the Old Brewery Mission criticized the underfunding it's suffering in the Montreal media. As a result of the SCPI program, groups are dealing with increased needs. They're offering services. In smaller centres, the SCPI program has made it possible to intervene and develop services. That has made it possible to prevent everyone from winding up in Montreal and Toronto. Action has been taken in Chicoutimi, Drummondville, Trois-Rivières and Sherbrooke to develop reception centres so that people who are excluded and homeless are not without resources or in the street or required to come to the major centres.

Here's what will be at stake on March 31: in the small centres, when organizations close their doors, in many cases, services are cut, which has a major impact on homeless people. It often takes an enormous amount of time to build a relationship of trust with street people, before we can encourage them to go see doctors, to apply for welfare and to register for school. If caseworkers are laid off, there will be job losses, but that won't have a major impact on statistics. It will have a major impact on the quality of life of street people. So this is a public health issue, an issue concerning the common good for these people.

• (1125)

**Mr. Robert Bouchard:** My final question is for Mr. Bordeleau, from the Canadian Hemophilia Society. You mentioned a slow increase. You say that costs currently represent \$500 million and that they will amount to \$1 billion in 2010.

Have you done any research or comparisons with other countries? Where does Canada stand? Are we at the top? Are we at the bottom of the scale in terms of financial contributions to address this problem?

**Mr. Stéphane Bordeleau:** The risk of contracting Hepatitis C is very much related to economic factors.

As I mentioned, drug addicts, the homeless and young street people run the greatest risk of being infected with the Hepatitis C virus. There are countries that have much higher incidence rates due to the fact that they have far fewer resources than Canada.

Consequently, it's hard to compare a developing country with Canada regarding Hepatitis C and the development of Hepatitis C.

For the moment, I don't believe there are any figures on which to base a comparison, but, if you wish, I could get back to you with some figures on the subject.

**The Chair:** Thank you, Mr. Bouchard.

Mr. Holland.

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Thank you very much, Mr. Chairman.

Thank you very much for each of your presentations.

[*English*]

It's difficult to cover what is a very broad range of issues in just five minutes. I'll get right to my questions and hopefully be able to cover a little territory.

The presentation given by the Independent Media Arts Alliance was the only time the increased funding for the Canada Council was referenced. I know there were a number of other issues raised, like giving the CTF a permanent status over five years, and the CFFF and the good work that it has done.

I'm just wondering if those who are coming here on behalf of the arts community could let me know—because there are a lot of different requests and there's only so much that we can put into the budget—if the first priority is to increase the funding for the council by that \$5 per person. You may each have different answers, but is that the first priority we should be focusing on? And one hopes we may have other funding.

In my comment on that, I recognize that it's extremely important that we do it. One of the things that really strike me as we go to different regions is the disparity that exists particularly for new and emerging artists and arts institutions. Already you have established organizations that have a set amount of funding, so when you go out, it's hard to fund those that are emerging without taking money away from those that already exist, which therefore makes it difficult. Also, when you're talking about building sustainable and vibrant communities, the arts play a huge role in that, so we need to be able to support them where we see them growing.

Start with that first question of prioritization, if you have any thoughts on that.

I'll start with my namesake, Mr. Holland.

**Mr. Matt Holland:** I'm not sure I understand, because we really didn't mention the Canada Council.

**Mr. Mark Holland:** I know you didn't, and that was interesting to me because others with your organization did. I'm putting it to you because you mentioned other issues, so I'm wondering where that fits in. Is that not a priority for you? Is it a large priority? Is it your first priority?

**Mr. Matt Holland:** I wouldn't say it's our first priority. I think our first priority is for the Canadian Television Fund to be made permanent. Not that it's to be dismissed either, but in terms of our members, we don't see a lot of support from the Canada Council. If we're doing theatre, yes, but in terms of audio-visual, it's rare.

**Mr. Mark Holland:** Ms. Rech, Ms. Dorner, or Ms. Norstrom.

•(1130)

**Ms. Nathalie Rech:** Yes, for us, absolutely. Speaking from our perspective, the Canada Council is the primary funder for independent artists in Canada. We see them as the best support for the artists in this country. The organizations that we represent are all non-profit, independent, grassroots organizations. The Canada Council doesn't necessarily feed into the commercial industry, but they are part of an artistic endeavour, and we strongly feel they are the best model to support that.

**Ms. Jennifer Dorner:** I'll add that the Canada Council is cross-discipline. The Canadian Arts Coalition is composed of people from theatre, dance, and opera, of people from across the board. It's really there to support emerging artists as well, people who are just getting started, and individual artists, which is really where it all starts.

So our primary concern is for the Canada Council to get the increase, hopefully by \$5 per capita, in order to keep up with the growth of individual artists as well as that of organizations across the country.

**Ms. Nathalie Rech:** I just want to add that it's not that we don't support the CTF or the Canada Feature Film Fund, because they are extremely important programs to fund as well. I just want to add some support there too.

[Translation]

**The Chair:** You may make a brief comment, Mr. Bellemare.

**Mr. Gaston Bellemare:** The Canada Council for the Arts plays a very important role. It's the definition of culture that differentiates Canada from the United States or England or whatever country. We're defining a new culture, and the support of the Canada Council is essential to defining and developing that culture.

There's also an industrial aspect that comes with culture. That part is the responsibility of Canadian Heritage, which therefore must not be abandoned in favour of the Canada Council. Both organizations should receive support enabling both culture and cultural instruments and variables, which constitute a potential industry, to develop. Both are absolutely essential to Canada's cultural development and diversity.

**The Chair:** Thank you, Mr. Holland.

[English]

Mr. Solberg.

**Mr. Monte Solberg (Medicine Hat, CPC):** Thanks very much, Mr. Chairman.

My thanks to all of you for your presentations.

I want to follow up on my colleague's remarks with respect not to the Canada Council but the Canadian Television Fund. I'm just wondering if there is evidence to show that with increases to the fund, people in Canada actually do watch more Canadian television.

Is there that kind of evidence? Can we see a cause and effect relationship?

**Mr. Matt Holland:** We didn't have any numbers prepared, but we could possibly submit them at a later date if you'd like.

**Mr. Monte Solberg:** It just strikes me that when people come to the committee and are seeking greater support, whether it's through the Canadian Television Fund, the Canada Council for the Arts, the National Film Board, or whatever, then as a bunch of hard-nosed people on the finance committee, we do want to see some results from these.

We all believe in how important they are. I agree it's important that Canadian stories be told and that we have an appreciation for our own culture and heritage in this country. But we also want to make sure these expenditures are producing the types of results that we all want.

I'm just wondering if somebody here can point to some real successes that way. Maybe that way it will help us to understand the best way to spend this money.

**Ms. Dawn Ford:** I personally feel very passionate about Canadian stories, Canadian people, and Canadian culture. I salute everybody here who is representing the arts. The world is really transforming right now, and our culture can really contribute to a better world—not just a better culture, but a better world.

In regard to people watching Canadian television, that's what we want. We want to have a Canadian focus and a Canadian story. As long as there are American television programs and movies that are monopolizing our airwaves, we are getting drowned out. People are choosing in favour of those stations because of the production quality. With the advertising and the budgets they have, they're diminishing our quality and they're diminishing our standards, and we want to bring those things up.

We want to be able to bring professionalism and quality to our culture so that we can have respect, because our stories are wonderful. The comedy in Canada is fantastic. Our dramatic stories, like the miniseries, *Human Cargo* and *H<sub>2</sub>O* on CBC, are really reflecting how wonderful we really are and how talented we really are.

•(1135)

**Mr. Monte Solberg:** I'm sorry—and I know cutting in is rude—but we have so little time and I have to switch subjects now.

I'd like to ask a question of you, Mr. Chambers. In your document, you point out that the Prime Minister said the changing demographic is his highest priority—and he has so many high priorities.

I do want to ask you about this, because what strikes me is that through this period of time where different groups want to hike the spending that goes toward prevention, at the same time we're also facing increased costs for chronic disease. You have a bulge in the snake while you go through this period, with the hope that the money we spend on prevention will cut the amount of money we have to spend on chronic and acute care down the road.

Do you have evidence that this will occur? Can you point to other jurisdictions? Can you quantify the types of reductions in spending that we might have to make for chronic diseases if we invest in this preventative medicine that you've described?

**Dr. Larry W. Chambers:** Of course, there is a fair amount of ageism within our community across Canada. One of the things that a group of us are working on is an increase in people's awareness that healthy lifestyle choices are very important, even with elderly people, in order to stay out of the health care system.

One of the purposes of our presentation today was to indicate to the committee that there is a need for more research, more education, and more public awareness about the things that we know can assist elderly people to maintain their quality of life and an ability to function in the community as long as possible. In all the surveys that have ever been done on what elderly people want, when you ask them, they say they want to stay at home, be as independent as possible, and have choices.

We need to have more leadership. My presentation is about leadership in doing the kind of things that you're suggesting.

One of the problems we have in the continuing care sector is that we get acute care people coming in with a disease model. We need an effort to expand the cadre of people who are trained in continuing care, so they bring to that sector the knowledge, insight, and wisdom that is often absent in an acute care setting, where there isn't the appreciation that we're talking about for how people can live with their diseases, minimize the complications of the diseases, and prevent future health problems.

**The Chair:** Thank you, Mr. Chambers.

Thank you, Mr. Solberg.

[*Translation*]

Before concluding, I'd like to ask Mr. Bordeleau two or three questions.

You represent three organizations. What's the different between them?

[*English*]

We have the Canadian Hepatitis C Network, the Hepatitis C Council of British Columbia, and the Hepatitis C Society of Canada.

[*Translation*]

**Mr. Stéphane Bordeleau:** That's a good question.

**The Chair:** We received another presentation in British Columbia. That's why I ask the question.

**Mr. Stéphane Bordeleau:** They are organizations from a number of places in Canada. They were established by a group of people dealing with various problems.

**The Chair:** Do you work together?

**Mr. Stéphane Bordeleau:** We've worked together on a number of projects, including the one we presented to you today. The situation of the organizations that represent the community of people dealing with Hepatitis C is quite complex. These patient groups, which are dealing with the problem and have decided to group together, can come from virtually anywhere.

Let's say that these associations are not mature enough to ensure perfect uniformity across Canada. In this case, this is not a single organization representing everyone, somewhat like what we're doing with regard to the hemophilia community. In our case, there is such an organization in Canada. Everyone's working together. As for Hepatitis C, we're not there yet.

● (1140)

**The Chair:** All right. In your document, on pages 10, 11 and 12, for example, you request a number of amounts of money. I haven't had an opportunity to add them up, but I'd like to know how much money has been invested to date. Is it the \$500 million you referred to? Do those funds come from the government?

**Mr. Stéphane Bordeleau:** Yes. As for the \$500 million, that's an estimate made by epidemiologists of the impact of Hepatitis C on the health system. So here we're talking about the people who receive treatment in hospitals. We estimate the cost of all treatments and services received by people at \$500 million. However, we estimate that that \$500 million figure will become \$1 billion.

Our requests are more structural in nature. We're talking about \$35 million that we want to get to ensure that the community groups that have cross-Canada leadership are stronger. Here we're talking about all the information and awareness work. All the people interested in the services provided to the community could join forces to find more effective ways to work and prevent the disease.

**The Chair:** Thank you.

Mr. Bellemare, I'd like to know whether you're suffering from competition from the Internet and other new technologies. Earlier you referred to the high transportation costs associated with shipping books. What's the extent of that competition? Is there still a demand for books?

**Mr. Gaston Bellemare:** If you're selling a book in Romania or elsewhere in Europe, shipping it via the Internet means that it has to be reprinted there, which is not necessarily good for the image of the Canadian industry.

**The Chair:** But has that affected the industry? Has it had an effect...

**Mr. Gaston Bellemare:** The Internet currently gives publishers visibility. They can put their whole catalogue out there. We're now working with Onyx systems, with the French-language titles bank, which will be merged with France's bank so that there is a single complete bank of French-language titles.

Our colleagues in English Canada work with another system, which will enable them to gain more visibility as well. If you don't appear in one of these systems, no bookstore in France will order any of your books.

**The Chair:** So you want these people to order books. Will paper copies be delivered to them?

**Mr. Gaston Bellemare:** Yes. If a book is sent from here, Canada Post makes a profit, not us. It costs \$9 to ship a book, whereas it costs us \$4 to produce it.

**The Chair:** The printing companies...

[English]

Mr. Chambers, just quickly, on your last page of recommendations three of four recommendations are for known foundations, but I'm not aware of the last one, the Canadian Health Services Research Foundation. What is that?

**Dr. Larry W. Chambers:** That's a federally funded agency, which has huge contributions from the provinces. It was set up about 10 years ago. Dr. Jonathan Lomas is the executive director. They have been in existence for a period of time. They have had a big focus on health service as opposed to biomedical research. That's been their focus, and working with the provinces—

**The Chair:** It's not a Canadian foundation?

**Dr. Larry W. Chambers:** Yes, it is. It's based in Ottawa.

**The Chair:** It is. Okay. Thank you.

From the Independent Media Arts Alliance, Ms. Dorner, just quickly, how much of the funding does your membership presently receive now from the arts council? Do you have any idea?

**Ms. Jennifer Dorner:** I don't actually have an exact number, but I can definitely find it.

**The Chair:** It would obviously benefit if the amounts were to be doubled.

**Ms. Jennifer Dorner:** Yes, absolutely.

To elaborate on that, I think it would really benefit some of our members in the rural regions as well. As I mentioned earlier in my presentation, we have member organizations in the north that don't necessarily get as much regional or provincial funding, or other sources of funding. So an increase in the federal support for these centres is really crucial for their survival.

**The Chair:** Thank you.

[Translation]

Thanks to the witnesses for taking the time to come and meet with us.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** You promised me I could speak briefly, Mr. Chairman.

• (1145)

**The Chair:** I didn't promise you, but in any case...

**Mr. Yvan Loubier:** We misunderstood each other.

I want to speak to Mr. Bouchard and Mr. Leduc.

There's been a spectacular renaissance of documentary film in Quebec. In speaking with my colleague and friend Maka Kotto, I realized that, contrary to what used to be the case, there were very few measures at the National Film Board of Canada to support documentary film. When you think of *À hauteur d'homme*, *Les voleurs d'enfance* and even *Bacon, le film*, there appears to be a kind

of incongruity between this spectacular rebirth and the lack of support.

Is that correct?

**Mr. Jacquelin Bouchard:** No. Well, it's half correct. The NFB is very much involved in documentary film. In *Bacon, le film*, I believe it was a partner. Obviously, there is also the whole energy of independent production in Quebec.

Independent production companies have increasingly defended long documentaries, feature length documentaries. That's been done, at times and even often, outside the NFB. We can't criticize the energy that the NFB has put back into documentary film. Among other things, it's taken part in major international productions on the Arctic and Antarctic.

**Mr. Yvan Loubier:** Then should additional measures be provided for feature-length films?

**Mr. Vincent Leduc:** That's what we're requesting for Telefilm Canada's Canada Feature Film Fund. If Telefilm Canada's Feature Film Fund is increased, the percentage of feature-length documentaries will increase as well.

NFB representatives have indeed made efforts. They are majority or minority partners, sometimes with Quebec and Canadian partners, at other times with foreign partners. *Le Dernier Trappeur*, a production they did with France, will be in movie theatres soon.

Since I have the floor, I'll answer Mr. Solberg's question. There is indeed a correlation between the money invested by the Canadian Television Fund

[English]

and the successes we've had in Quebec. If you look at the TV shows right now, the 10 most watched shows in Quebec are Quebec productions. If you look at the 30 most watched TV shows, maybe 26 or 28 are Quebec productions. All those dramas have been funded by the Canadian Television Fund.

[Translation]

**Mr. Jacquelin Bouchard:** In closing, — really, this time — I would add, for Mr. Solberg's benefit, that, in Quebec about 20 years ago, at least half of prime-time hours were occupied by American programs. It was as a result of the energetic, strategic and financial measures that the Canadian government put in place that our prime-time content is now 100 percent made in Quebec. That's a spectacular success.

**The Chair:** It's not that I wouldn't like to continue, but we have deadlines to meet.

Thank you once again for taking the time to come and make your presentations. As you can see, the committee has a sizeable challenge before it. It's up to us to see the recommendations. I nevertheless appreciate your comments and presentations.

Thank you.

The meeting is adjourned.









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