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Chair

Mr. Gary Schellenberger

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•(1535)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Welcome, everyone, to the twelfth meeting of the Standing Committee on Canadian Heritage.

Pursuant to Standing Orders 110 and 111, we are considering the order in council appointment of Michel Roy to the position of chair of the board of directors of Telefilm Canada, referred to the committee on November 13, 2007.

Welcome, Mr. Roy. I'm very pleased that you're here today, and we await your statement.

[Translation]

Mr. Michel Roy (Chair, Board of Directors, Telefilm Canada): Thank you, Mr. Chairman.

Mr. Chairman, ladies and gentlemen of the Committee. I would like to thank you for giving me this opportunity to introduce myself and to discuss Telefilm Canada matters with you.

Given that the purpose of my appearance today is to examine my ability and skill to undertake the duties of Chair of the Board of Telefilm Canada, I'm sure you won't mind if I begin with a brief overview of my career path to date.

I have held a number of senior managerial positions with the Government of Quebec since 1970, serving as director of communications and publicity with the Régie de l'assurance maladie du Québec (Quebec health insurance board), director of tourist marketing, assistant deputy minister and director-general of tourism, vice-president of the Société de l'assurance automobile du Québec (Quebec auto insurance board), deputy minister of tourism, deputy minister of communications, and delegate of the Quebec government in Chicago. During this period, I also taught a course and offered consulting services in public affairs management at the University of Quebec's École nationale d'administration publique (school of public administration). The major part of my 30-year career, therefore, has been spent in public service, holding senior management positions with government ministries or public corporations. In this capacity, I was frequently called on to manage considerable human and financial resources.

During my career I have also sat on a number of boards, including those of the Société de développement industriel du Québec (Quebec Industrial Development Corporation) and the Régie des installations olympiques (Olympics Installations Board), and served as Quebec's representative on a variety of Canadian and North American bodies, among them the Conference of Canadian Tourism Officials and the

American Association of Motor Vehicle Administrators. I also had the privilege of representing Canada on an expert scientific panel with the Organisation for Economic Co-operation and Development in Paris.

After leaving public service, in 1996, I worked as a management consultant in the private sector. Among other things, I served, for two years, as chair of the board of International Hospitality of America, a Miami-based company involved in the cruise-ship industry. Returning to Quebec, I released two jazz albums—as composer and performer—which were distributed, respectively, by Les distributions Select, in 2001, and Warner Music Canada, in 2003. I then turned my attention to writing, and in November 2007 I published a biography of goalie Patrick Roy, titled *Le Guerrier*, which is published by Éditions Libre Expression.

Finally, I think it's worth mentioning that I was introduced to the world of cinema at a very young age. My father, who was a reporter and writer—by that I mean novelist—began making films in Quebec in the early 1950s. Starting at the age of nine, I was cast as an extra in several of these films, and I got to know what a film shoot was like. Sometime around 1955, my father set up his own film production company, in Montréal: Serge Roy Productions. As a student, I spent my summers working as an assistant cameraman. Then, when I was 20, I learned film editing, and subsequently went on to work as an editor on more than 60 television programs for Radio-Canada, between 1962 and 1964. With this work experience under my belt, I now like to say that I have the mind of an administrator but the heart of an artist, a fitting combination for someone who has been asked to chair an organization dedicated to supporting cultural companies and organizations.

Although my appointment was announced on October 12 of last year, previous commitments undertaken well ahead of the appointment prevented me from getting as involved as I would have liked in Telefilm Canada matters. However, this didn't stop me, in November and December, from reading a number of documents—I should say a tonne of documents—that allowed me to really begin my education in Telefilm Canada's business; from meeting several times with senior managers, who outlined some of the major issues Telefilm Canada is currently facing; and from participating in a meeting of the Operations department in Montréal. At this meeting I also met the directors of Telefilm Canada's four regional offices, who talked to me about the particularities of their respective markets.

•(1540)

During this period, I even began a series of one-on-one meetings with producers, directors, and writers in order to solicit their impressions of Telefilm Canada, in their capacity as Telefilm clients.

I admit it was not without some apprehension that I accepted the mandate the government conferred on me. Before my involvement with Telefilm, I had got wind, through the media, of some of the harsh criticisms that had been levelled at Telefilm in the past. But I must tell you that I was totally reassured after I went on a “fact-finding mission” in the last two months of 2007. Telefilm Canada is a well-run organization, managed by people who are competent, conscientious, honest, committed, and who manage to convey an infectious enthusiasm for the challenges they face every day.

What impressed me the most is the way Telefilm has evolved over the last few years—in a world where the only constant is change—in partnership with the industry and by paying very close attention to the industry’s needs. I was pleasantly surprised by the Corporation’s ability to adapt as its work environment changes and in response to the larger context in which it is evolving. Because there’s no point avoiding the fact that we are in thrall to an unprecedented technological revolution. This revolution is, almost on a daily basis, providing us with new ways to reach audiences and, bit by bit, is transforming the very nature of the audiovisual industry, from the production and broadcasting of works, by way of the increasing control that audiences now want to exert over the products they consume.

Of course, these new technologies stimulate the bright minds who produce cultural products and enable these minds to stand out from the competition, at the national as well as international level. At the same time, however, these technological discoveries—which seem to increase tenfold every minute—are creating multiple new challenges. These are challenges that those who want to support companies in the audiovisual sector now have to take on.

Even the globalization of markets has thrown up its share of new challenges: high-quality works now enjoy a wider and wider reach and offer increasingly larger returns; however, this is offset by the fact that these works entail significantly higher financial risks that force their producers to be innovative also when it comes to funding methods.

Telefilm Canada’s birth, more than 40 years ago, was prompted by the needs of the film industry. The television industry was added later on, as was, more recently, what we call, for want of a better term, new media. When we speak of Telefilm Canada today, we’re really talking about “Audiovisual Canada.”

Under my watch, Telefilm Canada will continue to listen to its clientele, to maintain constructive relationships with the group of clients it serves, so as to continue being attuned to the changing dynamics of this constantly changing technological environment. I will encourage Telefilm to continue its fruitful dialogue with its clients and other industry stakeholders.

I convened a meeting of the Corporation’s Board for the first time two weeks ago. Two Board seats are currently vacant, but the Minister of Canadian Heritage has assured me that they will be filled very shortly. I eagerly await these appointments, which will allow the Board to fully undertake its mandate. The Board’s mandate, broadly speaking, is to oversee the management of the Corporation’s business activities as well as its internal affairs.

At my first Board meeting, I indicated to the members that I did not want a ceremonial Board; I wanted a Board that would be deeply involved in the Corporation’s business. We were called upon to contribute our experience and our expertise—I’m talking about members’ services. We are here to serve Telefilm Canada, and in this spirit we will undertake our duties. I insisted that the Board be vigilant when it comes to two matters in particular. First, the Board must ensure that Telefilm respects its governing mission, its *raison d’être*, at all times. Second, the Board must ensure that Telefilm’s operational mechanisms yield decisions based on the highest standards of integrity and probity. This oversight will obviously be conducted in close collaboration with senior management. Telefilm’s Board and senior management will also study how we can do business in new ways so as to maximize the necessarily limited resources that the audiovisual sector can draw on to flourish and develop.

● (1545)

But we’ll have to answer the following questions at each step of the way: Does this fit in with our mandate? Are we carrying out our activities in a fully accountable and fair manner? Are we capable of adapting as quickly as necessary to the changing needs of an industry constrained by technology’s relentless advance? Can we quantify and measure real results flowing from our strategies? Are we operating as effectively and as efficiently as possible?

Telefilm Canada plays a unique role, the only one of its kind among cultural organizations. That role is to support the development and promotion of an audiovisual industry and of talented Canadians who, through their products, seek to attract audiences at home and abroad using all broadcasting platforms available to them. As we evolve in a highly competitive environment, we must, to the greatest degree possible, ensure that the Canadian public funds we draw on serve to attract funding from private sector or other sources, thereby creating a multiplier effect.

I am honoured to be associated with an organization of this scale and scope, and I plan to bring the greatest level of enthusiasm and passion to the time, energy and knowledge I invest in Telefilm. Telefilm Canada is already entering its fifth decade, and it is to the future that it must turn its attention. Film, television, all the new ways of reaching audiences that are becoming more and more demanding, via traditional, digital, interactive or other type of content, will continue to play a larger and larger role in the lives of citizens over the next few years. The Canadian audiovisual industry must stake its place. The current context is clearly very different from the one which existed prior to the Corporation’s founding in 1967. The same holds true for the challenges we now face, and I’m very proud to be involved with Telefilm at this point in its history.

So it is with pleasure that I’ll now try to answer your questions. I say “try” because I’m not sure I can. As you’ll understand, my appointment is a very recent one. I would have liked to appear before you with a full and complete knowledge of what Telefilm Canada and the Canadian audiovisual industry are. Unfortunately, I haven’t yet been able to acquire that knowledge. I can talk to you about my personal experience. I can talk to you about my knowledge, as it is limited today to Telefilm and the Canadian audiovisual industry. In the more or less near future, you’ll no doubt invite me again to speak more about the content of Telefilm Canada.

I look forward to answering your questions.

[English]

The Chair: Thank you for that.

At the beginning I neglected to mention that you were here as a witness for Telefilm Canada as chair of the board of directors, so I apologize for that. I'm quite sure everyone in the room understands that, but I had missed that part.

We'll go to the first questions. And I must say we try to keep it as close as we can to five minutes each. We'll make sure that everyone has the opportunity to ask. If it goes a little longer than five minutes, that's okay.

Mr. Bélanger.

[Translation]

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Chairman.

Welcome, Mr. Roy.

In your opinion, Mr. Roy, is the funding that Telefilm receives from the Government of Canada adequate?

• (1550)

Mr. Michel Roy: I don't think there is an absolute answer to that question, Mr. Bélanger. There are two ways of looking at the situation. For example, if you consider that French-language films are 80% financed out of public funds and that English-language films are approximately 60% financed, anyone working in a cultural industry other than film could say that too much money is being allocated to that sector and that efforts should be made to improve those percentages.

On the other hand, the efforts that the government has made in recent years have been worth the trouble because they have made it possible to build an industry in Canada. Producers, directors, actors, boom operators, sound engineers, in short, the whole range of trades have developed a film industry. These highly competent and qualified people make it possible to market films, whether it be for movie theatres, television or other platforms, that are gaining increasing international recognition.

From that standpoint, the other answer that could be given to your question is that the funding will never be sufficient to satisfy Canadians' creative appetite in the audiovisual field.

Hon. Mauril Bélanger: You're a good skater, Mr. Roy.

Mr. Michel Roy: I still play hockey.

Some hon. members: Oh, oh!

Hon. Mauril Bélanger: Yes, we knew we'd get around to that.

You say you've met with producers, directors and screenwriters to gain a better understanding of their perception of Telefilm Canada. Did those people tell you whether or not the Government of Canada's funding of Telefilm Canada was adequate?

Mr. Michel Roy: I mentioned that I had started to meet with producers. I intend to meet a number of them because that's the way I do things. I want to see on the other side of the fence how they perceive Telefilm Canada and the support it provides them.

Hon. Mauril Bélanger: Those you've met—

Mr. Michel Roy: Those I've met form a very small sample. To date, I've perhaps met four or five individuals, in November and December, because, as I explained earlier, I had prior outside engagements. It's not necessary to meet these people in order to know... In Quebec, for example, we all saw the newspaper reports of the statements by Roger Frappier, who is complaining about inadequate funding for French-language films. That's fair ball. Mr. Frappier is, among other things, an intelligent person. He's an excellent producer who puts out high-quality works. Obviously, for people like Mr. Frappier, there will never be enough funding to satisfy their appetite.

Hon. Mauril Bélanger: But, as Chair of the Board, Mr. Roy, you aren't prepared today to say that there would be grounds to increase Telefilm Canada's funding.

Mr. Michel Roy: As Chair of the Board, I—

Hon. Mauril Bélanger: You're appearing in that capacity.

Mr. Michel Roy: Currently, in the French-language film market, given the appetite of producers, I don't think funding is sufficient.

Hon. Mauril Bélanger: You don't think funding is sufficient?

Mr. Michel Roy: Correct.

Hon. Mauril Bélanger: Thank you, that's what I wanted to know.

In your view, what are the governance challenges specific to French-language films, of course, but especially to English-language films? We know that, on the French-language side, film occupies roughly 20% of air time—or screen time, I should say—but it's less than 2% on the English-language side. What are the governance challenges you think you are facing?

I'll come back and make a brief comment at the very end.

Mr. Michel Roy: First, these are two very different markets. One can say that there is one film industry in Canada, but two very different markets. I think you have to address those two markets very differently.

On the English-language side, for example, what I've learned to date is that there is a problem with the quality of screenplays, with the number of high-quality screenplays that are prepared by screenwriters and that are more consistent with the tastes of English-speaking Canadians. It seems to me there's also a problem with the relations that exist, that don't exist or that should exist to a sufficient degree between producers, distributors and movie theatre operators—I don't know whether that's what they're called.

With regard to governance, to try to solve this very specific problem, we've developed a program that supports the development of the screenwriters, provides training for high-quality screenwriters able to produce high-quality screenplays. We've also just hired Ms. Azam, a specialist who has spent the last seven years in the film marketing field in New York to try to create this phenomenon of osmosis between producers, distributors and movie theatre operators and to correct this—

• (1555)

[English]

Hon. Mauril Bélanger: I have a minute left?

[Translation]

I'm going to have to interrupt you, because I want to close. Thank you very much.

[English]

The Chair: You have a minute left.

Hon. Mauril Bélanger: Mr. Roy, you have on this side of the table two members of Parliament who in this week have made comments in the House wishing for Telefilm Canada to embark on a campaign to make sure that the nominees we have in record numbers this year for artists or productions made by Canadians win Oscars. I hope you will see to it, as chairman of the board, that resources are made available so this campaign is effective and we get a fair chunk of gold coming back from Hollywood after the Oscars are held.

The Chair: Thank you.

[Translation]

Mr. Michel Roy: I understand you perfectly well, sir.

Mr. Chairman, may I provide a supplementary answer?

[English]

The Chair: Sure.

[Translation]

Mr. Michel Roy: Yesterday, I signed four letters to those who made the films *Away From Her* and *Eastern Promises*, which have been nominated for Oscars in Hollywood.

[English]

The Chair: Thank you for that.

Now we move to Mr. Malo, please.

[Translation]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Thank you, Mr. Chairman.

Welcome, Mr. Roy.

This, of course, won't be the last time we welcome you here. I imagine the next time you appear before us, you'll be accompanied by a number of people from Telefilm Canada who can support you in your answers. Today, they've let you face committee members alone. I promise we'll be relatively well behaved for this first appearance.

My colleague Mr. Bélanger talked to you about funding. As you know, since a new act was passed in 2005 amending Telefilm's mandate, the whole multimedia component has been added to its responsibilities. You mentioned that in your preliminary remarks. I was wondering whether you intended to ask the government for an increase in your multimedia budget precisely so you can achieve the objects of the act.

Mr. Michel Roy: Thank you, Mr. Malo.

First, your introduction very much reassures me because, if you mention that you're going to meet with me again, that means you won't have any objection to my term continuing.

As to your more specific question on new media, we do say "new media". This is something that is new for us all and that is developing exponentially on a daily basis. We currently have

\$14 million in funding to support these initiatives. I feel that the program currently in place—and this is me speaking personally now, not Telefilm Canada—is an experimental program. We're experimenting in a new sector consisting mostly of very small businesses and of entrepreneurs who can invent things in their basements, come up with brilliant ideas, but who then don't have the necessary resources to develop and market their products. And it's often at that stage that they're bought out by others, by foreigners who ultimately benefit from their bright minds.

We're somewhat in the situation Quebec was in a few years ago, when our natural resources were being exploited by others. That's somewhat what's happening. I believe that, at some point, there will be a change in the way we address the new media program. I think we'll have to ask ourselves this question: what do we do with new media? Should we continue to support them in a lukewarm and timid fashion, or should we take the leadership role in developing new media?

If we assume leadership in new media development, that will take much more considerable funding than what we currently have. When you look at the feature film industry, which is a major industry in Canada, you see that box office receipts are \$850 to \$860 million, perhaps \$900 million in good years. New media revenues in Canada are about \$5 billion. This is a much bigger industry. If we want to assume leadership of that industry, we will obviously have to...

Furthermore, I also wonder, given the size of this business—and once again this is a personal thought—whether, if we develop a new media fund, we'll be able to afford to act as a bank. I'm thinking of a bank that would make high-risk loans, for example, but that would manage to get a return on its loans, on its investment, which would enable it to constitute a fund that would then be enough to enable us to assume leadership in new media development.

• (1600)

Mr. Luc Malo: Thank you very much.

You are not unaware that, on November 27, 2006, the House of Commons recognized the Quebec nation. Now that that nation is recognized, do you think Telefilm Canada should recognize the existence of a Quebec film industry that goes beyond the Francophone market that includes all Francophone and Acadian communities?

[English]

The Chair: I have to step in for a minute just to clarify, Mr. Malo. I think we recognize that the Québécois are a nation within a united Canada. Let's make sure we keep that straight. We've corrected that a couple of times here in this committee. We recognize—

[Translation]

Mr. Luc Malo: That said, Mr. Chairman, can we allow Mr. Roy to answer my question?

[English]

The Chair: —the Québécois as a nation within a united Canada.

Go ahead, sir.

[Translation]

Mr. Michel Roy: Thank you, Mr. Chairman.

I don't have any intention of getting involved in your political discussions, but I will simply tell you that Telefilm Canada acknowledged, before the House of Commons, that there was indeed a Quebec film industry, since through our Montreal office, which we call the Quebec regional office or the Quebec office, it acts in two ways. First, it is responsible for all films produced in Quebec, whether they are French-language, English-language, other-language or Aboriginal films. It is also responsible for all French-language films produced not only in Quebec, but also outside Quebec.

I think that the Telefilm Canada organization is already taking the matter you raised into consideration.

Mr. Luc Malo: Don't you believe we should go further and reserve funding for a Quebec film industry? You say that you do take into account the fact that there is a French-language film industry, as there are others, but there isn't any funding dedicated to that or clear objectives for that production or market segment which is the Quebec film industry. There is an office in Montreal, but—

Mr. Michel Roy: There are already rules that we apply and that I think will continue to apply. I think they're sufficient in the circumstances.

For example, if we talk about the feature film industry, we have an obligation to grant the French-language film industry at least one-third of the funding available to us. It isn't Telefilm that decided that. We are bound by decisions made at the government level, at the departmental level, and we will continue to comply with them.

You mentioned the recognition of the Quebec nation. Very well, but the Quebec nation existed even before it was recognized, and I think that Telefilm Canada, by its structure, has taken that fact into consideration. I don't believe I have to or can add anything whatever to that answer, Mr. Chairman.

•(1605)

[English]

The Chair: Thank you for that.

We now move to Mr. Batters, please.

Mr. Dave Batters (Palliser, CPC): Thank you very much, Mr. Chair.

Thank you, Monsieur Roy, for appearing before our committee today. It's greatly appreciated.

Sir, I understand from the chair that because we don't have an NDP member here today we're going to get seven minutes for this exchange. I plan to speak for about four minutes, leaving time for your response. When I finish, I'll ask a few questions that will be directly related to your ability and skill to chair the board of Telefilm.

On the bottom of page 3 in your opening remarks you said that you had some apprehension before you accepted your position as chair of this board, because of the harsh criticism of Telefilm in the past. I will be asking you to comment on that past.

My comments obviously in no way will be a criticism of you, Monsieur Roy, as you're a recent appointment, but I want to touch on some of that harsh criticism and then allow you to enlighten us as to how you may lead the board forward.

First of all, in terms of the board, it's responsible for providing strategic guidance to management, ensuring good value for the funding provided by taxpayers, and holding management accountable for its performance.

The mandate of Telefilm Canada I read verbatim:

As a cultural investor in cinema, television, multimedia and music, Telefilm Canada is primarily concerned with the funding of original, diverse and high-quality productions that reflect Canada's linguistic duality and cultural diversity. Telefilm Canada accordingly supports productions with a high level of Canadian content.

It goes on from there.

Telefilm is an arm's-length entity to the government. Telefilm uses established criteria to distribute taxpayers' dollars. But the established criteria include discretion and value judgments.

In my mind, sir, and in the minds of many of my colleagues and many, many Canadians who will be watching today, the purpose of Telefilm is to help facilitate the making of films for mainstream Canadian society, films that Canadians can sit down and watch with their families in living rooms across this great country.

Historically, though, some of the judgments of Telefilm have raised controversy, the most recent example being a film.... I'm very hesitant to use this title, Mr. Chair, but it's part of the harsh criticism that we're going to levy at Telefilm Canada. The film is titled *Young People Fucking*, and that was shown this summer at the Toronto International Film Festival.

I haven't seen this film, but it's my understanding that the film contains a lot of soft-porn images. It's supposedly somewhat witty, but with very blue dialogue. It is certainly not discussion that most Canadians would share in their homes or offices.

There are, of course, other examples.

Let me just back up a minute. I'll read a description of the film I just alluded to. The description is that is "a scathingly honest and hilarious portrayal of four couples, one threesome and a crazy night of sex".

There was, of course, a lot of controversy previously about a film called *Bubbles Galore*, in which an adult entertainer obtained a grant from the hard-working taxpayers of Canada to make what was a soft-porn film.

You can continue on and look on the Internet, and there's a film entitled *Rub & Tug*.

A colleague of mine approached me today, a very esteemed colleague, an assistant deputy speaker, Mr. Scheer, and said, "I want you to bring up at committee today a film called *Control Alt Delete*". I just want to read for you, sir, a brief description:

It's 1999 and lovable computer geek Lewis is dumped by his long-time girlfriend Sarah. So he does what any young techie would: beat off to Internet porn. But as Y2K hysteria takes hold, Lewis discovers that the website images no longer turn him on... and so begins his strange sexual relationship with the machine itself.

It isn't long before his desire for newer, sexier models has Lewis copulating with co-workers' CPUs.

• (1610)

I could go on, but I'm not going to.

The Chair: Can you get to the question, please.

Mr. Dave Batters: I'm going to finish my questions, and then the speaker will have ample time to respond.

I'd like to remind my colleagues opposite that I was quiet, listened, and said nothing during their entire presentations. There has been a lot of heckling at this meeting today, and I've never heckled once at a heritage committee. I'd like to ask for a little bit of respect opposite.

The Chair: You'll get it, sir.

Mr. Dave Batters: Thank you.

I'm going to get straight to the questions, and they're all related. Can you tell me approximately how many taxpayers' dollars each one of these films would have received? I think the hard-working middle-class families of Canada would like to know how much money has been taken out of their pockets to pay for these types of films.

Clearly, these films are not able to recover their costs by moviegoers actually buying tickets. So maybe you can tell the hard-working men and women in my riding of Moose Jaw and Regina, and indeed all Canadians, why they should have to pay for these movies with their tax dollars. If there is a niche market for these films—and we're not talking about censorship today—why can't these types of productions raise private capital and have people who wish to see these films pay the \$11 to see them?

I have two more quick questions. Then I'll turn it over to you, Mr. Roy.

The Chair: Mr. Batters—

Mr. Dave Batters: I'll be really quick.

The Chair: We're almost at seven minutes.

Mr. Dave Batters: The decision by Telefilm to fund this production is history, but as such it is instructive. Do you envision Telefilm continuing to fund productions such as this? On page 5 of your comments you talk about the highest standards of integrity, and that was encouraging to me. In your opinion, what is the responsibility to reflect societal values when Telefilm makes these funding decisions?

All these questions are related. I'm interested to hear your response, and I thank you for your indulgence.

The Chair: I wonder whether we can have the full response in the time remaining. If we can't get that response, could there be a written response to the people around this table?

I'll take a short response, because we're at seven and a half minutes.

[*Translation*]

Mr. Michel Roy: The member asked a number of questions. I believe the one he attaches the greatest importance to concerns certain films whose titles he mentioned. In his view, they do not meet the criteria that Telefilm Canada should apply. I'll be very brief on that subject. I'm not in a position to judge those matters. If those films were approved by Telefilm Canada, that means that the team responsible for judging whether they are admissible determined that they were.

Now to answer your question more fully, sir, I'd like to go beyond those films and tell you that, at Telefilm Canada, all contracts signed with film producers contain a clause setting out conditions. Those producers have to meet a certain level of morality, to avoid, for example, producing pornographic films or matters that might offend population groups. All that is set out in the contracts that Telefilm Canada signs with producers.

The fact that we agree on—because I think your concern is entirely legitimate—is that works financed out of public funds should never contain subjects contrary to public morality or public decency. Those works should never encourage hate propaganda or remarks that might be offensive to population groups.

I am very sensitive to the question you've raised. I'm going to suggest to board members, at an upcoming meeting, that we make the wording of the clause appearing in the contract between Telefilm Canada and producers more specific.

• (1615)

[*English*]

The Chair: Thank you.

Ms. Bennett.

Hon. Carolyn Bennett (St. Paul's, Lib.): Thank you.

On a happier note, I agree with you that I think we've seen some really positive changes at Telefilm Canada over the last little while, and I think the recent Oscar nominations speak to that.

I have two quick questions. One is on the difference between the English Canadian and French Canadian industry. The success of each is very different. Until probably this week or last week, if you opened an English-language newspaper and looked at the movie pages, you couldn't find a Canadian film at all, unless it was a French one with subtitles.

If you opened a French-language newspaper in this country, it would be covered with films of their stories by their people. I would love you to tell me how you think Telefilm can help with this over the next little while—around distribution, the serious problems with the competition with Hollywood, and being able to tell Canadian stories that Canadians will want to go to see or even have up on the screen long enough to be able to see them.

Will you tell me a little bit about how you see your relationship with the public broadcaster, with the National Film Board, and if there needs to be some collaboration among these institutions?

Then I'd just like you to tell me maybe your favourite three movies in French and your three favourite movies in English that were Canadian productions.

[Translation]

Mr. Michel Roy: Madam, you asked three questions. I'll try to remember all three. The first concerned the market.

As a result of Quebec culture, the French-language film market is a captive market in Quebec. Quebec has managed to establish a star system. It has its star producers, its star directors and its star actors. When people open a magazine in a supermarket while grocery shopping, they see a list of Quebec films. They watch Quebec programs, sitcoms in English, but which are also québécois. They enjoy productions like *Un homme et son péché*, *Le Survenant* and so on.

It's very different in English Canada because of the invasion of the U.S. film industry. When people shop for groceries and open a magazine, in many cases, it's a publication belonging to an American business. So it contains a lot of advertising and promotion for U.S. films. Very often, those who become the best Canadian actors and directors ultimately cross the border and go to work in the United States. It is really very difficult to establish a star system that would create enough interest in English-speaking Canadians for them to discover their own stars and watch their productions and films. These are two very different markets.

However, the Quebec market remains very small because it is captive. So it's a limited market. My thinking isn't based on any solid foundation yet in view of the fact that I've just arrived. However, I am of the view that co-productions would satisfy both markets. First, it would be a way to secure foreign investment. That would also make it possible to add private funding to public funding, which could help finance productions. In that way, we would reduce the percentage contribution of public funding to film production. That would also be a way of having Quebec and Canadian actors work with American actors, who are already established major stars. That would help increase the credibility of actors here.

Let's take the example of Marie-Josée Croze, who makes films in France and who has become an international star. She's excellent. That's also the case of Roy Dupuis. When these people make films in Quebec, they aren't less good than if they were filming in Paris. So people are encouraged to go and see their films, their productions. That, I think, is what is currently lacking in the English-language film industry.

You had two other questions. Would you help me?

•(1620)

Hon. Carolyn Bennett: What are your favourite films?

Mr. Michel Roy: I watch a lot of films, especially on TV, because I live in the country and I'm far away from the movie theatres. I have a satellite television system and that's how I watch films. My wife and I are in the habit of watching films every time we have supper together. I see an average of four or five films a week. I watch a lot of films.

I also have a very bad habit: I tend to forget the titles of the films I watch. The films that have struck me more in recent months include *Soie*, or *Silk*, by director François Girard, a film based on the book by Alessandro Baricco, whom I like very much. I also read *Novecento* by Alessandro Baricco, and I saw the film that was made

of it, but it's an American film. *Silk* is a film that I loved, that I found extraordinary.

I've seen a lot of others. I saw *La Grande Séduction*, *Maurice Richard*, *Bon Cop Bad Cop* and *Saint Ralph*, in English. I can't wait to see *Away From Her* and *Eastern Promises*. There are a lot more. I'm thinking of *Un dimanche à Kigali*. I read the book by Gil Courtemanche, which I thought was extraordinary, but I loved the film *Un dimanche à Kigali*.

I've seen a number of others. If I had to remember all the films I've seen in recent months, we wouldn't have enough time for me to name them all for you.

[English]

The Chair: Thank you for that.

Mr. Malo, do you have any more questions?

[Translation]

Mr. Luc Malo: Thank you, Mr. Chairman.

As we know, the Quebec film industry has experienced a slowdown in the past two years. Earlier, Mr. Bélanger referred to the record of certain years in which the Quebec film industry represented 20% of theatre admissions. You mentioned that an increase in funding for the French-language film industry was a tool in an attempt to stem this slowdown, to slow the loss of progress that had been made in going after our national audience.

Are you contemplating any other ways of stemming that slowdown?

Mr. Michel Roy: I don't think we can say there was a slowdown. The year the Quebec film industry recorded its biggest box office success was scarcely two years ago. That was in 2005 or 2006. My experts tell me I'm right. That's not very long ago. You can't see that as a downward trend. As you'll understand, we are dependent on the quality of productions made by producers. It isn't Telefilm Canada that makes the productions.

The years when films like those of Denys Arcand, for example, are hits around the world, the Quebec film industry obviously increases its box office percentage. I don't think we're looking at a trend.

I also sense in your question that you're concerned about the future of the Quebec film industry. I think an additional cash contribution is important, although I wouldn't say that it's the best solution. I think a co-production fund is a more permanent measure.

It's good to add money, government funding, to an industry, but that money, if it is added, must generate funding from the private sector and the outside. This industry must not become dependent on "social assistance". No one wants that, and that's not what we're aiming at either. We should ensure, if there is an additional injection of money into the film industry, whether French-language or English-language, that we have programs to provide a framework for that new cash injection so that it stimulates other investment in the industry in question from outside Canada or from the private sector.

•(1625)

Mr. Luc Malo: Is the creation of a new fund to stimulate foreign French-language co-productions, for example, something that could be considered?

Mr. Michel Roy: In my opinion, a fund that would have the effect of stimulating co-production, whether it be for French- or English-language films, is, as I'm speaking to you now, a vision for the future of Telefilm Canada.

Mr. Luc Malo: Do you intend to submit a plan in that area to us in the coming months?

Mr. Michel Roy: I know that the Department of Canadian Heritage has previously worked on the development of a policy. It's not just a matter of presenting a program. That program has to be given a framework by a departmental policy. I know that the Department of Canadian Heritage has already started working on a co-production policy. We've also worked on a co-production program with a potential request for additional funding in order to be able to support it.

Those plans are already on the drawing board and will be submitted to senior authorities—

Mr. Luc Malo: Is there a timetable?

Mr. Michel Roy: —as soon as possible, I hope. I haven't seen the timetable.

Mr. Luc Malo: Is there a timetable?

Mr. Michel Roy: I haven't seen one.

Mr. Luc Malo: Thank you very much, Mr. Roy.

Mr. Michel Roy: Thank you.

[*English*]

The Chair: I thought I saw Mr. Siksay here for a minute.

I'm going to go to Mr. Fast, and then as soon as Mr. Fast is done I'll give Mr. Siksay a chance to ask some questions.

Mr. Fast, please.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you, Monsieur Roy, for appearing before us today. So far I've been quite encouraged by the testimony you've given to us.

I did notice from your opening comments that you understood very well the mandate of Telefilm Canada, and I'll just quote that back to you. You refer to its role as being “to support the development and promotion of an audiovisual industry and of talented Canadians who...seek to attract audiences at home and abroad, using all broadcasting platforms available to them”.

That's correct. Much of the focus in the mandate is an industrial-cultural focus, making sure that our industry is healthy. But you also acknowledged earlier, when you responded to my colleague's comments, that in fact there also has to be accountability to the public, because it is taxpayers' money. There has to be a level of understanding of what the public values are that Telefilm Canada should reflect.

I'll tell you quite frankly that I don't believe it's the role of this committee to act as a censor. I will say this, though. When there are public moneys involved, we want to make sure that the product the

taxpayers pay for is one that taxpayers in general consider to be reflective of the values we have.

There was a suggestion, actually, from my colleagues on the other side of this table that perhaps we didn't understand the content of the films my colleague referred to. We are very well aware of them. We've seen significant portions of at least one of those films. Unfortunately, my impression was that the content was degrading to women. It focused more on recreational sexual activity than loving relationships. It was not redeeming. At the end of the day, I'm not sure Canadians would have been left with something that would improve them as human beings.

I was really encouraged to hear you acknowledge that there is a set of public values Telefilm Canada must take cognizance of. So thank you for that.

I will say this. You're going to be challenged fulfilling the mandate, because you have so many stakeholders you're responsible for. You're responsible to the industry, you're responsible to government, and you're responsible to the public.

Can you let this committee know how you're going to determine your response to these various stakeholders? Will you have a consultation process on a regular basis? And what will that consultation process look like to ensure Telefilm Canada is strong and actually fulfills the mandate, the vision, and the mission that's clearly articulated, certainly on the website that I viewed?

•(1630)

[*Translation*]

Mr. Michel Roy: Thank you, sir.

As Chair of the Board, I am accountable to the Minister of Canadian Heritage. My relations with the minister are direct and will go through the appropriate channels, through the officials of the Department of Canadian Heritage.

Mr. Wayne Clarkson, whom your committee has previously heard, has in recent years established advisory committees on which industry people sit. I'll mention two in particular: the committee on French-language feature films and that on English-language feature films. There's also one that deals with new media. I know that, when he appeared, Mr. Clarkson talked about those advisory committees and that that left a number of members of your committee skeptical. However, I must tell you that, after a few years of operation, those committees are working admirably well.

When I started reading documents on Telefilm Canada, I was impressed by the fact that the organization had operated in a changing environment, but that it had done so together with the industry and its clientele. I think that's an important factor and that things will continue in that direction. For the moment, these mechanisms play an absolutely fundamental role. They make it so the industry is generally satisfied with the actions taken by Telefilm Canada.

As for the films you mentioned, I believe I have nothing to add to what I've already said.

[*English*]

Mr. Ed Fast: Thank you.

Are there some films that you would like to see funded by Telefilm that haven't been funded in the past? I'm thinking of a genre of films that you would like to see more of in terms of funding by Telefilm Canada.

[*Translation*]

Mr. Michel Roy: Yes, there are documentary films. I'm not answering you in my capacity as Chair of Telefilm Canada. My role is generally not to determine whether we should fund such and such a film. That concerns operations, and that's not my department. I'll leave that to Telefilm Canada officials, who, I think, do their job admirably well.

However, in recent years, I think certain documentary films have had a great deal of success, in both the United States and Canada. This is a personal wish, but I'd like us to be able to allocate more financial support to documentary films. How? I'm not in a position to answer you today. If you remind me in six months, eight months or a year, perhaps I'll have a more specific answer to offer you. For the moment, I'm simply answering your question, as to whether I have a wish. That's one.

• (1635)

[*English*]

Mr. Ed Fast: Perhaps a biography or documentary on your son, Patrick Roy, would be appropriate.

I'm just kidding.

[*Translation*]

Mr. Michel Roy: That will probably be a good reason to give on the day I want to tender my resignation to Telefilm Canada.

[*English*]

The Chair: Thank you.

I'm going to now slip to Mr. Siksay.

Welcome, Mr. Siksay, and we'll give you some time to ask Mr. Roy some questions.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Chair.

I apologize for being late. I had extra responsibilities and I couldn't be in two places at one time.

Thank you very much coming for here today, Mr. Roy.

When I was listening to Mr. Fast, I thought he was lobbying for the Ed Fast story as a made-for-TV movie or something, but we'll have to wait.

Mr. Ed Fast: Patrick Roy.

Mr. Bill Siksay: Mr. Roy, my constituency has a very large production centre for the film industry in British Columbia. Burnaby, B.C., is one of the key places of film and television production in Canada, and certainly even in North America, when you look at Vancouver being recently the third-largest production centre in North America after California and New York City.

We know that the Canadian dollar coming to parity with and even above the value of the U.S. dollar has put certain pressures, not only on the industry in British Columbia, but all across Canada. I'm wondering if this is something that's in Telefilm's mandate to

address, and if there are possibilities or programs that will specifically address the challenges that this makes for Canada's competitive position in attracting foreign production work into Canada. Is there a role for Telefilm in that type of crisis, which we may be facing?

[*Translation*]

Mr. Michel Roy: That's not an easy question. I'm not sure I know enough about the British Columbia market to answer it very specifically. However, I learned from the documents I examined that the British Columbia film industry was based mainly on U.S. productions filmed in Vancouver, among other places.

Your region is obviously very much affected by the screenwriters' strike. I believe that's what you're alluding to. We are highly sensitive to these problems. Furthermore, you'll understand that Telefilm Canada's role is, first and foremost, to try to build a Canadian audiovisual industry based on bright minds, to create Canadian productions and to realize them.

On that subject, you know that we have a regional office in Vancouver. Telefilm Canada is making every possible effort from Vancouver to try to build that Canadian industry by involving producers and directors from Vancouver, as it is doing in Halifax and in other parts of the country.

As regards the specific problem you're currently facing, we can only hope it will be temporary and that your industry will not have to suffer too much from it.

[*English*]

Mr. Bill Siksay: Thank you, Chair.

The Chair: We have time for one more short question. Mr. Scott.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much, Mr. Chair.

I just want to put a question to the chair. Further to the intervention earlier by the member for Moose Jaw, in making his point the member used language that we don't often hear here. I'm sure his defence of that would be simply that he wanted to make a point, that he wanted to speak to the reality of the movies he was speaking about. And I would argue that many of these artists would make exactly the same defence in terms of the drama—that the excesses, in some cases, or what we would see as excesses, they feel compelled to use as well, to reflect reality.

I would address this question to Monsieur Roy. As an avid viewer of television, of movies, perhaps he could offer some comment on the rather significant number of American movies we see on CBC. As a future partner in the domestic film and television world and as the chair of Telefilm, would he have a comment on that, on how he feels about it and how that might impact his view of that relationship?

• (1640)

[*Translation*]

Mr. Michel Roy: Sir, I believe the interpreter had trouble following you. If I understand correctly, you regret the excessively large number of American films broadcast by the CBC.

That's not a situation I've studied thus far. You regretted it in the case of Radio-Canada and I regretted it in the case of satellite television. Where I am, in the country, I have access to channels that broadcast films. I would have hoped there would be more original French-language versions, but I see that the French-language channels present us with an amazing number of French-language versions of American films. So the problem you raise in connection with the CBC also applies to other stations.

Ultimately, I think that the fact that we're invaded by the U.S. film industry is at the origin of the problem you raise. That affects the Canadian film industry and our Canadian audiences. It's a situation I regret. Earlier I mentioned that having better stories, better told stories and trying to build a star system might be one way to address this problem in English Canada.

As for what is going on at the CBC, I would prefer you put your question to Mr. Hubert T. Lacroix, the new President and CEO of that organization.

[English]

Hon. Andy Scott: One more question?

The Chair: One short one.

Hon. Andy Scott: The reason I made the point was that during our recent review of the future of the CBC, a number of witnesses talked about the need for more collaboration in a country with a small population, where we do have a number of publicly funded national institutions working in similar areas. In the collaboration I'm talking about, with the very particular problem we see in English Canada, we hope that all of these institutions are seized with the threat to our capacity of competing with a large competitor to the south.

[Translation]

Mr. Michel Roy: You're absolutely right.

I briefly addressed the question a little earlier. I could talk to you about an experience that I had and that I think has a number of points in common with what you're raising. However, I don't know how much time I have left.

• (1645)

[English]

The Chair: Under three minutes.

[Translation]

Mr. Michel Roy: In the mid-1970s, I was deputy minister of tourism in Quebec. The situation at the time was very similar to that currently prevailing in the film industry in English Canada. In the tourism industry, the large hotel owners didn't talk to the small hotel owners, the hotel owners didn't talk to the restaurant owners, and the restaurant owners didn't talk to the special events organizers. Each worked in isolation, no one talked to each other, and everyone relied on the government to promote tourism.

That example may not be perfect, but it seems to me that it's very similar to what English Canada is going through now. The best way to try to build a strong film industry in English Canada would be precisely to bring these people together. In the film industry, the situation was the same in Quebec a few years ago. Now we have events such as Ciné Québec, which I attended this week. It's a kind

of market where producers present their productions to distributors in the room. The distributors present their distribution books to movie theatre owners who are also there. All these people talk to each other. I think that's a fundamental condition for the marketing of the English-language film industry to take off.

Hon. Andy Scott: Thank you, Mr. Chairman.

[English]

The Chair: Thank you for that.

I think that brings us to a conclusion of this part of the meeting. I don't think we have to call for a recess or anything like that, but I'd like someone to move that we accept Mr. Roy.

Mr. Ed Fast: So moved.

The Chair: Mr. Fast has moved that the chair report to the House that the committee has examined the qualifications and competence of Mr. Michel Roy to the position of chair of the board of directors of Telefilm Canada, and finds him competent to perform the duties of the position.

(Motion agreed to)

The Chair: Welcome, sir, and thank you.

Some hon. members: Hear, hear.

[Translation]

Mr. Michel Roy: Thank you, Mr. Chairman.

[English]

The Chair: I would just like to bring one other thing to your attention before we go any further. I've been advised that a few people didn't realize we might talk about the broadcaster of the 21st century in the time that's left. So it's my suggestion that we all go home and make sure that next Tuesday we're right up to speed, so that we can move along.

I would just like to say that we have four more meetings at our disposal before the next break on February 18. It would be great if we could get through our draft proposal, which would give our analyst time to bring something together over the break time. It is important to note that if we do come to an agreement, the committee will adopt, either today or the next meeting, a motion setting a deadline for submitting a dissenting opinion. We have to have some time for that dissenting opinion in the report. So if we could all do our homework over the next few days, I would hope that when we come back on Tuesday, we could go forward on our thing.

Mr. Bélanger.

Hon. Mauril Bélanger: Mr. Chairman, I can tell you that as the official opposition, we will certainly do our best to reach the deadline you mentioned. I think it would be quite encouraging to finish within the next two weeks, so that during the break week the report could indeed be finalized and we could look at tabling it in the House and making it public the first week in March at the latest. We will endeavour to go through the remaining items we have to deal with—perhaps all of them the next week. That would be my hope, giving us that second week to look at a final version.

We'll endeavour to do that.

The Chair: Thank you.

The meeting is adjourned.

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