



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Canadian Heritage**

---

CHPC • NUMBER 083 • 1st SESSION • 42nd PARLIAMENT

---

**EVIDENCE**

**Thursday, November 2, 2017**

**Chair**

**The Honourable Hedy Fry**



## Standing Committee on Canadian Heritage

Thursday, November 2, 2017

• (1605)

[English]

**The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)):** I will call the meeting to order.

Pursuant to Standing Order 108(2) and the motion adopted on Monday, October 2, 2017, the minister is here to give us a briefing on the government's new cultural policy.

Minister, you've been around this block before, so you know you are going to say a few words, and after that there will be questions and answers. Without any further ado, please begin.

**Hon. Mélanie Joly (Minister of Canadian Heritage):** Thank you, Madam Chair. I'm pleased to be here today to talk about a Creative Canada, our government's vision for the future of Canada's creative industries. I'm joined by Graham Flack, my deputy minister, and also Guylaine Roy, the associate deputy minister.

Let me start with two questions. Why has culture always mattered to Canadians, and why should it matter now? The answers to these questions are fundamentally about who we are and who we want to be. We are a small diverse population spread over a large land mass. We're a country bound by reconciliation and shaped by the rich cultures and traditions of indigenous people.

We are a country rooted in our official languages, English and French—

[Translation]

We celebrate the fact that 8 million francophones live surrounded by hundreds of millions of English-speakers.

[English]

We are a democracy that believes in gender and racial equality and human rights. We are a culturally diverse country that looks like the world. All of these things make our culture and our identity dynamic, and this strength is reflected in our creative industries. Our arts and culture sector is a \$54.6-billion industry that boasts more than 630,000 jobs. Behind each of those jobs is a talented, hard-working individual.

It is because of these people that we invested \$1.9 billion in our arts and culture in our very first budget, budget 2016, the highest investment among G7 nations at the time. This investment included commitments of \$675 million to CBC/Radio-Canada, \$550 million to the Canada Council for the Arts, and increased funds for Telefilm Canada and the National Film Board of Canada, among others.

[Translation]

This is just a first stage. A lot remains to be done. So I decided to bring together the players in our creative industries in order to better understand the challenges facing us and to determine what is possible.

More than 30,000 Canadians took part in that process. They shared with me the challenges they have to face, their ideas, and many opportunities that are open to us.

So here is the major question: how do we protect and promote our culture in a digital world with no borders?

The comments I heard first-hand shaped our government's vision for a Creative Canada. In addition to the consultations, we took action in a number of areas. There were, of course, some concrete steps we could take.

First, our historic investments, as I have already mentioned. Let me give you a little background here. When I took this position, a bond of trust had to be re-established with the cultural community. After 10 years of underinvestment and budget cuts, we wanted to show the cultural sector how important it is. That is why we have made historic investments in culture.

Last August, we also referred two broadcasting decisions back to the Canadian Radio-television and Telecommunications Commission, the CRTC, for its reconsideration, and we asked it to consider how it can help us in achieving the right balance between two necessities: investment in content and our creators' ability to compete.

We also committed \$35 million over two years to help export our culture. This area had seen budget cuts and we wanted to continue our efforts in cultural diplomacy and international trade in the creative industries.

We invested \$4.15 million over two years in the Canada Music Fund. One hundred musicians have been able to reap the benefits of this investment alone. We also launched an independent process for the appointment of the President and CEO of CBC/Radio-Canada, as well as the members of its board of directors.

Last September 28, I delivered a speech outlining this new vision, Creative Canada, along with the first initiatives to help us get there. This vision has a clear goal: for Canada to be a world leader in the quality of our creative industries, with our creators empowered to make great content that stands out at home and around the world, and for Canada to be a pioneer in ensuring a space on all existing digital platforms for our Canadian content.

[English]

We want to retain our incredible talent at home and encourage our people to develop their ideas into great stories. We want to entice them to take risks and innovate on many platforms.

We want to help them distribute their work at home and abroad.

[Translation]

We are going to support the creation of high-quality content in French because of the excellent work our creators do.

Our vision rests on the three pillars.

First, we want to invest in our creators and their stories. We will do this in a number of ways. For example, to combat the declining revenue for cable distributors in the Canada Media Fund, we will increase the federal contribution to this fund by several million dollars, ensuring that one third of the funding goes to French-language projects.

We are going to support cultural hubs, like the Cape Breton Centre for Arts, Culture and Innovation, the 312 Main project, or the Société des arts technologiques, or SAT. We are going to modernize programs like the Canada Music Fund and eliminate red tape for tax credits. We are going to reform the Copyright Board Canada and modernize the Copyright Act.

These measures will help us build on our strengths and our unique content, a content that reflects our linguistic duality, indigenous expression and rich cultural diversity.

[English]

Our second pillar is making sure our content is discovered and distributed across Canada and around the world. In this area we ask ourselves two main questions. First, we ask how we ensure that we have a strong domestic market. Second, in the global hunt for stories, we ask how we make sure that Canadian content stands out and can reach audiences around the world.

We are responding to these questions in a number of ways. We're investing \$125 million over five years to support Canada's first-ever creative export strategy, which will put boots on the ground at embassies and missions, increase our presence at international events, and help our creative industries access new markets.

As part of this strategy, I will be leading Canada's first creative industries trade mission to China in April, 2018. In addition, we're launching a review of the Broadcasting Act and the Telecommunications Act. We have asked the CRTC to look at how new models will support the creation and distribution of Canadian entertainment and information, and we will be launching a Creative Industries Council to foster collaboration and innovation within our creative industries. We will use the tools we have to ensure that companies coming into

Canada contribute to our goals, including supporting content in both official languages.

Since our existing tools do not take into account the existence of digital platforms, our government thought it necessary to subject the Netflix investment to a review under the Investment Canada Act. The investment encompasses the following: first of all, the creation of Netflix Canada, the first production company of its kind for Netflix outside of the United States; second, a minimum net investment of \$500 million for original productions in Canada in English and French over five years; and third, \$25 million for a French-language market development strategy that targets creators and producers inside and outside of Quebec and helps them fund things like pitch days for producers and recruitment events. These investments will help showcase our Canadian productions on their platform, representing a guaranteed minimum investment from a foreign platform in our creators and in our stories.

I'll turn now to our third pillar, which is strengthening public broadcasting and supporting local news. I want to recognize the hard work of this committee on this issue. Thanks to all. Your rigorous review, witness testimony, and findings helped identify clear concerns and confirmed that Canadians care deeply about the issue. The measures announced included renewing and strengthening the mandate of our public broadcaster; reviewing the Canada Periodical Fund to provide the support that our publications need to innovate, adapt, and transition onto the platforms Canadians choose; and supporting local news by encouraging innovation, experimentation, and the transition to digital.

•(1610)

We continue to work on a whole-of-government approach to these issues facing local news, which we know is critical to our democracy.

[Translation]

In conclusion, Creative Canada is a new strategy that puts in place investments in our creators and our creative industries. It is a plan for reform, a transition plan. It is the logical continuation of the leadership that our government has always demonstrated on this important file. So we are half-way through it and a lot remains to be done.

I recognize that the change brings with it some anxiety, there is no doubt. That is why we are embarking on this great reform in all humility. Our government's objective is to improve the lot of the French and English cultural sectors and to allow them to grow.

We owe it to our creators, to our incredible talents and to the many middle-class families across this country who work in this booming industry, to come together and help us forge a distinctly Canadian path forward.

I will be happy to answer all my colleagues' questions.

[English]

**The Chair:** Thank you very much, Minister.

As always, we will begin with a seven-minute question-and-answer round. We'll start with Julie Dabrusin for the Liberals.

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Thank you, Minister, for coming today to talk about your Creative Canada vision. In my community, this is something that has generated a lot of interest and excitement, so I'm happy to be able to talk with you a bit more about it today.

Today, in fact, is a great day, because we have the Canadian Arts Coalition here for its Arts Day on Parliament Hill. I know you have many people here who are listening with regard to that. One of the recommendations that I believe they made was with respect to cultural hubs and creative hubs. You mentioned it in your opening statement, but I wonder if you could talk about your vision for creative hubs in Canada.

•(1615)

**Hon. Mélanie Joly:** Thank you, dear colleague.

Of course, we believe there are different ways, new and innovative ways, for our artists and creators to do their work and create. In the context of our reinvestments in cultural infrastructure, which are up to \$300 million, we've decided to set aside part of that money to make sure we would be supporting these great creative hubs, projects such as Artscape Daniels Launchpad in Toronto; the Cape Breton Centre for Arts, Culture and Innovation, the new hub that was just announced by your colleague two weeks ago; and 312 Main in Vancouver. These hubs are key infrastructure in our creative sector that will help our creators and our creative entrepreneurs to actually take ideas and create great content with them and create great businesses, SMEs. That's why we believe this infrastructure is extremely important, to grow the sector and scale it. Not only that, but they will also help different sectors from the arts and creative industries to partner, and there will be a lot of cross-pollination happening. It's great news.

**Ms. Julie Dabrusin:** Perfect. Thank you.

I've talked with a lot of people in the design and architectural field over the past years. One of the things they talk about is that sometimes when they're dealing with the federal government, it's not clear where those industries fall, whether within innovation or within heritage. When you put forward your vision for creative Canada, where do architecture and design fall?

**Hon. Mélanie Joly:** That's a great question. When we decided to embark on this great adventure to create a new cultural policy for the country, we looked at different models across the world. One of the models that we thought was very interesting was the U.K. one. We were inspired by the U.K. model whereby, rather than including in the cultural sector only sectors such as music, performing arts, film, and television, which are much more traditional sectors, we decided to broaden the definition of our sector to include design, fashion, and architecture.

We'll be creating a new creative industries council with people from all the sectors across our great milieu to ultimately advise us on how we could improve our policies and programs to reflect that change in definition.

**Ms. Julie Dabrusin:** That's wonderful. I think that's going to be very well received by people I've been talking to in the design industry, so thank you for that.

I mentioned that today is Arts Day on the Hill, but yesterday we also had another group on the Hill. The Canadian Association of Content Exporters were here to talk with members of Parliament about the work they're doing to export screen productions to international markets.

You touched on it briefly, but I would like to hear a little bit more from you about what is in Creative Canada as a vision to help our cultural industries when they go to export markets, and to export their products.

**Hon. Mélanie Joly:** When you look at what we've done with the policy, we've actually made a big shift. We decided that our creators were the most important players in the industry, in the sense that we wanted to focus all our policies toward creators. We believe that by supporting a great idea, there's going to be great content that will be developed. It may be a book, it may be a film, it may be music. By doing that, we want to support risk-taking and also excellence in the sector.

Once there's great production, of course we know there's a global hunt for stories. We know, with the Internet being international by nature, that there are great markets that our creators can access and seize opportunities within. We've reinvested \$125 million over five years. That will put boots on the ground in embassies, whether that means hiring people who are from the city or the region who know the market, to help our artists and creators actually enter these markets and seize their opportunities.

We also want to make sure that Canada is really present in international affairs. Content exporters need to be supported by the government to actually access these markets, meet the right people, and make these deals happen. That's why we were present at the gamescom conference for video games in Cologne this year. My colleague Sean Casey was there, well representing our country. That's why we'll be there for the Frankfurt book fair. We'll be the host of honour at the Frankfurt book fair in 2020. That's also why we're doing our first cultural trade mission to China in April. We want to bring lots of great representatives of the industry—from Cirque du Soleil, for example, to Cavalia, as well as people in the performing arts and virtual reality and video games sector—to make sure we can help them seize opportunities in the Chinese market.

•(1620)

**The Chair:** Thank you very much, Ms. Dabrusin and Minister.

Mr. Van Loan, for the Conservatives, you have seven minutes.

**Hon. Peter Van Loan (York—Simcoe, CPC):** Mr. Clarke will be doing most of the questions. I have one question. It's very quick.

It actually doesn't really relate to the cultural policy, but there's an ice rink being built outside. It costs a fair bit, as I understand, to build. Most of those costs, I presume, go into the set-up and the tear-down. It's going to be open for only three weeks. Why won't it be open for longer? Would you consider opening it for longer?

**Hon. Mélanie Joly:** Well, we're extremely happy about the Canada 150 celebrations and how people from across the country have reacted. When we started this project, there was a very big and costly project that was going to be organized on the Hill, and we decided to make it more community focused, to make it much more a place where people in Ottawa and from across the country could engage and have fun. That's why we're really happy to have this skating rink. This is a first on Parliament Hill. I hope, Mr. Van Loan, we'll have the chance to skate together.

**Hon. Peter Van Loan:** That's why I want it to be for more than three weeks.

**Voices:** Oh, oh!

**Hon. Mélanie Joly:** Ultimately, I think it will be providing a lot of fun and will be a great way to close the Canada 150 celebrations.

[*Translation*]

**Mr. Alupa Clarke (Beauport—Limouilou, CPC):** Madam Minister, I am really pleased to be able to ask you some questions for the first time as your counterpart.

I would like to go back quickly to the agreement with Netflix. You caught my attention when you said that an amount of \$500 million has been allocated to the production of anglophone and francophone content. Since the agreement is confidential, I understand that you cannot go into the details.

Why was an amount of \$25 million needed if there is \$500 million for initiatives to produce content in French and in English?

**Hon. Mélanie Joly:** Thank you for your question.

I would be happy to answer it, but given that Guylaine Roy is the person who represented the government under the terms of the Investment Canada Act, she can explain the precise nature of the negotiations.

**Ms. Guylaine Roy (Associate Deputy Minister, Department of Canadian Heritage):** In order to answer your question, I would like to give an overview of the way in which the investment application process under the Investment Canada Act works. I will be very brief.

I am the associate deputy minister of Canadian Heritage, but I am also the Director of Investments within the meaning of the Investment Canada Act and I have been in that position since September 2011. What does that mean? My role is to support the minister in administering the Investment Canada Act in relation to the foreign investments in the cultural sector. The Minister of Canadian Heritage has had those powers since 1999; she therefore reviews foreign investment in the cultural sector.

• (1625)

**Mr. Alupa Clarke:** Does the \$500-million investment already provide for some of the funds to go to francophone content?

**Ms. Guylaine Roy:** I will answer your question right away.

The commitments that have been made public include two key elements. First, a minimum investment of \$500 million will be made in original productions in Canada, including the production of francophone and anglophone content.

Second, the \$25 million is intended to recognize the efforts that will be made in francophone markets. We want to make relations

easier between francophone producers in Quebec and those outside Quebec, and to encourage interaction with Netflix and to give producers the opportunity to have what are called pitch days, giving them more direct contact. This is a recognition that, beyond the \$500 million, a special effort has been made to accommodate francophone markets. The fact that we have two markets in Canada was a point we raised with Netflix.

**Mr. Alupa Clarke:** I understand completely, madam. Thank you.

So it is not possible to find out the part of the \$500-million fund that will be set aside for francophone production because that information is confidential.

**Hon. Mélanie Joly:** No question that Netflix has a responsibility.

For the first time in its history, Netflix has decided to establish a production company outside the United States. In those circumstances, the review provisions in the Investment Canada Act were triggered. What we have also been able to do is obtain guarantees from a foreign investment company in Canada, while all the existing legislation does not allow us to go and seek funding for digital platforms generally.

The current act contains no mechanism that allows us to seek that money. That is why we are amending our legislation, but it is also why we have introduced a transition plan. We ratified an agreement for an investment of \$500 million over five years. Regardless of the tax credits that the company may subsequently receive as a result of a coproduction agreement with a Canadian company, the investment remains at \$500 million.

I am equally convinced that francophone producers, with their great skill and the high quality of their content, will be able to get their piece of the pie. Essentially, what I hear from francophone and Quebecois producers is that discussions about the platform have already begun.

**Mr. Alupa Clarke:** Madam Minister, I really have to ask you about this: you were supposed to introduce the five-year plan for official languages before Christmas, and, basically, it will not be introduced until the winter.

Can we expect the amounts to be as significant as the ones in the roadmap for official languages 2013-2018? Would you venture so far as to index that amount, as language groups are asking?

**Hon. Mélanie Joly:** Of course, the issue of the official languages is paramount for us and we are working very hard on an action plan for the official languages.

Minority language groups often share their concerns with us about the lack of indexing under the previous government and the fact that there was no emphasis on funding organizations. The language communities must be facing enormous challenges in immigration and early childhood.

I have had the opportunity to meet thousands of people and to hold consultations on this matter across the country. I will also have the opportunity to announce a very good plan that will contain very good investments.

**Mr. Alupa Clarke:** I would like to go back over what you said this morning but I see that my time is up.

[*English*]

**The Chair:** Thank you, Mr. Clarke. Yes, your seven minutes are up. I'm sorry.

We will go to Monsieur Nantel.

It's so nice to see you again, Monsieur Nantel.

[*Translation*]

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Thank you, Madam Chair.

It is always a pleasure to see you, Ms. Joly, Ms. Roy and Mr. Flack.

Ms. Joly, if I may, I would first like to ask your deputy minister to clarify a few points.

Mr. Flack, is it correct that, in a briefing note in June 2016, you informed the minister that many countries have already tailored their sales taxes so that they apply to online products and services like those offered by Netflix?

**Hon. Mélanie Joly:** Thank you for your question, Mr. Nantel.

First, I want to take a few minutes to clarify the matter of the investment in this country that Netflix has decided to make.

**Mr. Pierre Nantel:** I am not talking about any of that. I am asking a very specific question about the sales tax being applied to one cup of coffee and not to another.

**Hon. Mélanie Joly:** Madam Chair, I want to finish answering the question.

Essentially, there were no discussions with Netflix about a tax exemption and there never have been any discussions about that issue. It was not part of the agreement.

•(1630)

**Mr. Pierre Nantel:** Good job too.

**Hon. Mélanie Joly:** Nor were there any discussions about the platform nor with the investor about the fact that we were never going to pass any legislation about digital platforms.

**Mr. Pierre Nantel:** I do not consider that to be an answer, Ms. Joly. You can well imagine that I have a lot of questions to ask.

**Hon. Mélanie Joly:** I would like you to stop interrupting me when I am speaking.

**Mr. Pierre Nantel:** It would be nice if you would answer my question.

**Hon. Mélanie Joly:** I wanted to share those two small matters with you before my colleague replied.

**Mr. Pierre Nantel:** Thank you. That's great.

Mr. Flack, did you or did you not inform the minister that many countries had already tailored their sales taxes?

**Mr. Graham Flack:** Just like the report of this committee, the note mentions that, since it was established, the sales tax in Canada does not apply to international companies selling services in Canada.

**Mr. Pierre Nantel:** But the note says that other countries have done so.

**Mr. Graham Flack:** Yes. That is the first point.

Some countries have recently implemented a form of sales tax that applies to those platforms, but the work at international level is still going on.

**Mr. Pierre Nantel:** In the same note, you also told her that not applying the goods and services tax, the GST, on services like the ones Netflix offers would result in a loss of revenue for the government, and that it would be also be an unfair advantage in competition for local suppliers. Is that correct? Did Mr. Morneau also receive that information?

**Mr. Graham Flack:** The note, and Canada's fiscal policy are the responsibility of the Department of Finance, not the Department of Canadian Heritage.

The note and the committee report mentioned that, in general, it is not just cultural products that the GST does not apply to, it does not apply to digital products from foreign companies either. The result is that those companies do not pay taxes.

However, as this committee has recognized—

**Mr. Pierre Nantel:** I have to move to another topic because I know what you are going to tell me. I know that there are complications, but it is being done. You said so in the briefing note.

**Hon. Mélanie Joly:** If I may, Mr. Nantel, I must emphasize that I introduced a cultural policy, not a tax policy.

**Mr. Pierre Nantel:** Sure, let's talk about your cultural policy.

**Hon. Mélanie Joly:** The cultural policy calls for investments of \$2.2 billion at the moment and a transition plan that includes an agreement with a foreign investor, but also...

**Mr. Pierre Nantel:** Unfortunately, Ms. Joly, I cannot allow you to use up on my time in this way. This is unfortunate.

**Hon. Mélanie Joly:** ...a reform plan. It really is important to reform our legislation to protect and promote our culture in the digital age.

**Mr. Pierre Nantel:** You have my sincerest wishes for that. You know how much I agree with you about it. I have the same hopes and desires for our culture.

This committee spent 18 months studying those matters and one of its recommendations was to ask internet service providers for a contribution from their revenues. On the same day the report was tabled, your Prime Minister offhandedly dismissed the solution, and you did the same. Even Gerald Butts felt the need to apologize to certain members of this committee.

Had you read the report that day, when you dismissed it out of hand? Or was it a sudden burst of inspired improvisation?

**Hon. Mélanie Joly:** We have always said that we are opposed to taxing internet service providers. Are you telling me that the NDP is in favour of increasing taxes for those providers and of increasing—

**Mr. Pierre Nantel:** One thing is for sure, the cultural sector has been asking you for that for one heck of a long time.

**Hon. Mélanie Joly:** It would be nice if you would answer my question, Mr. Nantel.

**Mr. Pierre Nantel:** I know full well that streaming is—

Yes, Madam Chair?

[English]

**The Chair:** Mr. Nantel, you've asked a question. Has Madame Joly answered it to your satisfaction?

Are you asking another question now?

**Mr. Pierre Nantel:** Yes.

**The Chair:** All right.

[Translation]

**Mr. Pierre Nantel:** Thank you.

Today, streaming represents the bulk of Internet traffic. Given this reality, we can understand why Internet service providers, or ISPs, are making so much money right now. Is it because of this observation that you tweeted the following to Pierre Karl Péladeau on September 30, 2017, during the broadcast of the program *Tout le monde en parle*?

@PKP\_Qc Your Videotron Internet service benefits from the popularity of Netflix. Why isn't this service putting \$ into our culture?

**Hon. Mélanie Joly:** Mr. Nantel, I asked you a question.

Is the idea of increasing taxes on Internet services the official position of the NDP?

**Mr. Pierre Nantel:** Quite obviously, this is a politically sensitive issue, and I understand that you have chosen to place this responsibility on the shoulders of the CRTC, but that isn't the issue. You are the minister. Many thousands of employees come under your responsibility, and the cultural community has been requesting it for almost 15 years.

On October 3, you told cultural representatives in Montreal that you were ready to talk about the contribution of Internet service providers to culture. You apparently even told them that perhaps they should put pressure on the Liberal members to have the government impose a kind of contribution.

Is that correct?

**Hon. Mélanie Joly:** You still haven't answered my question.

•(1635)

**Mr. Pierre Nantel:** You haven't answered mine.

**Hon. Mélanie Joly:** Is imposing taxes on Internet service providers the NDP's position?

I expressed our position clearly. We know that stakeholders in the production sector are on tenterhooks.

**Mr. Pierre Nantel:** We've heard that often.

**Hon. Mélanie Joly:** As the revenue of our cable companies decreases, so does their contribution to the Canada media fund. So our government decided to respond to this concern by reinvesting millions of dollars to stabilize the fund. Therefore, the government's contribution is increasing, but it allows our producers, especially producers of French-language content, to benefit from 30% of all revenue to the fund.

**Mr. Pierre Nantel:** Since I have only 30 seconds left, I'll ask you one last question.

Isn't it true that you said the same thing on October 3, 2017, when leaving the meeting and, three days later, your office contradicted those remarks and issued a press release saying that you in no way intended to make ISPs contribute?

Who is telling the truth: you or the press release?

It's all very difficult to follow.

**Hon. Mélanie Joly:** As I told you, our position on the matter has always been clear. However, I note that the NDP's position, in terms of the contribution of Internet service providers to the media fund isn't at all.

In our view, the government has to play its role, and that is what we are doing. That is how we make sure that we have a strong production sector.

**Mr. Pierre Nantel:** In other words, you have never stated that ISPs should be required to contribute. Is that it?

[English]

**The Chair:** Time is up. I'm sorry.

We go now to Dan Vandal, for the Liberals.

**Mr. Dan Vandal (Saint Boniface—Saint Vital, Lib.):** Thank you. I'll be sharing my time with Rémi Massé.

[Translation]

Congratulations on this excellent presentation.

In your remarks on Creative Canada, you alluded several times to the importance of supporting creative content in both official languages. As you know, official language minority communities rely on local newspapers to find out what is going on in their communities. That's certainly the case in Manitoba and in the riding of Saint-Boniface, which I represent and where I live. We rely on our newspaper, *La Liberté*.

Could you explain how the Creative Canada strategy will support journalism in official language minority communities?

**Hon. Mélanie Joly:** Thank you, my hon. colleague.

In the context of our consultations on Canadian content in a digital world, as well as in our consultations on the action plan for official languages, I have heard from representatives of newspapers and print media across the country who work in linguistic minority communities. Their heartfelt appeal and their concerns really resonated with us.



We are currently exploring how we can modernize the Canada periodical fund and facilitate the transition to digital content. We also need to recognize the importance of these media, particularly with respect to the vitality of minority language communities

Finally, this issue is addressed in the action plan for official languages that we are working on. I'm convinced we'll have good news to report on this subject.

**Mr. Dan Vandal:** Are there deadlines for the initiative to change the plan or for how these newspapers are funded?

**Hon. Mélanie Joly:** We will work on modernization in the coming months. At the end of September, in my speech on Creative Canada, I announced that this vision would have an impact on all our public policies, programs, regulations and legislation.

It goes without saying that I had this in mind when I said that we recognize the importance of journalism, that we want to maintain its independence, that we are going to modernize the Canada media fund and make sure we support the transfer to digital content. We will work on it over the next few months.

**Mr. Dan Vandal:** Perfect. Thank you.

**Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.):** Good afternoon, Madam Minister.

Thank you for being here this afternoon to take part in the committee's activities.

I would also like to thank Ms. Roy and Mr. Flack.

Madam Minister, like me, you are first and foremost an MP from Quebec. You mentioned earlier that you are familiar with not only the needs, but also the issues and concerns, as well as the fears of creators and producers of Quebec content.

Since the start of your mandate, what concrete measures have been implemented to support the Quebec creative industry and the French-language creative industry across Canada, in the context of the digital upheaval?

• (1640)

**Hon. Mélanie Joly:** This has been a concern and priority for our government from the beginning.

By reinvesting \$675 million in Radio-Canada, we have been able to ensure that we are preserving a lever that was particularly affected by the previous government, but also to ensure that we reinvest in the talent of our creators.

I attended the ADISQ Gala last Sunday. My colleague and several members of provincial Parliament were there, too. I spoke to various artists who told me how important investments in Radio-Canada were. They also told me that the artists felt it, on the ground. This has a direct impact on their ability to live well and work well on a daily basis.

When the CRTC made a decision on broadcasting licences for different francophone groups, I was very concerned that there wasn't necessarily a guarantee that original French-language content would be developed. So we could potentially end up with TV series translated rather than produced here, for example. That's why we referred the decision back to the CRTC for review.

In my opinion, it goes without saying that we can't have a strong French-language broadcasting system if we don't have a strong production system in Quebec and throughout the Canadian Francophonie.

[*English*]

**The Chair:** You have two minutes.

[*Translation*]

**Hon. Mélanie Joly:** As I said earlier in the context of the Canada media fund, it goes without saying, given the extremely worrisome decrease in the amount available in the media fund and the declining revenues of cable companies because people are giving up cable, we wanted to increase the federal government's contribution to funding to ensure that we maintain the same level of production, temporarily.

The funding of the media fund still represents 33%, or one-third, of all funding allocated to French-language production, which reassures our producers of French-language content.

**Mr. Rémi Massé:** Thank you, Madam Minister.

First of all, I would like to congratulate you because the creative framework you are presenting is excellent. We have all had the opportunity to read it, and we are particularly proud of it.

More specifically, could you give us some examples of creative measures that would help to support the cultural industry in terms of the Canadian Francophonie?

[*English*]

**The Chair:** Mr. Massé, if you ask for examples, the minister won't be able to answer, because you have only 15 seconds left.

Perhaps the minister can answer.

[*Translation*]

**Hon. Mélanie Joly:** In fact, our government is the first to have the courage to modernize the Broadcasting Act and the Telecommunications Act, and to revise the Copyright Act, while working with the CRTC and strengthening the mandate of CBC/Radio-Canada. We are very proud of that. It's a historic opportunity that comes around once every 30 years or so, and we grabbed it.

[*English*]

**The Chair:** Thank you.

Now we're going to go to a second round. It's going to be a three-minute round only, because we have only 15 minutes to do that.

We will begin with Mr. Clarke, for the Conservatives.

You have three minutes, please, Mr. Clarke, and I'm going to cut you very sharply on that—and everybody else as well.

**Mr. Alupa Clarke:** I have three minutes?

**The Chair:** You have three minutes for the question and answer.

[*Translation*]

**Mr. Alupa Clarke:** Thank you, Madam Chair.

Madam Minister, you said that you are working with people on the ground to promote culture, so that Quebecers and French-speaking Canadians have access to more content and so that people around the world have access to the content we produce.

However, over the last year, your government has met with digital giants, as you like to call them, 99 times. In particular, you met with Google representatives 37 times. In addition, Google representatives asked to meet with you five times.

Was your chief of staff present at these five meetings? I'm asking because we know she worked for Google in the past.

**Hon. Mélanie Joly:** It goes without saying that we need to meet the digital platform leaders since they are part of the lives of Canadians. If I looked at your phone, dear colleague, I am convinced that all the platforms whose officials we met with would be represented—

• (1645)

**Mr. Alupa Clarke:** So your chief of staff was at the meetings?

**Hon. Mélanie Joly:** —and in general on all telephones, on mine and on the phones of everyone here.

That said, the reality is that we have to hold these meetings because it is important—

**Mr. Alupa Clarke:** You and your chief of staff.

**Hon. Mélanie Joly:** —that there be Canadian content on these platforms, but we also have had a lot of meetings with representatives from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, or ADISQ, from the Union des artistes, or UDA—

**Mr. Alupa Clarke:** But not really.

**Hon. Mélanie Joly:** —and even from the Society of Composers, Authors and Music Publishers of Canada, or SOCAN—

**Mr. Alupa Clarke:** You met with ADISQ representatives once, Madam Minister. You met with them a single time, and with Netflix representatives 16 times.

**Hon. Mélanie Joly:** —and with representatives from the Association québécoise de la production médiatique, or AQPM, because the reality—

Madam Chair, may I finish my answer?

**Mr. Alupa Clarke:** Was your chief of staff present during the meeting with Google representatives?

**Hon. Mélanie Joly:** Madam Chair, may I have time to answer the question?

**Mr. Alupa Clarke:** Could I please get an answer, Madam Chair?  
[English]

**The Chair:** I would like to ask everyone to please keep their questions and answers to a minimum.

But go ahead, finish your sentence, Madame Joly.

[Translation]

**Hon. Mélanie Joly:** In reality, it is very rare for cultural representatives to register on the lobbyist registry. I had many more meetings with cultural people, dozens, even hundreds of meetings across the country in French and English, including representatives

from the Canadian Media Producers Association, CMPA, the Writers Guild of Canada, the Canadian Independent Music Association, or CIMA, in addition to representatives from the various major platforms.

**Mr. Alupa Clarke:** So, very good, if it's true.

You saw that we tabled a groundbreaking report this morning on Air Canada. We decided, in the Standing Committee on Official Languages, to recommend that the government once and for all give coercive powers to the Commissioner of Official Languages to ensure that French-speaking Canadians are absolutely respected when it comes to their language rights.

What do you think of this recommendation, which is still quite bold?

**Hon. Mélanie Joly:** I haven't yet had the opportunity to read the report. I will be pleased to see your recommendations.

It goes without saying that official languages are very important to our government, and that the Commissioner of Official Languages plays a fundamental role in government, and generally across the country, since he truly ensures the vitality of linguistic communities.

When it comes to official languages, we know that we can always do better. Our government clearly aims to support the vitality of our communities and to ensure that bilingualism in the public service is improved.

**Mr. Alupa Clarke:** This is a unanimous report: all parties agreed. We believe that the commissioner should have coercive powers.

Do you plan to bring back the Official Languages Secretariat under the Privy Council Office, within the Prime Minister's Office, to ensure that this isn't your department, but a separate body of the Privy Council that requires all other departments to properly follow the Official Languages Act?

Currently, other departments don't listen to your department.

**Hon. Mélanie Joly:** Certainly we inherited a system that had been developed by the previous government, and it is now up to us to complete the Roadmap for Canada's Official Languages.

[English]

**The Chair:** Allow the minister to answer.

[Translation]

**Hon. Mélanie Joly:** Your questions are quite relevant, dear colleague. I would like to assure you that we are working on developing a very good action plan for official languages. I will have the opportunity to present it to you in the coming weeks or months.

[English]

**The Chair:** Thank you very much.

Julie Dzerowicz, you have three minutes.

**Ms. Julie Dzerowicz (Davenport, Lib.):** Thank you so much, Madam Chair.

I offer a huge welcome to you, Minister, and a warm welcome to Ms. Roy and Mr. Flack.

As you know, Davenport has a very large and talented artistic, creative, and cultural community, and some from the community are here today as part of Arts Day on the Hill. There is huge interest in this Creative Canada policy, so I have a few questions for you.

First, one of the conversations we've had in the riding is about the lack of affordable spaces for theatre, dance, visual arts, and music. There's a huge belief that there's a lack of affordable spaces across Canada as well as in my dense urban riding of Davenport. So how does Creative Canada plan to support new performance spaces for artists and creators?

I know we talked a little about community hubs. I'm wondering if there are some additional dollars as well for affordable spaces. Thank you.

**Hon. Mélanie Joly:** Of course, we made important reinvestments in our cultural spaces fund. I was in your riding, dear colleague, announcing great news for the MOCA, and we believe it is really important to have these spaces built. So we've done different things. First of all, in the criteria of the program, we allowed feasibility studies, and that will help groups create projects and ultimately get funding for them.

Importantly, we've increased our investments in cultural spaces to build theatres and museums, etc., as you were saying, but also I have worked very hard with the Minister of Infrastructure, my colleague Minister Sohi, to make sure that in the context of the FPT agreements on infrastructure that now, under our government, cultural infrastructure could be part of the infrastructure that is funded.

That was not the case in the past.

So bigger projects, which are usually over \$50 million, can have access to funding through the FPT agreements that are within the purview of the Minister of Infrastructure.

• (1650)

**Ms. Julie Dzerowicz:** Great. Thank you.

Davenport artists and creators would love to showcase their talents, not only to Canadians but around the world, and I know you spoke a little about dollars in Creative Canada for boots on the ground to help connect the opportunities in different countries with Canadians.

I wonder whether there might be some additional funding to get Canadian talent to go abroad.

**Hon. Mélanie Joly:** That's a very good point. In the increased budget of the Canada Council, that's one of the things they'll be doing. We reinvested \$550 million over five years in the Canada Council for the Arts, so we're basically doubling the budget of the Canada Council. It will have a bigger budget than even Arts Council England, and we're smaller in terms of population. Part of that reinvestment will help great artists in the performing arts, in the music sector, or, again, in the visual arts sector to have access to funding to go abroad. That's one thing.

Also, in the context of our export strategy, we've given \$4.18 million to factor in Musicaction to really be able to support musicians and producers to seize new markets and enter new markets. That's another way for us to support the export of content in the music world, visual arts, or performing arts.

**The Chair:** Thank you, Minister, and we will move on to Mr. Clarke again.

[Translation]

**Mr. Alupa Clarke:** Thank you, Madam Chair.

Madam Minister, as you know, the 50th anniversary of the Official Languages Act and the 150th anniversary of Canada are getting on. We could be very bold. You probably are for some things, based on what you say.

Personally, I have other bold ideas. I'll propose them to you, and I would like to hear your comments.

You will surely table a budget of \$1 billion or more, or at least I hope so. Don't you think it would be nice to send money directly to the groups? Every time I meet with them, what they ask for first is that the money not go through the departments, where three-quarters of the money is ultimately lost.

Don't you think that some of the money could be sent directly to the communities that need it? I think it would make them more responsible if we let them manage their own expenses. What do you think?

**Hon. Mélanie Joly:** I have had an opportunity to meet with a number of groups that were very critical of the way money has been managed in the past. They felt that a lot of money was invested by the government for the government. As you said, their funding has not been increased in the past.

The current roadmap budget is \$1.2 billion. It goes without saying that we are working really hard to ensure to have a very good roadmap for the next five years. The roadmap is set to expire on March 31. We want to make sure to have a good roadmap as of April 1. We are actually talking about an action plan for official languages.

I have had several meetings with the Fédération des communautés francophones et acadienne, or FCFA, and various groups. I met with Jean Johnson twice last week. We are working very hard together to find a way to improve the situation of our linguistic communities, and that depends on the dynamism of their organization. So we obviously work with those groups to achieve good results.

**Mr. Alupa Clarke:** Okay.

The Standing Committee on Official Languages may soon begin a study on modernizing the Official Languages Act, and we will definitely be bolder than we have been this morning. We recommend giving enforcement powers to the commissioner of official languages, lobbyists and the conflict of interest and ethics commissioner.

When I go door to door in my riding, I spontaneously ask people whether they think that the commissioner of official languages should have enforcement powers to aggressively enforce the Official Languages Act.

Do you think the commissioner should have enforcement powers? So far, he has been just a puppet without any power.

**Hon. Mélanie Joly:** I'm sorry, but I don't agree with you.

I really don't think that the commissioner of official languages is a puppet; far from it.

**Mr. Alupa Clarke:** He has no power.

**Hon. Mélanie Joly:** His work is very important.

When an officer of Parliament appeals to the government on various issues, the government takes it very seriously.

It goes without saying that we can always do better in official languages. Of course, we will have an opportunity to work with the current commissioner of official languages and with a new commissioner of official languages. We will also have an opportunity to bring forward a new action plan.

I look forward to the Senate's report. The Senate is currently looking into the issue. If the Standing Committee on Official Languages wants to study this issue, it would be my pleasure to receive its recommendations and consider them.

However, are you telling me that the Conservative Party wants to strengthen the powers of the commissioner of official languages?

• (1655)

**Mr. Alupa Clarke:** Absolutely.

[English]

**The Chair:** I think we have run out of time.

[Translation]

**Mr. Alupa Clarke:** Okay.

**Hon. Mélanie Joly:** Great.

Thank you.

[English]

**The Chair:** We have run out of time. We are 25 seconds over the three minutes, so you've gone well over time.

I have allowed you some leeway, Mr. Clarke, and for the minister as well.

Now we go to Anju Dhillon for three minutes and then to Mr. Nantel.

[Translation]

**Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.):** Many thanks to the witnesses for joining us today.

Minister, do you think this new policy will promote Canadian and Quebecer multimedia content?

**Hon. Mélanie Joly:** We know that journalism is facing tremendous challenges. The way people access content and consume information is changing. We have always recognized the importance of journalism and the fact that editorial independence must be respected.

When we invested \$675 million in CBC/Radio-Canada, we had three objectives.

First, more investments must be made in the creation of local content, so that journalists in both official languages across the country can write articles about their communities.

Second, we need to support digital information infrastructure and increase the public broadcaster's knowledge in that area, be it in terms of metadata or algorithms.

Third, we must invest in the new generation at CBC, so that our public broadcaster would be strong in 50 years.

As I said in answering Mr. Vandal's question, we are looking into ways to modernize the Canada periodical fund—in other words, we are considering how local news is broadcast across the country and focusing on the production of local journalistic content. I am guided in particular by the committee's excellent work in this area as I undertake that modernization.

**Ms. Anju Dhillon:** Can you tell us a bit more about the trip to China you are taking in 2018 to promote culture? How will that help Canadians and Quebecers?

**Hon. Mélanie Joly:** The cultural industry is very strong in Quebec, and across the country.

I had an opportunity to go to China last January and meet with my Chinese counterpart, the minister of culture. We agreed to create a joint committee, which is now formed. That will help us create more partnerships with that country. I expect my Chinese counterparts to visit Canada over the next few months, and then we will go meet them in Shanghai.

We have created a committee of experts to help us with that meeting. Several representatives of the Canadian cultural sector are members of that committee, such as Cirque du Soleil, Cavalia and a group from Vancouver called Archiac. Canadians who work as senior executives at Disney are also members. I want to point out that the Walt Disney group is currently making large investments in creative industries in Shanghai, China.

With all that expertise and given the interest shown across the country in culture, our mission will have very good representation next April.

[English]

**The Chair:** Thank you, Minister.

Monsieur Nantel.

[Translation]

**Mr. Pierre Nantel:** Thank you, Madam Chair.

You have every right to be proud of what you are doing in China. I agree with you that the film *La Guerre des tuques* is a success we have not heard enough about.

You said earlier that you were proud of taking these steps. I agree that you were right to want to seize such an opportunity, which comes around every 30 years. I also want to remind you of your wish to add geolocation to various music management systems. That is a very good idea.

That's a good start, but, honestly, I doubt—like many people—that you would have the freedom to act. I don't need to tell you how much people in Quebec are scratching their heads trying to figure out how an agreement with Netflix can be seen as cultural policy. I have two questions for you on that topic.

You said that you were trying to conclude with other digital platform providers the same type of agreement as the one concluded with Netflix. Are you negotiating with other digital platform providers? If so, is Spotify one of them?

As far as I know, you have still not responded to Quebec's minister of culture. He has been asking for your help for over a month now, and he has still not received any news from you.

•(1700)

**Hon. Mélanie Joly:** I understand the concerns of the francophone community and the Quebec cultural sector. I had an opportunity to meet with people from the Coalition pour la culture et les médias, the UDA, the ADISQ and so on. We agreed to work on our reform plan and figure out how we could revise the Copyright Act together.

We really need to improve equity for our creators, especially in terms of compensation for our artists. We agreed to work together on modernizing the Broadcasting Act and the Telecommunications Act.

In addition, under section 15 of the Copyright Act, the CRTC is working on determining what the new business models are, how Canadians are accessing content, which stakeholders are participating in the system or can benefit from it, and how we can ensure to support the creation, production and distribution of content in this digital era.

Once we have received the CRTC's report, we could work on modernization. That is a huge project, which we are proud to have undertaken because it is important. That is the only way to give ourselves, as government, levers and the tools needed to protect and promote our culture in a digital era.

**Mr. Pierre Nantel:** You have 34 seconds left to tell me why you have still not responded to Quebec's minister of culture.

**Hon. Mélanie Joly:** As my colleague already mentioned, I am responsible for the country's cultural policies. Issues related to tax policies are not the responsibility of the Minister of Canadian Heritage.

**Mr. Pierre Nantel:** However, Minister, those are your stakeholders.

**Hon. Mélanie Joly:** That said, I am proud of the fact that we have managed to obtain a guarantee for the next five years. I remind you that we have very few legislative and regulatory levers to obtain funding for digital platforms. I know that there are concerns, but this is a five-year agreement, and we have the sovereignty we need, as a government, to amend our laws in order to strengthen our culture on our platforms.

**Mr. Pierre Nantel:** The coalition made an exceptional collective effort when it asked you to do what was needed for foreign platforms to be taxed, so please pass that on to Minister Morneau.

[*English*]

**The Chair:** I do think, Mr. Nantel and Madam Minister, we have completed this.

I thank you for coming, Minister.

I would like to thank all of our members for being fully engaged.

The meeting is adjourned.

---





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>