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CANADA**

CANADIAN MUSICAL DIVERSITY COMPONENT OF THE CANADA MUSIC FUND

Report of the Standing Committee on Canadian Heritage

Gary Schellenberger, MP

Chair

DECEMBER 2009

40th PARLIAMENT, 2nd SESSION



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has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the *Canadian Musical Diversity Component of the Canada Music Fund* and has agreed to report the following:

CANADIAN MUSICAL DIVERSITY

INTRODUCTION

On 8 October 2009, the Standing Committee on Canadian Heritage adopted the following motion:

It was agreed, – That in light of the recently announced cuts to Canada's Musical Diversity program, the Committee will conduct a study, over the course of no more than 3 meetings, in order to:

- a) inform Committee members of the details and impact of this program on music and musicians in Canada;
- b) determine how and why the Department of Canadian Heritage decided to make these cuts;
- c) establish what programs would be available to the musicians who made use of these programs, if these cuts proceed as scheduled;
- d) make recommendations to the government on how to support musical diversity in Canada;

and in order to conduct this study, the Committee will hear testimony from witnesses including, but not necessarily limited to:

- i) Canadian musicians who made use of the program to describe how they benefited from it;
- ii) Department of Canadian Heritage officials who administered the program to explain its mandate and operation; and
- iii) Department of Canadian Heritage officials and/or the Minister of Canadian Heritage and Official Languages to explain the rationale for the cuts.¹

DESCRIPTION OF THE CANADA MUSIC FUND AND THE CANADIAN MUSICAL DIVERSITY COMPONENT

The Canada Music Fund (CMF) was created in 2001 and renewed in 2005. It is the main element of the Canadian Sound Recording Policy. This policy has three primary objectives:

- to enhance Canadians' access to a diverse range of Canadian music choices through existing and emerging media;
- to increase the opportunities available for Canadian music artists and cultural entrepreneurs to make a significant and lasting contribution to Canadian cultural expression; and

1 Standing Committee on Canadian Heritage, *Minutes of Proceedings*, 8 October 2009, <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=4140816&Mode=1&Parl=40&Ses=2&Language=E>.

- to ensure that Canadian music artists and entrepreneurs have the skills, know-how and tools to succeed in a global and digital environment.²

The Canadian Musical Diversity Component is one of seven CMF funding components:

- Music Entrepreneur (administered by the Department of Canadian Heritage);
- Creators' Assistance (administered by the SOCAN Foundation);
- Canadian Musical Diversity (administered by the Canada Council for the Arts);
- New Musical Works (administered by FACTOR/MUSICACTION);
- Support to Sector Associations (administered by the Department of Canadian Heritage);
- Collective Initiatives (administered by FACTOR/MUSICACTION);
- Canadian Music Memories (administered by Library and Archives Canada, and Canadian Heritage).

The Canada Council for the Arts administers the Canadian Musical Diversity Component for the Department of Canadian Heritage. This CMF component provides resources for the production, distribution and promotion of specialized music recordings that reflect the diversity of Canadian voices. "Specialized music is defined as music whose intent or content is not shaped by the desire for wide market appeal – instead, it places creativity, self-expression or experimentation above the demands and format expectations of the mainstream recording industry. Specialized music has significance beyond being just entertainment."³

The Canadian Musical Diversity Component has two sub-programs. The first is **Grants for Specialized Music Sound Recording**, which supports the production of specialized music. The program's clientele includes Canadian music professionals who are individual artists, ensembles, groups and bands, independent record producers and record companies. The second is **Grants for Specialized Music Distribution**, which supports the distribution of specialized music by Canadian distribution companies. On average, the Canadian Musical Diversity Component distributes approximately 100 grants a year, which cover up to 60% of eligible costs to a maximum of \$20,000. The annual budget is approximately \$1.3 million.

2 Department of Canadian Heritage, *Canada Music Fund*, http://www.pch.gc.ca/pgm/fmusc-cmusf/msc_fnd-eng.cfm.

3 See <http://www.canadacouncil.ca/grants/music/ew127245439721250000.htm>.

Table 1 – Sub-program – Grants for Specialized Music Distribution

2001–2002	2002–2003	2003–2004	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009
	\$117,100	\$95,280	\$110,500	\$226,750	\$220,000	\$270,000	\$227,000

Source: Canada Council for the Arts, *Searchable Grants Listing*, <http://www.canadacouncil.ca/grants/recipients/ol127245536828281250.htm>.

Table 2 – Sub-program – Grants for Specialized Music Sound Recording

2001–2002	2002–2003	2003–2004	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009
\$1,253,642	\$1,162,205	\$1,207,050	\$1,027,520	\$913,300	\$1,014,600	\$991,000	\$1,044,000

Source: Canada Council for the Arts, *Searchable Grants Listing*, <http://www.canadacouncil.ca/grants/recipients/ol127245536828281250.htm>.

Eligible applicants to the Canadian Musical Diversity Component are Canadian music professionals who are individual artists, groups and bands, independent record producers, or record companies that are at least 51% Canadian owned.⁴

On 31 July 2009, the Department of Canadian Heritage announced that the number of CMF components would be reduced from seven to five, with current support for the Canadian Musical Diversity Component and the Support to Sector Associations Component reallocated to the five remaining components. According to the department's news release, "This will result in the elimination of overlap in program delivery, a reduction of the administrative burden currently placed on a number of applicants, and better targeting of public funds to emerging priority activities."⁵ These two emerging activities are digital market development and international market development.

SUMMARY OF EVIDENCE

On 20 and 22 October 2009, the Committee heard from various funding recipients who said that the Canadian Musical Diversity Component has helped artists enter the music business.

Gary Cristall, head of Gary Cristall Artist Management, stated that eliminating the program would have a negative effect on musical creation. He felt that the \$1.4-million budget was not exorbitant given the program's positive impact on the music sector.

Jesse Zubot explained that the program had helped him and the artists signed to his label to launch their careers. The Grants for Specialized Music Sound Recording program, administered by the Canada Council for the Arts, was the only federal program for artists working in non-commercial musical genres.⁶

4 Ibid.

5 See <http://www.pch.gc.ca/pc-ch/infoCntr/cdm-mc/index-eng.cfm?action=doc&DocIDCd=CJM091037>.

6 Standing Committee on Canadian Heritage, *Evidence*, Meeting 30, 2nd Session, 40th Parliament, 20 October 2009, 11:20.

Musician and composer Nilan Perera has been working in the field of creative music for 25 years. He launched an online petition to express his concern over the elimination of funding programs for specialized sound recording and specialized music distribution.⁷ He considered support for these programs to be vitally important to the creation of Canada's music culture. He stated that these musical works focus more on creativity and originality than on commercial profitability.⁸

Érick Dorion is a musician living in Quebec City who has received funding through the Canadian Musical Diversity Component. Obtaining this support marked a turning point in his career and today he performs in countries around the world.

Andrea Menard, a Saskatchewan performer, told how a \$18,700 grant from the Canada Council for the Arts enabled her to explore the blending of jazz and traditional music. Her music has been nominated for awards across the country.

Bill Garrett is a partner in the Borealis Recording Company, specializing in the production and distribution of exclusively Canadian folk artists. He praised the fact that the specialized sound recording program does not assess music based on commercial viability. He felt that moving the funding for specialized music to components of the CMF administered by FACTOR and MUSICACTION could turn profitability into a funding criterion.

Sylvie Gamache, Director General of the Conseil québécois de la musique (CQM), felt that withdrawing support for specialized sound recording and distribution would have a negative impact on artists, groups, record companies and independent Canadian record producers. Christophe Papadimitriou, Vice-president of the CQM and President of Montreal's OFF Jazz Festival, supported Ms. Gamache, stating that recording is a key step in the creation and dissemination of a work. Profitability should not be measured simply in terms of record sales but in terms of concerts in Canada and outside the country as well.⁹

The jazz label Effendi Records Inc. received funding through both programs of the Canadian Musical Diversity Component (specialized sound recording and music distribution). The company's Vice-president, Carole Therrien, stated that the CMF programs administered by FACTOR and MUSICACTION would not adequately replace the Canadian Musical Diversity Component. She felt that juries may not have "the requisite in-depth understanding necessary to evaluate the quality of a project, and may only consider commercial factors."¹⁰

7 Standing Committee on Canadian Heritage, *Evidence*, Meeting 30, 2nd Session, 40th Parliament, 20 October 2009, 11:20.

8 Standing Committee on Canadian Heritage, *Evidence*, Meeting 30, 2nd Session, 40th Parliament, 20 October 2009, 11:20.

9 Standing Committee on Canadian Heritage, *Evidence*, Meeting 31, 2nd Session, 40th Parliament, 22 October 2009, 11:15.

10 *Ibid.*, 11:25.

The representative of the *Guilde des musiciens et musiciennes du Québec* stated that music culture is an ecosystem and specialized music is one of its components, with artists who innovate, research, discover and develop new music. By eliminating the Canadian Musical Diversity Component, “the government has essentially left a whole category of musicians and artists – whose contribution to our culture is vital – to fend for themselves.”¹¹

Bob D’Eith of the Music BC Industry Association suggested that the Canada Council for the Arts use the increased federal funding it has received in recent years to maintain its support for specialized music.¹²

The Canadian Conference of the Arts was very pleased that the Canada Music Fund had been renewed for five years, but did not want this funding to come at the expense of other sectors of the music industry. Alain Pineau, the organization’s Director General, said he is very concerned about the elimination of the musical diversity component. Moreover, he stated that asking the Canada Council to use its own annual budget to compensate for the elimination of the program would “in fact amount to some kind of cut.”¹³

During their appearance before the Committee on 29 October, representatives from FACTOR and MUSICACTION were anxious to respond to statements made by other witnesses concerning support for specialized music. The spokesperson for FACTOR stated that the organization supports all musical genres and uses a peer-assessment process for applications which is similar to that of the Canada Council for the Arts.

Andrée Ménard, Chief Executive Officer of MUSICACTION, stated that the organization attaches great importance to emerging artists and organizations that support their development. Her organization supports all musical genres, including more specialized works:

MUSICACTION receives project submissions for all categories of music and does not exclude any category. Last year, 320 production and marketing projects were approved totalling close to \$6 million. While half of these projects were in the categories of songwriting, popular music and contemporary folk, the other half were jazz, instrumental, classical, world music, urban music, hip hop, alternative and traditional. We feel this diversity reflects the range of musical genres that we support.¹⁴ [Translation]

In addition, contrary to the evidence given by other witnesses, eligibility for funding by MUSICACTION is not based mainly on commercial viability. Sales represent

11 Ibid., 11:30.

12 Ibid., 12:35.

13 Ibid., 12:20.

14 Standing Committee on Canadian Heritage, *Evidence*, Meeting 33, 2nd Session, 40th Parliament, 29 October 2009, 11:20.

only one of the evaluation criteria, and assistance can be offered in the form of a grant rather than a loan.¹⁵

The Committee also heard from the Canada Council for the Arts, which administered the Canadian Musical Diversity Component for the Department of Canadian Heritage. According to the Canada Council's initial assessment of the new format for the Canada Music Fund, "many jazz, folk, world music and contemporary classical artists would no longer have access to federal support for sound recordings."¹⁶ The Canada Council believes this sector is essential to Canada's "music ecology system."

The financial analysis conducted by the Canada Council does not support the impression that there is significant overlap between projects funded by the Council, FACTOR and MUSICACTION. At most, 15% of the artists receiving Canada Council funding for activities such as touring, market promotion, showcasing and sound recording also receive support from FACTOR or MUSICACTION.

Officials from Canadian Heritage also appeared to explain why the two components of the Canada Music Fund had been eliminated. Jean-François Bernier, Director General, Cultural Industries, pointed out that the Department and the Canada Council have made financial commitments to the music sector totalling close to \$57 million.¹⁷

Mr. Bernier also cited highlights from the 2007 evaluation of the Canada Music Fund. The CMF helps to make a wide range of Canadian music available to the public. However, the evaluators recommended simplifying the CMF's structure by reducing the number of components and administrators. Other recommendations included helping the industry take advantage of digital technology, and increasing support for foreign tours and music showcases.

After consulting with various segments of the Canadian industry, the Department of Canadian Heritage reduced the number of components in the Canada Music Fund from seven to five. The Canadian Musical Diversity Component was eliminated and the financial resources reallocated to priority activities:

- \$900,000 to expand markets for Canadian artists through digital distribution for the marketing and sale of music in Canada and abroad.
- \$500,000 to expand markets for Canadian artists through international showcases.

15 *Ibid.*, 11:25.

16 *Ibid.*, 11:30.

17 *Ibid.*, 12:05.

According to the Department of Canadian Heritage, eliminating the Canadian Musical Diversity Component will end program overlap, as 60% of funding recipients also received support from other components of the Canada Music Fund or the Canada Council. In addition, most recipients of funding from the Musical Diversity Component will continue to be eligible for funding from programs administered by FACTOR and MUSICACTION.

PART 3: THE COMMITTEE'S POSITION

Recipients of funding from the CMF's Canadian Musical Diversity Component told the Committee that the component supported the production and distribution of recordings that would not have been possible without government assistance. The different forms of specialized music, while they may not reach a mass audience, reflect the diversity and creativity of Canadian artists. The Committee therefore feels that this component of the Canada Music Fund plays a strategic role and must be maintained.

Most of the witnesses supported the federal government's decision to renew the CMF for five years and allocate \$27.6 million to the fund over that period. Many witnesses said that this commitment helped bring stability to the Canadian music industry.

However, the Committee feels that this strategic investment must benefit all musical genres and not penalize any specific style. As many witnesses pointed out, the Canadian music industry is a complex ecosystem of which specialized music is one part. It should continue to be supported.

The Committee also recognizes that the music industry's business models are changing, that more and more music is becoming available on various digital platforms, and that consumers are increasingly getting their music through downloading. However, some witnesses stated emphatically that traditional forms of music recording must be maintained.

The Committee does not fully understand the decision by the Department of Canadian Heritage to eliminate this component of the Canada Music Fund, particularly since the results of the 2007 evaluation were favourable and administration costs were low. Based on the testimony heard, we have not identified alternative programs other than the components of the Canada Music Fund administered by FACTOR and MUSICACTION. It should be noted that some witnesses were concerned about funds being reallocated to programs administered by these two external agencies. Doubts were expressed about the eligibility criteria and funding models (grant or loan) that will be used to evaluate funding applications for specialized music.

Therefore, the Committee makes the following recommendations:

Recommendation 1

The Standing Committee on Canadian Heritage commends the work of FACTOR, MUSICACTION, the Canada Music Fund and the Canada Council of the Arts for promoting and developing Canadian talent.

Recommendation 2

The Standing Committee on Canadian Heritage recommends that the Department of Canadian Heritage restore, in its entirety, the Canadian Musical Diversity Component within the Canada Music Fund. In addition, the committee recommends that additional funding be allocated to the Canada Council for the Arts to further support the grants program for recording and distributing specialized music.

Recommendation 3

The Standing Committee on Canadian Heritage did not hear evidence from the witnesses or from the Evaluation of 2007 that justified the cuts to the Canadian Musical Diversity Component.

APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>As an individual</p> <p>Gary Cristall, Musician, Gary Cristall Artist Management</p> <p>Erick Dorion, Musician</p> <p>Andrea Menard, Artist</p> <p>Nilan Perera, Musician</p> <p>Jesse Zubot, Musician, Owner of Drip Audio</p>	2009/10/20	30
<p>Borealis Recording Company Ltd.</p> <p>Bill Garrett, Musician</p>		
<p>Canadian Conference of the Arts</p> <p>Alain Pineau, National Director</p>	2009/10/22	31
<p>Conseil québécois de la musique</p> <p>Christophe Papadimitriou, President, Festival de jazz de Montréal</p> <p>Sylvie Gamache, Director General</p> <p>Jean-François Denis, Director, DIFFUSION i MÉDIA</p>		
<p>Effendi Records Inc.</p> <p>Carole Therrien, Vice-President</p>		
<p>Guilde des musiciens et musiciennes du Québec</p> <p>Luc Fortin, President, American Federation of Musicians of the United States and Canada</p>		
<p>Music BC Industry Association</p> <p>Bob D'Eith, Executive Director</p>		
<p>Canada Council for the Arts</p> <p>Carol Bream, Director, Communications</p> <p>Russell Kelley, Head, Music Section</p>	2009/10/29	33

Organizations and Individuals	Date	Meeting
<p>Department of Canadian Heritage Jean-François Bernier, Director General, Cultural Industries Pierre Lalonde, Director, Music Policy and Programs</p>		
<p>Foundation Assisting Canadian Talent on Recordings (FACTOR) Heather Ostertag, President and Chief Executive Officer</p>		
<p>MUSICACTION Andrée Ménard, General Director</p>	2009/10/29	33

APPENDIX B LIST OF BRIEFS

Organizations and Individuals

Adams, John D.S.

Allemano, Lina

Brennan, Bill

Card, Harley

Egoyan, Eve

Fair, Jane

Horsdal, Valdemar

Johnston, Peter

Lavoie, Jean-Michaël

Lerner, Marilyn

Lighstone, Aaron

Marint, Selina

Miller, Mark

Peebles, Sarah

Piilonen, Rob

Spireti, Vivienne

Tollar, Yvette

Barnyard Records

Borealis Recording Company Ltd.

Department of Canadian Heritage

Distant Whisper Music

Foundation Assisting Canadian Talent on Recordings (FACTOR)

Organizations and Individuals

Guildwood Records

Jongleurs de la Mandragore

FAMgroup (Fleming Artist Management)

MUSICACTION

REQUEST FOR GOVERNMENT RESPONSE

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

A copy of the relevant Minutes of Proceedings ([Meetings Nos. 30, 31, 33, 36](#)) is tabled.

Respectfully submitted,

Gary Schellenberger, MP

Chair

COMPLEMENTARY OPINION OF THE BLOC QUÉBÉCOIS

*Cuts to the Canadian Musical Diversity
Component of the Canada Music Fund*

A GROSS MISREPRESENTATION OF THE REPORT

Give a dog a bad name and hang him.

The Bloc Québécois wishes to thank all the groups and individuals from Quebec and Canada who appeared before the Committee with regard to the cuts to the Canadian Musical Diversity Component of the Canada Music Fund.

It is essentially on the basis of a study conducted in 2007¹⁸ that Canadian Heritage officials appeared before the Committee¹⁹ to explain the Conservative government's decision to cut \$1.3 million from the Canadian Musical Diversity Component and transfer it to a (future) music digitization program.

The reasons given to justify these cuts cannot be based on the 2007 report. To have it say what it wanted to hear, the government had to change ideas, phrases and words when quoting the report (it changed "increasing support for artists" to "increasing support for touring"). It also contradicts statements made in the report (for instance, the government "invented" program overlaps).

Give a dog a bad name and hang him ... even if nothing is wrong.

WHAT THIS REPORT DOES NOT SAY

The report does not mention:

- Cutting the Canadian Musical Diversity Component to invest in digitization. The report says that "no one had a clear version on what the next version of the CMF should look like," page 12.
- Program overlaps: in fact the report says there are no overlaps.
- Increasing support for touring, but the report does mention increasing support for artists.

18 Summative Evaluation of the Canada Music Fund, Evaluation Services Directorate, Corporate Review Branch. October 2007, Department of Canadian Heritage.

19 The Department of Canadian Heritage presented its approach orally to the Standing Committee on Canadian Heritage on 29 October 2009, and also in writing in "*Canada Music Fund, Support for Specialized Music*," submitted to the Standing Committee on Canadian Heritage, 29 October 2009. The Committee transcripts are also available for consultation.

**EXCERPTS FROM THE REPORT VS.
EXCERPTS FROM WHAT THE DEPARTMENT CLAIMED IT SAYS**

Let us look more closely at the differences between the 2007 summative evaluation report and the Department's presentation (29 October 2009).

WHAT IT SAYS IN THE 2007 REPORT ²⁰	WHAT IT SAYS IN THE PRESENTATION BY SENIOR OFFICIALS, 29 OCTOBER 2009 ²¹	COMMENTS BY THE BLOC QUÉBÉCOIS
The Department changed the main recommendation		
<p>“... no one had a clear version on what the next version of the CMF should look like-nor is it the purpose of an evaluation study to re-design a program. For this reason, a main recommendation of this study is that PCH should develop options for the next generation of the CMF and obtain feedback on these options from stakeholders.”</p> <p>Page 12</p>	<p>Main recommendation: Canadian Heritage should restructure the CMC in order to:</p> <ul style="list-style-type: none"> - Simplify its structure (...) - Help the industry ... (...) - Increase support for touring (...) <p>Page 3</p>	<p>Two things:</p> <p>a) How can the government determine how to restructure the CMF when the report says that no one knew what to do with the Fund and since that was not the purpose of the evaluation?</p> <p>b) The main recommendation is to <u>obtain feedback</u> on how to restructure the CMF.</p>
The Department cheated by changing “Increasing the level of support to the artist” to “increasing support for touring”		
<p>Page 14 :</p> <p>“Increase the level of support to the artist, including more funding for skills development (e.g., co-writing tours to major music centres in the US) and for marketing (e.g., support for international tours and showcases).”</p>	<p>The Department states, on page 3: “increasing support for touring and international showcasing.” There is no reference to a page number in the report.</p>	<p>This is the most blatant example of the Department manipulating the meaning of the report. This change to the wording completely changes the meaning.²²</p>

²⁰ Summative Evaluation of the Canada Music Fund, Evaluation Services Directorate, Corporate Review Branch. October 2007. Department of Canadian Heritage

²¹ “*Canada Music Fund, Support for Specialized Music*,” submitted to the Standing Committee on Canadian Heritage, 29 October 2009. Committee transcripts are available for consultation.

²² Without raising a whole other topic, if the Department is serious in saying that one of its three main objectives is to increase support for touring, it would reinstate the Trade Routes Program (which must remain complementary, as indicated on page 14), as well as PromArt.

WHAT IT SAYS IN THE 2007 REPORT ²⁰	WHAT IT SAYS IN THE PRESENTATION BY SENIOR OFFICIALS, 29 OCTOBER 2009 ²¹	COMMENTS BY THE BLOC QUÉBÉCOIS
The Department “invented” overlap		
<p>“No major duplication/overlap issues were identified.”</p> <p>Page 12</p>	<p><i>“Eliminating the Canadian Musical Diversity Component will also end program duplication. About 60% of Canadian Musical Diversity recipients also receive support under other CMF components or Canada Council music programs.”</i></p> <p>Page 5</p>	<p>The Canada Council for the Arts told the Standing Committee that same day, 29 October 2009:</p> <p>“Without trying to be argumentative, our own analysis of all funding – Canada Council’s, FACTOR’s, and MUSICACTION’s – for the past three and a half years plus the findings of the summative evaluation raise serious questions about this conclusion.” (significant overlap)</p> <p>“Our statistics show that the overlap is about 15% (...) In looking at the last 18 months, our research showed that of the 2,770 grant recipients from both FACTOR and MUSICACTION combined, only 79 of those recipients, or 3%, received sound recording funding from the Canada Council in the same period.”</p>
The Department cut one of the most effective components		
<p>“Of the three CMF components covered by the survey of recipients, the CMD component (Grants for Specialized Music Recording Production) had the largest incremental impact on the production of sound recordings.”</p> <p>Page 6</p>	<p>The Department said nothing about the program’s performance.</p>	<p>... To be expected!</p>

AS WE CAN SEE

- The Department says it based its cuts to the Musical Diversity Component on the feedback obtained and the 2007 report, yet the report itself clearly does not say this.
- Feeling the need to justify an unjustifiable decision after the fact, the Department quoted sentences from the 2007 report out of context and, when it could not find what it needed, it changed words and thereby the meaning and even contradicted statements in the report to justify the decision it had already made.
- It is quite conceivable that because specialized music does not meet the popularity criteria imposed by the Conservative ideology (“what Canadians like”), the government decided to cancel this component of the CMF. The Musical Diversity component was above all intended for “music whose intent or content is not shaped by the desire for wide-market appeal.”
- If the Conservative government had wanted to act on the 2007 report recommendations, it should have increased support for artists since there was no overlap and because this program had the greatest incremental impact on the production of sound recordings.

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CONCLUSIONS

For all these reasons, the Bloc Québécois recommends:

- That the Department of Canadian Heritage increase its support for specialized musical artists, starting with an additional \$1.3 million in funding to be allocated to the Canada Council for the Arts so that it can create a funding program for the recording and distribution of specialized music.
- That negotiations be undertaken with the Government of Quebec towards an administrative agreement in order to transfer as soon as possible jurisdiction for the arts, culture and communications to the Government of Quebec, with the associated budgets.

Carole Lavallée
Vice-Chair, Standing Committee on Canadian Heritage
Bloc Québécois MP for Saint-Bruno—Saint-Hubert

Roger Pomerleau
Member, Standing Committee on Canadian Heritage
MP for Drummond

Dissenting Opinion of the Conservative Members of the Standing Committee on Canadian Heritage

INTRODUCTION

Conservative members for the Standing Committee on Canadian Heritage, and indeed, our Conservative Government, strongly support Canadian artists and Canada's music industry.

As the Minister of Canadian Heritage has said on numerous occasions, the digital age creates countless opportunities for innovation and creativity. Conservative members of the Committee strongly support ensuring the presence and visibility of Canadian music on a wide variety of platforms. In fact, it is essential to the long-term growth of Canadian music.

Our Government has taken concrete steps to allow Canadians to benefit from the new and exciting possibilities of the digital era. This Conservative Government will continue to support Canadians who love music and earn their living making music.

Earlier this year, the Minister of Canadian Heritage announced a renewal of the Canada Music Fund, investing \$27.6 million per year for the next five years. In total, this investment provided \$138 million to ensure Canadian creators are well equipped to seize the opportunities offered by new technologies in the 21st century.

The announcement was praised by Canada's arts and culture community. Pierre Rodrigue, President of MUSICATION, congratulated our Conservative Government "for the confidence you are displaying in the Canada Music Fund. This announcement (...) is essential."

Heather Ostertag, C.E.O., of FACTOR, said "we are fortunate to have strong leadership and vision from our current government, which recognizes the importance of supporting (...) Canadian identity."

Renowned Quebec artist Boom Desjardins praised the announcement, thanking the Government "for having confidence in your artists and believing in the Canadian music industry."

With regard to the changes made to the Canada Music Fund, this government consulted widely, hearing from artists and creators from across the country. Conservative members of the Committee fully support the changes made.

As the Minister of Canadian Heritage said, and witnesses who appeared before the Committee indicated, these changes will:

- help independent artists and small label operators gain more access to market development of their music than ever before;

- ensure Canadian creators are well equipped to seize the many opportunities offered by digital technology;
- maintain thousands of jobs in these uncertain economic times;
- ensure that a wide variety of Canadian music is accessible on multiple platforms; and reduce bureaucracy and increase the popularity of Canadian artists in Canada and abroad.

The Conservative members of the Standing Committee on Canadian Heritage have actively participated in a non-partisan way on the committee study of the Canada Music Fund with regard to the Canadian Musical Diversity Component.

We did so by working with the opposition, by hearing from a number of witnesses and industry professionals closely tied to the program, such as FACTOR, and MUSICACTION, as well as individual artists which the Canada Music Fund impacts directly. The Committee also heard from Canadian Heritage officials who oversee the program and its components.

Our participation included hearing from witnesses invited by all parties. However, it is the opinion of Conservative members of the Committee that many of the statements and assumptions made were misleading, inaccurate, and at times, completely false. As a result, many of the report's recommendations are also misleading and not supported by Conservative members.

Conservative Party members of the Standing Committee do not agree that the summary of evidence provides a full enough picture of what was presented during the study, nor do we agree with the recommendations made in the Standing Committee report. We are, therefore, submitting this dissenting report.

SUMMARY OF EVIDENCE

In our view, summary of evidence contained in the Committee's report fails to provide the full scope of testimony that was presented. Too often, the report presents specific examples of witness testimony which, in many cases, excludes the testimony of other witnesses, and does not give a fair or accurate picture of the testimony as a whole.

The reality is that the Government consulted widely, hearing from artists and creators from coast to coast about the proposed changes to the Canada Music Fund. This announcement was lauded by Canadian artists, and during testimony before the Committee, continued to be praised by those in the music community.

Unfortunately, while including many of the views of those opposed to the changes, the Committee report fails to include the widespread views of those who support the Government's commitment to Canada's music industry.

This includes Mr. Christophe Papadimitriou, President, L'OFF Festival de jazz de Montréal, Conseil québécois de la musique who stated his group "has nothing against these subsidies and an extension of the funding. We are in complete agreement with that."

It also includes Alain Pineau, National Director, Canadian Conference of the Arts who re-affirmed "the CCA has publicly rejoiced in the fact that the government has committed to a five-year renewal of the Canada Music Fund. We welcome the fact that the Minister of Canadian Heritage has recognized the need to increase the money available for digital and international market development. Those two sectors of activity will certainly benefit from the increased money they will receive through FACTOR and MUSICACTION."

Bob D'Eith, Executive Director, Music BC Industry Association had many positive things to say about the decisions made regarding the Canada Music Fund, none of which appeared in the Committee's report.

Mr. D'Eith applauded "the government for renewing the Canada Music Fund for five years at full funding levels. This commitment to stability and growth of Canadian music regionally, nationally, and internationally is exactly what the music industry needs."

Mr. D'Eith also applauded the Government's outreach to the music community: "many in the industry were consulted," he said, "on the need to renew the Canada Music Fund and this message was received and acted upon. Making the renewal for five years will allow the industry to plan for the future in order to make real progress in the continuing growth of the music industry."

RECOMMENDATIONS

The Committee report makes recommendations which call on the Government to change components of the Canada Music Fund, and in particular, "that the Government restore, in its entirety, the Canadian Music Diversity Project within the Canada Music Fund." The report also states, falsely, that the Department of Canadian Heritage failed to consult with Canada's arts community prior to the changes being made.

The renewal of the Canada Music Fund earlier this year was made by our Government with the intention of creating new ways of producing music and making it more accessible for Canadians.

As the Minister of Canadian Heritage stated, "our Government sees the potential that technology offers. We've been updating our policies and taking concrete action to benefit from the numerous possibilities of the digital era."

This was the basis for the decisions that were made regarding the Canada Music Fund.

CONCLUSION

Our Conservative Government understands the value of arts and culture to our communities, our identity, and our economy. That is why we have made unparalleled investments in this sector – investing more dollars in arts and culture than any Government in history.

In Canada's Economic Action Plan, our Government announced that we would invest more than half a billion dollars on arts and culture, and in June, we renewed financial programs dedicated to the arts.

In fact, for the first time in history, our Conservative Government committed \$504 million over the next five years, bringing our total investment to \$1.5 billion over that period.

The renewal of the Canada Music Fund is yet another example of our Government's support for Canadian artists.

As Conservative members of the Standing Committee on Canadian Heritage, we fully support decisions taken by our Government to deliver support Canadians who love music and make their living making music.

We will continue to work with those in the arts community to ensure Canadians benefit from the new and exciting opportunities of the digital era.