

**ASSOCIATION
NATIONALE
DES ÉDITEURS
DE LIVRES**

PRE-BUDGET CONSULTATIONS SUBMISSION

Association nationale des éditeurs de livres (ANEL)

August 2023

SUMMARY OF RECOMMENDATIONS

- **Recommendation 1:** That the government increase funding for the Canada Book Fund to expand regular programs supporting publishers and organizations.
- **Recommendation 2:** That the government increase funding for the Canada Council for the Arts to better support Canadian literary publishing.
- **Recommendation 3:** That the government amend the *Copyright Act* to promote market-based solutions to ensure equitable remuneration of rights holders.

INTRODUCTION

The Association nationale des éditeurs de livres (ANEL), which brings together most of Canada's French-language publishers, supports the growth of the Quebec and French-Canadian book industry, promotes it at home and abroad, and promotes copyright protection and freedom of expression. Its members are independent businesses of all sizes owned and operated by Canadians and established primarily in Quebec, Ontario, Manitoba and New Brunswick.

With 6,000 French-language titles in a wide variety of genres¹ published annually in audio, digital or paper formats, the per capita volume of Canadian French-language publishing is comparable to that of France and Germany.

Together with their English-speaking counterparts, Canadian French-language publishers publish 80% of the new titles by Canadian authors that are essential to culture, education, know-how and human enrichment. The industry is worth \$1.5 billion² annually and directly supports 9,570 jobs.³ A central link in the book ecosystem, publishers have a business relationship with our authors, illustrators, translators, printers, distributors, broadcasters, bookstores, libraries, and, of course, readers.

The books our students read today shape the present and the future. While national attention is focused on reconciliation with Indigenous peoples, equity and inclusion or the fight against climate change, providing a Canadian perspective to readers around the world is paramount. By developing a wealth of learning resources and publishing a range of outstanding titles, the Canadian book industry plays this key role. Year after year, it increases or maintains its market share through its high-quality and globally valued works, in original or translated versions, and its marketing efforts.

French-Canadian publishing has nothing to envy from the rest of the world: it has distinguished itself through its audacity and diversity. However, the small size of its domestic market, the low literacy skills of segments of the Canadian population⁴ and the need to compete with the large supply from Europe, which corners 50% of the market, make it a very fragile industry.

¹ Novels, essays, textbooks, art books, handbooks, poetry, etc.

² Statistics Canada, "Book publishing industry, 2020,"
[\[https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2110004201\]](https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2110004201).

³ CBF Evaluation 2012–2013 to 2017–2018:
[\[https://www.canada.ca/content/dam/pch/documents/corporate/publications/evaluations/CBF-Evaluation-Final-Report-en.pdf\]](https://www.canada.ca/content/dam/pch/documents/corporate/publications/evaluations/CBF-Evaluation-Final-Report-en.pdf).

⁴ According to the Institut de la statistique du Québec, one in five Quebecers aged 16 to 65 has a very limited ability to process information, and 19% have literacy problems. (2015, p. 237)

In addition, Canadian publishers today face challenges that could jeopardize their success:

- Since the pandemic, paper shortages, competition for print time and supply chain disruptions have put unprecedented pressure on their human and financial resources.⁵ Local businesses, mostly small and medium-sized, operating at lower profit margins than their multinational competitors, have been hit hard by these global challenges.
- The book industry continues to suffer the repercussions of copyright legislation whose unusual and misinterpreted exceptions unfairly impoverish copyright holders, especially when their works are used in public education. In fact, since 2012, copyright holders have lost \$200 million in license revenues due to this problematic legal framework.⁶

Nonetheless, our publishers are showing resilience, competing in terms of creativity, publishing a variety of titles reflecting Canada’s diverse population, experimenting with innovative marketing strategies and reinventing their business approaches in Canada and abroad. Their efforts, however, cannot fully pay off while the federal government does not provide sufficient investment to support their evolving industry.

To protect the Canadian book industry and its ability to thrive, the government urgently needs to increase strategic investments in its publishers and strengthen the legislative framework of its copyright holders.

RECOMMENDATIONS

Recommendation 1: That the government increase funding for the Canada Book Fund to expand regular programs supporting publishers and organizations.

While the Canada Book Fund (CBF) has a proven track record in supporting the marketing of Canadian works, it can no longer adequately meet the needs of the industry without a significant increase. **As the budget for its ongoing programs has not increased in more than 20 years, its real value has fallen by more than 55% in the midst of a period of disruption requiring more resources.**

Prior to the pandemic, the government recognized the need to increase the CBF’s budget. Then, in the summer of 2021, the Liberal Party of Canada committed to increasing its budget by 50% in 2022–2023,⁷ a commitment confirmed in December 2021 by the Prime Minister, who asked the Minister of Canadian Heritage to increase our major writing and

⁵ Printing costs appear to have increased by more than 40% in three years, not to mention the significant increase in packing and shipping costs.

⁶ *Publishing Perspectives*, July 14, 2023 [<https://publishingperspectives.com/2023/07/rights-edition-canadas-crisis-triggers-downsizing-at-access-copyright/>]

⁷ The CLF’s permanent annual budget is \$38.4 million. A 50% increase requires a wise investment of \$19.2 million.

publishing programs, including those of the CBF. Two budget cycles later, however, the commitment has still not been fulfilled.

We therefore urge the government to do so in its next budget.

ANEL and the Association of Canadian Publishers are united in calling for increased investment in the CBF's ongoing programs in line with other Heritage programs, such as the Canada Music Fund, the Canada Arts Presentation Fund and the Canada Cultural Spaces Fund.

Increased investment in the CBF's critical infrastructure will help maintain the competitiveness and growth of Canadian books through:

- job creation and retention;
- better advances on royalties for writers; and
- the local printing and distribution of publications.

The investment will also galvanize a new readership by:

- experimenting with innovative and inclusive sales and marketing strategies that improve the discoverability of Canadian books;
- increasing investments in a variety of formats, including digital, audio and accessible books for print-disabled readers; and
- increasing export activities promoting Canadian literature abroad and generating more income in Canada.

The investment will also contribute to reconciliation with Indigenous peoples, the fight against climate change and the building of a more inclusive and democratic society by enabling publishers to:

- publish more books by writers from various communities, including Indigenous and racialized peoples;
- recruit and train more people from racialized communities that are underrepresented in the industry; and
- improve inventory management and supply chain initiatives to optimize and reduce the industry's environmental footprint.

Although in recent years the government has supported Canada in the spotlight at the Frankfurt Book Fair and launched a temporary assistance program for Canadian bookstores—investments welcomed by ANEL—it is all the more crucial that it permanently enhance the CBF's regular programs to enable the Canadian book industry to meet its challenges, just as the Prime Minister has repeatedly pledged to do.

Recommendation 2: That the government increase funding for the Canada Council for the Arts to better support Canadian literary publishing

The Canada Council for the Arts (CCA) primarily supports book publishers through its Supporting Artistic Practice program, more specifically through the program's Literary Publishers and Literary Publishing Projects components. As publishers wait for responses to applications for support filed in 2023, we are concerned that many will be disappointed due to the Fund's inability to adequately support its current recipients and new applicants.⁸ We also anticipate that the sums awarded will not be enough to meet the challenges. In addition, since funding is provided on a four-year cycle, publishers who do not have access to support from the Literary Publishers component this year will not have access to it for another four years.

Furthermore, with its two translation components—both in Canada and internationally—the CCA provides essential backing for the dissemination of our literature within and outside our borders, which constitutes vital support given the small size of our domestic market.

ANEL therefore calls for an increase in CCA funding to:

- enable new publishing houses to receive support under the Literary Publishers component and to allow the latest recipients to obtain an increase in the funding granted to them;
- enable more emerging publishing houses to receive support under the Literary Publishing Projects component;
- support more translations under the Arts across Canada and Arts Abroad components; and
- increase translators' fees in order to better respond to the realities of the sector.

This would fulfill the commitment made in the mandate letter of the previous minister of Canadian Heritage to provide adequate support to Canadian publishers and creators by increasing CCA funding.

⁸ The Literary Publishers component supports 171 Canadian publishers. Literary Publishing Projects supports 13.

Recommendation 3: That the government amend the *Copyright Act* to promote market-based solutions in order to ensure equitable remuneration of rights holders.

A review of the *Copyright Act* is necessary to end the arbitrary interpretation of its provisions on equitable use in education and the unprecedented damage that this entails.

In this important case, the Supreme Court of Canada ruling in *Access Copyright v. York University* did not clarify the provisions in question and actually encouraged some users to unfairly push the limits of these provisions. The government's inaction on this issue—despite another commitment to this effect in its 2022 budget—is incomprehensible to copyright holders, writers, illustrators and publishers alike.

ANEL urges the government to correct the situation and provide a regulatory framework that better protects its copyright holders and encourages the creation, innovation and use of Canadian content in an efficient, fair and cost-effective manner.

To this end, ANEL recommends that:

- The *Copyright Act* be amended to clarify that tariffs approved by the Copyright Board of Canada are enforceable against creators of counterfeit copyrighted works subject to a tariff;
- Fair use for educational purposes apply only when a work is not available on the market through its publisher or a copyright collective; and
- Adequate pre-established damages be awarded to all copyright collectives.

Canadian legislation must encourage legal supply and make all players in the market, starting with those in education, aware of their responsibilities. Canadian legislation needs to be aligned with global trends in this area so that our authors and publishers can compete with those in other countries.

CONCLUSION

ANEL urges the government to fulfill its commitments and responsibilities to Canada's publishing community so it can continue to make a significant contribution to the economy and to culture, education, know-how and human enrichment. The need for this additional support has gone from urgent to critical.

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