

**Culture for one, or Culture for all?**

**How Canadian Federalism Influences Federal and Provincial  
Policy toward the Book Publishing Industry**

**by**

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## **Abstract**

Canadian federalism has grown to incorporate the opposing ideologies of communitarianism and individualism, which compete in both social and political arenas. The cultural industry sector in Canada negotiates this ideological landscape in order to secure favourable public policy in the form of both political support and access to public resources.

Within the cultural sector and as a result of the environment, the book publishing industry is active in expressing its value as both community builders and economic worthy enterprises. Drawing upon research in federalism, cultural and policy studies, an analytical framework is developed to assess the underlying intentions of cultural policy and distribution of resources with respect to cultural or economic outcomes.

This comparative analysis of federal and provincial policies supporting the book publishing industry in Canada demonstrates divergent policy choices between jurisdictions. These choices gravitate towards either communitarian/collectivist or individualist/economic values, mirroring those values incorporated into the current Canadian federalist structure.

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# **Culture for one, or Culture for all?**

## **How Canadian Federalism Influences Federal and Provincial Policy toward the Book Publishing Industry**

### **Chapter One: Introduction**

Today in Canada, roughly half of the nation's independent publishing houses would be facing insolvency without external support.<sup>1</sup> Profit margins are miniscule, the market is small and fickle, and competition from large international conglomerates is fierce. Over time, several programs developed to help offset the fiscal precariousness associated with the industry, by offering various sources of funding for the marketing of books, product development and financing. However, negotiating the many programs, policies and levels of governments requires commitment and perseverance from publishers.

Canada is not unique in supporting cultural industries, though some countries are more robust than others in this area. Most developed nations provide some form of support either indirectly through arts councils or directly through government programs. In Canada, several vehicles are available. There are federal block grants from Heritage Canada payable directly to publishers, funding for writers and publishers through the Canada Council for the Arts, provincial arts council programs, provincial tax relief, and

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<sup>1</sup> Information from Heritage Canada/Statistics Canada indicates that roughly half of the book publishing firms that are recipients under their block grant program would have an annual net loss and therefore be insolvent were it not for the grant program. See "Essential Support for Literary Publishing in Canada, A review of the Canada Council for the Arts' Programs in Support of Book Publishing, Final Report" DeGros Marsh Consulting, July 2006, pg 5 and Statistics Canada in "Book Publishers", *The Daily*, June 30, 2006.

special programs from other federal and provincial economic development departments or agencies. Each program offers amounts for differing projects depending on such variables as the nationality of authors and owners, the location of operations and the language of publication.

Why do such a variety of programs exist? In Canada, the structure of federalism as it has developed to date tolerates a variety of approaches to cultural policy. The federal government and individual provinces utilize this flexibility differently. Depending on their place within the federation, historical development, and the government of the day's ideological perspective, differing approaches to cultural industries are implemented. In doing so an assumption of culture is adopted; either as a public good that is to be cohesive and protected, a diversified private good that can be exploited for economic advancement, or some blending of the two in order to satisfy a varied set of expectations and maintain a centrist approach. For example, while provinces such as Quebec are likely to be primarily concerned with the preservation of language and cultural heritage, other provinces focus more heavily on the economic development opportunities that cultural activities provide. By investigating different policy directions, I hope to explain the various approaches of federal and provincial governments and how these differences are evidence of the dichotomies inherent in Canadian federalism. Since the publishing industry is largely concentrated in Ontario, Quebec and British Columbia, these provinces along with the federal government will be examined.

Federalism in Canada has developed to its current configuration as a result of decisions made during Confederation and their interpretation and application since then.

As well, more recent developments such as the 1982 Constitution and Charter of Rights have influenced the current division of powers and responsibilities between federal and provincial governments. While authors like Alan Cairns view Canadian federalism as a mechanism that allows the growth and competition of these two levels of government, often with negative results, these same conditions have allowed for the precarious survival of Canada as a nation by offering multiple interpretations of citizenship and identity.

Looking back in history we can see that Canadian federalism was initially necessitated by the conflicting priorities of French and English communities and their legislators. Through time, federalism has been accused of both creating and resolving cultural divisions within Canadian society. However, this same autonomy has allowed for the development of unique arrangements such as asymmetrical federalism that provide space for diverse treatment of issues, such as language, or allowing social programs to vary depending on regional demands and conditions.<sup>2</sup> Evidence of difference between jurisdictions is seen in the variety of policies governing publishing industry support.

The publishing industry in Canada has sales of approximately \$2 billion, roughly half of which is achieved by Canadian controlled firms.<sup>3</sup> Though not a large economic contributor or employer, it is the recipient of governmental support at both federal and

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<sup>2</sup> For further information regarding asymmetrical federalism see *Asymmetry Series 2005*, Institute of Intergovernmental Relations, Queen's University. Particularly, Ronald Watts, "A Comparative Perspective on Asymmetry in Federations"

<sup>3</sup> *Book Publishers Data Tables*, Statistics Canada, Catalogue No.87F0004XIE Latest Issue, 2004, Release Date, June 2006. Found at <http://www.statcan.ca/english/freepub/87F0004XIE/87F0004XIE.xls> (Nov 30, 2006).

provincial levels. Each cultural industry, be it dance, music, film, visual arts or other print media, is likewise able to access a variety of funding programs. This thesis will analyze the varying approaches to cultural policy by federal and provincial agencies and their support for cultural industries through the lens of book publishing support. By reviewing and categorizing various theoretical approaches to cultural industries with respect to the role of culture in society, a deeper understanding of the variables that influence cultural policy will develop.

Any study involving culture is a complex undertaking. As a concept it has been defined and analysed for centuries yet still remains one of the more elusive of all ideas to operationalize. In the broadest anthropological sense, it has been presented as “who we are and how we live our lives.” It is this idea of the permeation of culture throughout society, being both a driver and shaper of public and private spheres of life which gives it such a broad impact. Most narrowly, culture has been defined, by Statistics Canada, as “creative artistic activity and the goods and services produced by it, and the preservation of human heritage.”<sup>4</sup> With respect to cultural policy, the later definition emphasises the units involved and measured while the former is the sphere which policy makers and practitioners hope to impact.<sup>5</sup>

Culture then, in the broader sense, exists as the norms and customs by which societies express their differences from other groups and construct the ties that bind

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<sup>4</sup> *Canadian Framework for Culture Statistics*, Research paper, Culture, Tourism and the Center for Education Statistics, Culture Statistics Program, Statistics Canada, Minister of Industry, August 2004, 9. <http://www.statcan.ca/english/research/81-595-MIE/81-595-MIE2004021.pdf> (October 31, 2006).

<sup>5</sup> This link is assumed by most involved in both the political and cultural spheres, however evidence of the same is sorely lacking. It would be an interesting though extremely difficult endeavour and is well beyond the scope of this thesis.



individuals together. Such differentiations between societal groupings are given terms such as ‘national identity’ or ‘the Canadian experience’. As with most cultures, this identity has become largely associated with the stories of Canadian life, past and present. Reinforced through cultural industries such as literature, and disseminated through institutions such as school and government sponsored events, exposure to common experiences and ideologies is intended to create cohesion within the group. Federal and provincial government policies that support cultural norms and encourage common experiences are formed by these governments’ perception of their responsibilities in this area, as well as by the demands of interest groups and/or bureaucratic priorities.<sup>6</sup>

At this point, a brief outline of the publishing industry may be useful. Canada’s geographic and social proximity to the United States cannot be ignored and has been a cause for considerable concern with regard to establishing and maintaining an independent cultural identity.<sup>7</sup> For instance, the first programs for the publishing industry were introduced in Canada in response to American absorption of independent publishers in the early 1970s. The perceived need to defend an independent Canadian publishing industry from the larger American cultural machine has remained a justification for ongoing assistance. In comparison, the American ‘hands off’ approach to cultural industries is significantly different and remains so.<sup>8</sup>

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<sup>6</sup> For more details on policy making and bureaucracy in Canada see R. Kent Weaver, “The Politics of Blame Avoidance” *Journal of Public Policy*. 6 (1986):371-398.

<sup>7</sup> One argument for the failure of federalism is the fragmentation of society which, if Canada were to dissolve by the separation of Quebec, would leave it vulnerable to absorption by the United States. See George Grant, *Lament for a Nation; The Defeat of Canadian Nationalism*, Carleton University Press, 1965.

<sup>8</sup> Quite differently than in Canada, in the United States the relationship between the federal government and the national publishers associations is essentially adversarial, where the publishing industry sees itself as the defender of free speech and from encroachments and censorship by the state and federal

In an interesting turn, recent market consolidations within the media industry as a whole, have resulted in only one of the 6 major conglomerates which control over half of the \$26 billion dollar US publishing market being American-owned. While the threat of homogenization remains, the waning of American ownership hegemony may leave Canadian publishers in a stronger cultural, if not financial, position than ever before. Currently, roughly 50% of the \$2.1 billion Canadian market for books is serviced by Canadian corporations while the other half is controlled by foreign interests, the majority of which belong to the same 6 conglomerates.<sup>9</sup> (See Appendix A)

The Canadian relationship with literature also has significant differences from that in the United States. In Canada, 87% of the adult population report reading everyday compared to only 50% of Americans. In addition, reading for pleasure remains a solidly established and widespread habit in Canada with little or no change over the last 15 years. American readers have dropped off considerably during the same time period.<sup>10</sup>

The levels of readership are important to this discussion of the influence of book publishing on culture. Common cultural experiences, such as reading the same stories or participating in common festivals, are seen to give rise to the creation of bonds among

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governments. Some funding for writers is available through the National Endowment for the Arts which receives a small portion of its funds from the federal government. See Lloyd J. Jassin, *First Amendment Activities Update*. PMA, The Independent Book Publishers Association. Found at <http://www.pmaonline.org/scripts/shownews.cfm?id=1312> (April 1, 2006).

<sup>9</sup> Other evidence points to systemic changes in the book publishing industry on a global scale. U.S. title output decreased in 2005 by almost 10%, the first decline since 1999 and only the 10<sup>th</sup> in the last 50 years. At the same time, Great Britain has replaced the US in publishing the most new books; 206,000 in 2005 or and increase of 28% over 2004. "U.S. Book Production Plummets 18K in 2005; Smaller Publishers Show the Largest Drop in New Titles, UK Now Leader in English Language Publishing" News Release, New Providence, N.J. May 9, 2006. R.R. Bowker LLC [http://www.bowker.com/press/bowker/2006\\_0509\\_bowker.htm](http://www.bowker.com/press/bowker/2006_0509_bowker.htm) (January 15, 2007).

<sup>10</sup> "Reading and Buying Books for Pleasure, 2005 National Survey, Final Report" Prepared by Createc +, Canadian Heritage Industry Development Publishing Policy and Programs, March 2005. 4.

those who have consumed them, resulting in a social cohesion highly valued in Canada's current diversity. Participation in a common national culture may create networks and strengthen communities, therefore deepening social capital.<sup>11</sup> Some government policies are clearly designed to create these opportunities for exactly this purpose.

Makers of cultural artefacts and activities claim that culture is central to the vitality of Canada as a nation, and in the creation of a unifying Canadian identity.<sup>12</sup> Recognizing the importance of culture and the lack of data for comprehensive analysis, Statistics Canada has developed a comprehensive framework with which to gather information for the study of the products of culture and related activities. In the past, the agency has only gathered economic and easily quantifiable data similar to other industries. In attempting to move beyond cultural products as merely an item for economic exchange, there is an underlying assumption that cultural products have other uses beyond this.

It is the policy responses of government agencies to this dual use of culture as both a shared social asset and an individual economic activity that will be used as a measure of the diversity of approaches in Canada's federal system. As we shall see, the federal structure of Canada is designed to accommodate and balance both community orientations and individual expression, each to a greater or lesser extent in varying jurisdictions. Though not always to the benefit of the publishing industry, the policies of

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<sup>11</sup> *Canadian Framework for Culture Statistics*, 20.

<sup>12</sup> See annual reports of Canada Council for the Arts. Also, Lewis A. Coser, "Publishers as Gatekeepers of Ideas" *Annals of the American Academy of Political and Social Science*, Vol. 421, (Sept, 1975): 14-22.

the federal government, Quebec, Ontario and British Columbia demonstrate the flexibility of the Canadian system to contain conflicting perspectives on the role of cultural industries in society. This variety exists as a result of the ability of Canadian federalism to accommodate both the communitarianism and individualism that these differing perspectives on culture represent.

## Chapter Two: Approaches to Culture – a Framework

Cultural industries lie at the intersection of the arts, business, politics and society. Whereas other areas of economic activity such as banking or manufacturing are generally seen as valuable strictly in terms of their economic contribution to a community, cultural industries combine this aspect with the less tangible benefit of developing community bonds or communicating national culture and identity. This dual role creates differing rationales for government support, each designed to illustrate the benefits of the industry to society and thereby justify public financial assistance.

Initial calls for public support of cultural industries, such as Vincent Massey's 1951 Report of the Royal Commission on National Development in the Arts, argued for the need to defend Canada's unique national character, specifically from the dominant American presence to the south. This defence has been deemed necessary not simply for the preservation of perceived social differences, but for the very integrity of Canada as a state. Wesley Wark suggests that "culture [is] to provide the bulwark of security against absolute dependency" which borders and geography could not provide.<sup>13</sup> By establishing a distinct culture developed through events delivered by institutions that distinguish the Canadian community from others,<sup>14</sup> the legitimacy of our borders will be enhanced. By developing a unique culture within our borders, those borders take on greater meaning in

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<sup>13</sup> Kevin Dowler, "The Cultural Industries Policy Apparatus" *The Cultural Industries in Canada, Problems, Policies and Prospects*. Dorland, Michael, ed. James Lorimer & Company: Toronto, 1996. 330.

<sup>14</sup> Daniel Schwanen, "A Matter of Choice: Toward a More Creative Canadian Policy on Culture." *Commentary* No. 91. Toronto: C.D. Howe Institute, 1997. 9.

the minds of both domestic and foreign individuals. The distinction between countries becomes more than just an arbitrary division (mostly) at the 49<sup>th</sup> parallel.

Going further and taking a post-modern perspective, Kevin Dowler states “Culture... potentially marks the moment when the Canadian state performs on its own behalf the transformation from preoccupation with issues of sovereignty toward a form of governmentality. The tactic employed to accomplish this is the creation of the conditions of self-regulation through the establishment of an apparatus that simulates civil society in the form of semi-autonomous cultural agencies.”<sup>15</sup> By creating and reinforcing a society distinct from other states, citizens themselves incorporate perceived differences into their daily lives and attitudes, showing deference to the dominant Canadian culture and resistance to assimilation by other cultural influences. In this manner the culture is reinforced by the citizenry and Canadian characteristics are exercised by a majority of individuals, moving it from an imposition by the state to a characteristic of the society.

Dowler constructs an argument that the nature of Canada with its long distances, results in a “simulated civil society” that is an “empty shell of space created by communications technology [and] is ultimately filled with foreign content – in other words, American mass culture.”<sup>16</sup> He worries that Canada’s openness and empty spaces will be swamped under foreign influence since there simply are not enough Canadians or Canadian content for the geographic vastness. If this space is indeed the site of communicating cultural ideas, then media such as the book publishing industry are key to delivering alternatives to strictly foreign content. It is this empty shell that industry and

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<sup>15</sup> Dowler, 339.

<sup>16</sup> Dowler, 333.

government actors seek to manipulate by means of cultural policy, delivering the messages that will create social cohesion and stability. Calls for ‘maintaining a national voice’ and ‘preserving the unique Canadian perspective’ are appeals to this assumption that a common Canadian experience is important in retaining independence from American influence.

Nevertheless, cultural activities are more often than not expressed and quantified in economic measures of revenues, profits, salaries and spin-off economic benefits. Their value is judged in terms contradictory to the objectives of maintaining social integrity. This commodification is lamented by many researchers of cultural policy and blamed for declines in both quality and appreciation of cultural activities. For example, Bernard Ostry states that “A view of culture as central sees all forms of cultural expression as valuable and provides for all. To see such groups and institutions as commercial ventures in competition is to assure their decline, to the great loss of community and the nation itself.”<sup>17</sup>

If culture is a public good it would necessitate a different policy approach than would be appropriate for consumer goods like automobiles. The special recognition of cultural industry products (books, magazines, films) in such trade organizations as the WTO and NAFTA would indicate that there is both a strong industrial component, since there is pressure to include them, and some element which causes cultural goods to be classified differently from other items. Their limited protection in domestic and international trade legislation recognizes that the public might benefit from partaking in

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<sup>17</sup> Bernard Ostry, “Culture and Trade: One Policy/No Options,” *The Culture/Trade Quandary; Canada’s Policy Options*. Browne, Dennis ed. Centre for Trade Policy and Law: Ottawa 1998. 20.

domestically created cultural products and the nation would be served by citizens experiencing concurrent or similar cultural events. However, since private sector interests are pursuing economic activity in these areas, it may be concluded that cultural industries produce commodities of value suitable for trade in the competitive economic sphere.

Expanding economic stability has been and continues to be a cornerstone of Canadian public policy. By creating economic opportunities, governments can enhance a citizen's allegiance to the state. It is in this sense that Dowler states that "as part of the process of strengthening the industrial base, decreasing dependency and increasing security, the industrialization of culture has become a significant economic strategy and policy objective of the state."<sup>18</sup> In the same manner that national identities can contribute to the stability of a political unit, economic opportunities encourage citizens to view their state and government in a positive light, enhancing national security and reinforcing political boundaries. Real or perceived economic disparities cause friction both within and between countries. Canadian energy policy and the sharing of revenue from national resources would seem to be a telling example.

However, development of cultural industries for strictly economic purposes allows for any type of product sold anywhere in attempts to earn profits. This would make no intentional contribution to citizens' identity as Canadians beyond a general sense of prosperity. There would be no impact on political identity or attempts to guide cultural development in nationalistic or even self reflective directions. Essentially the

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<sup>18</sup> Dowler, 340.



beneficiaries of these sorts of economic policies are the individuals employed directly or indirectly by the industry. Other citizens would experience no other benefits.

### *Classification*

Both federal and provincial levels of government provide some amount of funding to cultural industries, however their motivations differ, as do their methods of delivery. An analysis of their policy structures and their statements of motivation allow us to draw conclusions regarding the perceived role of the sector in society. In order to provide a context in which to do this I have reviewed and synthesised relevant approaches of various researchers in the area.

Undoubtedly, governmental policy-makers must balance various competing factors in their decision-making. In addition to ontological positions, available resources, competing priorities and political will influence outcomes. As a result of the competitive milieu of the policy making process, the manner in which issues are framed becomes critical. Anne Schneider and Helen Ingram have considered this phenomenon in some detail. They contend that “the social construction of target populations [groups or individuals who benefit from public policy and support] has a powerful influence on public officials and shapes both the policy agenda and the actual design of policy.”<sup>19</sup> There is strong pressure both within and outside of government to support positively constructed groups deemed worthy of public consideration.

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<sup>19</sup> Anne Schneider and Helen Ingram, “Social Construction of Target Populations: Implications for Politics and Policy,” *American Political Science Review*, 87, 2, (June 1993), 334.

Schneider and Ingram attribute the relative success and failure of some groups to gain benefits from government policies to the real or perceived position of the group in relation to the rest of society. They develop a matrix that categorizes groups by their relative power and favourability. Those seen as unfavourable (criminals, deviants, polluting industries) are less likely to receive benefits and more likely to receive either real or symbolic controls when governments are trying to garner favour with its constituents. Alternatively, more favourable groups such as the family, veterans, businesses or seniors are likely to receive benefits. The relative power of a group within society would influence the likelihood of substantive as opposed to symbolic support. So where powerful seniors groups may receive benefits, unwed mothers with little organized support may be less effective.

Under Schneider and Ingram's typology, governments and society assume there are benefits to the entire population of supporting positively constructed groups, be they weak or powerful. Book publishers are likely to be categorized as 'dependent'; weak in power but positive in construction since they provide a valuable public service but are vulnerable to external economic forces. This should result in policy makers gaining political advantage by being seen to supply benefits and limit burdens in this sector. Policy goals of favourably characterized target populations are easier to achieve since public resistance to distributing benefits to them is less.

The book publishing industry has been able to extract growing amounts of funding from the federal government (\$37 million in 2002), indicating that they may have greater political power than traditionally dependent groups who are subject to "symbolic policies [which] permit elected leaders to show great concern but relieve them of the need

to allocate resources.”<sup>20</sup> This success may move them to the position of ‘Advantaged’ in the relevant typology, along with business, veterans and scientists. However, as will be shown, the potential vulnerability of publishing is regularly emphasized and contributes to their less powerful characterization.

Specifically focusing on cultural policy, Gattinger and Saint-Pierre<sup>21</sup> have approached the study of culture using 3 models of government intervention, primarily based on their nation of origin; French, Anglo-Saxon, or a hybrid of the two. Like Schneider and Ingram, these categorizations also attempt to provide some method for understanding approaches to funding support. The divisions observed by Gattinger and Saint-Pierre generally follow a spectrum similar to the public/private debate discussed earlier. The French model is predicated on the assumption that government has a substantial interest in managing and developing cultural direction. To this end, culture is viewed as a public good, where whether due to an inability on the part of the public to coordinate sufficient support, or due to an over-riding vested interest on the part of the government, cultural activities are deemed to belong in the public domain. By establishing bureaucracies to ensure retention of control, the French government is committing to this perspective.

The Anglo-Saxon model presented by Gattinger and Saint-Pierre differs from the French in the design of the relationship between arts and culture and the government. This relationship developed in an atmosphere that did not consider cultural activities to

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<sup>20</sup> Schneider and Ingram, 338.

<sup>21</sup> Monica Gattinger, and Dianne Saint-Pierre. *Toward Interprovincial Comparative Analysis in Cultural Policy and Administration: The Case of Quebec and Ontario*. 2006 Conference Paper, Canadian Political Science Association Annual Conference, June 2006

be a service to which all members of the population required access. The general public might partake of products of cultural industries but were not required to in order to participate as citizens. This removes culture from the sphere of public goods and services such as roadways or national defence<sup>22</sup> and places it as a commodity for a limited segment of society.

With respect to publishing, the clearest example of the Anglo-Saxon model can be found in the American approach to the industry. Some funding is available to writers through the National Endowment for the Arts (approximately \$1 million in 2000)<sup>23</sup> however there is no direct or indirect funding to publishers similar to what is found under the Canadian Book Publishing Industry Development Program (BPIDP). The relationship between book publishers and the federal government in the US can be described as combative, where the publishers see themselves as defenders of the Constitution, in particular the right to free speech, and are often in the forefront of legal challenges in this regard.<sup>24</sup>

The hybrid model developed by Gattinger and Saint-Pierre describes attempts to balance the perspectives of the French and Anglo-Saxon, by recognising a legitimate role

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<sup>22</sup> “There is a general consensus that some degree of government intervention to promote culture is required in the same sense that the government must provide for national defence and public safety.” Schwanen, D. 1997. “A Matter of Choice: Toward a More Creative Canadian Policy on Culture.” *Commentary* No. 91. Toronto: C.D. Howe Institute. In Victor Rabinovitch, “The Social and Economic Rationales for Canada’s Domestic Cultural Policies.” *The Culture/Trade Quandary; Canada’s Policy Options*. Browne, Dennis ed. Centre for Trade Policy and Law: Ottawa 1998. 26.

<sup>23</sup> *2004 Annual Report*, National Endowment for the Arts. 127.

<sup>24</sup> See articles such as “Publishers See Patriot Act Compromise as Seriously Flawed.” News Release of Association of American Publishers. February 13, 2006. Found at <http://www.publishers.org/press/releases.cfm?PressReleaseArticleID=314> (November 1, 2006).

and responsibility by government in support for culture, while attempting to keep a distance with respect to the actual editorial shaping of cultural statements. This often results in dual streams of funding or other programming complexity to achieve both goals.

Though not related to cultural industries specifically, Robert Vipond forwards evidence of the fundamental conflicts inherent in the current Canadian federal structure, resulting from historical factors and reinforced by the Charter of Rights in 1982. His analysis demonstrates that the ongoing conflict between individual rights and group rights is not new, but is a product of Canada's federal nature that has been negotiated since 1867. Specifically, he demonstrates the two differing notions of what Canada is or ought to be: 1) a society based on liberalism that emphasizes individual liberty, where the state exists as a means to protect liberty, (a concept embraced but not pioneered by Pierre Trudeau), and 2) a society based on the value of community, where collective choice is imperative, and recognizes the importance of provincial governments as guardians of regional identities. For example, Joe Clark's statement that Canada is a "community of communities" or the November 28<sup>th</sup>, 2006 recognition of the Québécois as a nation within Canada. This tension remains unresolved in the Canadian constitution but is continuously renegotiated in various forums such as First Ministers meetings and intergovernmental affairs departments. The relative strength of the provinces with respect to the federal government is in part a reflection of the need to ensure regional autonomy while maintaining national allegiances.

I have loosely adapted the divisions and perspectives of the various scholars discussed above to develop a model with which to analyse policy directed towards the

publishing industry in Canada. While their studies go well beyond the segments I have selected, each captures some of the relevant characteristics of government policy for book publishing and the variations between provinces and the federal government.

Figure 1: Analytical framework

	<b>Cohesive, Public Service, Directed</b>		<b>Diversified, Economic Development, Unfocused</b>
	Culture developed to improve national cohesion (Wark, Schwanen)	Goals for policy vaguely articulated	Culture developed to promote economic development opportunities
Rabinovitch	Public good (also Ostry)		Private product
Schneider and Ingram	Worthy of support; weak in power (defenders of national identity)		Worthy of support; Strong in power (Business)
Gattinger and Saint-Pierre	French model	Hybrid model	Anglo-Saxon model
Vipond	Communitarian		Individualism
<b>Purpose of policy</b>	Public funding to promote democratic access and national unity	Public funding to accomplish both	Public funding to encourage growth of industry sector
<b>Outcome of policy design</b>	Funding decisions directed by government department	Combination of funding mechanisms	Funding through arm's length councils

This chart demonstrates how cultural analysis mirrors the divisions that are inherent in Canadian federalism. As well, since there are differing theoretical perspectives on the role of culture, cultural policy follows these divisions. Like

federalism in Canada, the study of cultural policy is a study of contrasts. Whether the partitions are between French and English, individualism versus communitarianism, the centre versus the periphery, progressive, liberal policies versus conservatism, or the growing urban / rural split, Canada can easily be characterized by its tendency to contain and promote divisions. The nature of Canadian federalism may provide an explanation for the tolerance of such a variety of funding mechanisms with respect to cultural industries. It allows for differing approaches to, and understandings of, the value of culture to governments and society. By choosing to support cultural industries such as book publishing, and the method of doing so, governmental bodies at various levels are demonstrating their political priorities and objectives.

Brian Tanguay describes how the Canadian federal system has become a hotbed of competition for the loyalty of voters.<sup>25</sup> One method of securing loyalty is to appeal to the voters' sense of community and nationalism. At various times the federal government has been motivated to greater or lesser degrees to exert influence on cultural development and the assumed associated development of national identity. Tension in federal-provincial relations has resulted from a variety of factors and jurisdictional wrangling. The threat to Canadian unity by the Quebec sovereignty movement since the early 1970s, whisperings of western alienation and growth in the political strength of provincial bureaucracies are each threats to the dominance of the federal government from within. While the constant threat of cultural assimilation from the United States has

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<sup>25</sup> Brian A. Tanguay, "Political Parties and Canadian Democracy: Making Federalism Do the Heavy Lifting" in *Canadian federalism: performance, effectiveness and legitimacy*. Bakvis, Herman and Skogstad, Grace. eds. Don Mills: Oxford University Press, (2002): 296.

been and remains a significant source of concern for federal as well as provincial bodies, threats of fragmentation of the national identity by stronger provincial allegiances have become equally important to combat.

The policies and statements of the federal and provincial governments where the publishing industry is largely located (Quebec, Ontario, British Columbia) differ in their content and application. These differences indicate that there are divisions in their purpose and perspective of culture as it relates to the government's respective political spheres. These divisions are tolerated by a political structure that acknowledges and balances competing motivations and goals. Cultural policy has become a mechanism by which governments within Canadian federalism promote their own national characters and attempt to reinforce voter loyalty.

Often held out as the source of Canadian (or regional) stories, vital to allow communication between Canadians, and to connect to each other and the land, book publishing has been called necessary to "introduce Canadians to each other and Canada to the world."<sup>26</sup> Interestingly enough, it was not until the 1950s that a domestic literary movement emerged, since items published and/or sold in Canada before that time were mostly of foreign origin, be it British, American or otherwise. In the post World War II economic boom a handful of Canadian owned and operated firms began producing and distributing 'Canadian literature' in the sense that it was about Canadians and intended to be purchased and read by Canadians. Since that time, Canadian publishing has navigated a difficult market and a difficult political milieu.

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<sup>26</sup> Website of the Association of Canadian Publishers, "About the ACP", <http://www.publishers.ca/about-history.htm> (January 15, 2007).



## **Chapter Three: Federal Government Publishing Policy**

The statements and policies of the federal government will be shaped by many factors but are likely to remain consistent with their concept of the role of culture in society. The evolution of policies towards cultural industries, the stated intentions of the results, and the methods of delivery will all give indications of the underlying perspectives within this sector. Investigating the current policy structures will show how competing ideologies contained in Canadian federalism are exercised. Within the federal government, both group and individual rights are promoted by a duplication of policy streams. Over the last forty years, the federal government has implemented expanding policies for the book publishing industry within the wider cultural sector policy sphere. A brief history of developments in this area follows.

During the first part of the 20<sup>th</sup> century, British and American interests dominated the book publishing industry in Canada such that no domestic industry developed. In the post-war period a fledgling domestic industry was established, providing Canadian writers an opportunity to publish Canadian stories. A handful of firms, mostly located in Toronto, earned some success and became takeover targets for large foreign media corporations.

Established in 1949 to review the state of the arts in Canada, the Massey Commission had recognized the external threats to Canadian cultural interests and recommended the Canadian Arts Council (later to be called the Canada Council for the Arts) be established. The first funding to publishers, begun in 1967, consisted of limited support for specific titles delivered through the arms-length organization, the Canada

Council for the Arts. Choosing to use the Council as a program delivery vehicle “was meant to ensure that funding decisions would be made at arm’s length from government, avoiding political interference with freedom of expression.”<sup>27</sup> However difficulties in title selection led to a shift from specific titles to formula based, non-specific grants. Though still based on a publisher’s eligible books, funding is not presently tied to any particular project.

In 1970, block grant support for Canadian controlled publishers was established outside of the Canada Council, along with limited support for export activities from the Department of Industry, Trade & Commerce.<sup>28</sup> This was in response to the sale of Ryerson Press and Gage Educational Publishing to American interests in 1970, as well as foreign interest in McClelland & Steward. Policies providing direct financial support to publishers were demanded by the industry and eventually implemented. Canadian-owned publishing houses banded together to form the Independent Publishers Association (established in 1971 by 16 independent publishers, most based in Ontario), and demanded action by the government. This flurry of activity was designed to protect the fledgling publishing industry from consolidation into larger American controlled corporations.

Government policies were largely shaped by the demands of the industry, represented by the newly formed IPA. The founding meeting of this organization issued a news release stating;

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<sup>27</sup> Roy MacSkimming, “Making Policy for Canadian Publishing, A History of ACP Policy Proposals and Federal responses, 1970-2002.” October 2002, 5.

<sup>28</sup> Currently programs for the development of export markets for Canadian books is managed by the Department of Canadian Heritage as part of the BPIDP program.

*“a full-scale government policy, making working capital available under suitable terms, and other short- and long-term measures of the kind already proposed by Canadian publishing firms, must be instituted at once to make possible a strong and vigorous Canadian-owned publishing industry.”*<sup>29</sup>

Funding from economic development programs was intended to support the export of Canadian products. The assumption that Canadian literature was suitable for consumption beyond Canadian borders indicates that some policy makers felt that publishing created a commodity with universal appeal. If the product is recognized as being solely useful as a nation-building product, it would have little value beyond Canadian borders.

During the same time period, the results of the Province of Ontario’s Royal Commission report on the state of the Book Publishing industry became available recommending increased government support to the industry. That development is discussed further in Chapter 4.

#### *Book Publishing Industry Development Program (BPIDP)*

By the late 1970s, publishers were again at risk of financial failures due to galloping inflation, a soft retail market and a looming recession.<sup>30</sup> While the federal government was prepared to help again, this time it chose to expand programs under ministerial control instead of utilizing the CCA. During 1978, reports that potentially offensive material was being funded by the Canada Council and concerns over the

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<sup>29</sup> MacSkimming, 4.

<sup>30</sup> MacSkimming, 9.

industry's efficiency contributed to the decision to ensure additional funds allocated were controlled more directly by government. Direct funding was established under the Book Publishing Development Program in 1979. John Roberts, the minister responsible at the time, summarized the program's purpose as "strengthening commercial firms as they try to grow."<sup>31</sup> The name was later changed to the Book Publishing Industry Development Program, or BPIDP, later in the 1980s.

Funding in this manner also removed the politically dangerous challenge of title selection on the part of the Council, and allowed for support for the publication of Canadian books while shifting the selection of what constituted suitable material to the industry itself. Neither the government nor its agency could be cited as supporting either 'unCanadian' or otherwise inappropriate material. This arrangement allowed for some control of the publishers since they were required to submit funding applications to the government, but did not place the burden of determining what constituted culturally suitable material with government departments.

The BPIDP's original purpose was "to render the Canadian book publishing industry financially viable, aware of its cultural role, capable of acting independently to ensure optimal development of Canadian writers and publishing, and effectively distributing the widest possible range of books by Canadian authors in Canada and abroad."<sup>32</sup> We can see how this statement combines both the public and private good perspectives. By stating that the industry should be financially viable, the government of

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<sup>31</sup> Nancy Ann Duxbury, *The Economic, Political, and Social Contexts of English-Language Book Title Production in Canada, 1973-1996*. PhD Thesis, School of Communication, Simon Fraser University, October 2000, 419.

<sup>32</sup> MacSkimming, 10.

the day implies that the industry should eventually be self-sustaining. It also implies the industry's independence; perhaps that the program is not designed to be a tool for assuring content meets the government's political purposes. However by asserting that the industry is aware of its cultural role the statement assumes there is some objective being pursued in maintaining an industry which influences cultural and therefore national development. The financial success of the industry is restricted to being achieved by publishing only Canadian authors, though quite possibly authors of other nationalities may be more lucrative.

Through the 1980s, funding for book publishing increased steadily and continued to do so into the mid-1990s. The largest reductions to the program occurred in 1995 during an overall program of deficit reduction under Finance Minister Paul Martin. Funding levels were recovered within three years<sup>33</sup> and have remained stable since.

Currently, the BPIDP is "the cornerstone of government support"<sup>34</sup> providing \$26 million in 2005-2006<sup>35</sup> directly to Canadian publishers. Similar to economic development initiatives for other sectors such as manufacturing, approval of recipients occurs within government ministries, in this case, the Department of Canadian Heritage. At the same time however, though documents from the government heavily emphasize the importance of developing markets for Canadian products abroad, they also state "The

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<sup>33</sup> *The Challenge of Change: A Consideration of the Canadian Book Industry*. Standing Committee on Canadian Heritage. Clifford Lincoln, MP Chair, June 2000. Found at <http://www.parl.gc.ca/InfocomDoc/36/2/HERI/Studies/Reports/heri01/06-ch2-e.html#H2> (April 1, 2006).

<sup>34</sup> *Culture and Heritage, Connecting Canadians through Canadian Stories*, Canadian Heritage, Government of Canada, 1999. 4.

<sup>35</sup> *Aid to Publishers 2005-06*, Book Publishing Industry Development Program, Department of Canadian Heritage website, [http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/recipients/atp/list\\_atp\\_0506\\_e.cfm](http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/recipients/atp/list_atp_0506_e.cfm) (January 15, 2007).

writing and publishing sector in Canada is vitally important in making our voices heard. Canadian books allow their readers to view places, events and issues through Canadian eyes.”<sup>36</sup>

In addition to block grants, a number of other initiatives are included in the Book Publishers Industry Development Program. A number of assessments have identified structural anomalies in the book industry. Unique to publishing is the convention of sales on consignment resulting in over-ordering by retailers and eventually large (30%) returns to publishers with some market segments, primarily trade, averaging even higher levels. Inconsistent information exchange between publishers, wholesalers and retailers have also been a hindrance to successful management. To remedy some of these problems, supply chain initiatives have been established to rationalize information flows and develop collective development strategies. Funding programs for export initiatives under the Association for the Export of Canadian Books (AECB) are also available and focus on the sale of both books and rights. Each of these programs, while still administered under Canadian Heritage, are designed to foster greater economic vitality within the industry and are not related to issues of culture per se. Instead, the goal is economic viability and efficiency of publishers.

Though not under the umbrella of the Department of Heritage, grants are also available to scholarly publishers for the production of peer-reviewed monographs. Administered by the Canadian Federation for the Humanities and Social Sciences but funded by the Social Science and Humanities Research Council, the Aid to Scholarly Publications Program is available to a fixed number of projects each year which meet the

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<sup>36</sup> “Culture and Heritage, 6.

requirements of Canadian authorship, Canadian publisher and various academic criteria. Approximately \$1.4 million was approved for distribution in 2005 on subjects as varied as identity politics in South Africa and Russian Entrepreneurs.<sup>37</sup> These are vital to the handful of scholarly publishers usually affiliated with a Canadian university and without it, many projects would not be viable. This also prevents many Canadian scholars from publishing with foreign academic presses with Canadian branches since grant opportunities such as this would not be possible.

### *Canada Council for the Arts*

Of the roughly \$39 million of grant assistance reported by book publishers, roughly one quarter, or \$9 million was distributed by the Canada Council for the Arts. Funding for the Council is derived mainly from the federal government (\$152 million in 2005<sup>38</sup>) that is then administered by the Council's 11 member Board of Directors and staff. Grants to the book publishing industry are primarily made on the basis of application to the block grants program for established publishers (\$7.8 million in 2005/2006<sup>39</sup>). It operates at "arm's length" from the government and uses a peer review assessment process to distribute funding.<sup>40</sup>

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<sup>37</sup> Canadian Federation for the Humanities and Social Sciences, Searchable Database. Found at <http://www.fedcan.ca/english/aspp/titles/database/> (March 1, 2007).

<sup>38</sup> *Annual Report 2004-05*, Canada Council for the Arts, [http://www.canadacouncil.ca/canadacouncil/archives/council/annualreports/2004-2005/pdf/financial\\_2005-en.pdf](http://www.canadacouncil.ca/canadacouncil/archives/council/annualreports/2004-2005/pdf/financial_2005-en.pdf) (September 30, 2006).

<sup>39</sup> "Essential Support for Literary Publishing in Canada, A review of the Canada Council for the Arts' Programs in Support of Book Publishing, Final Report" DeGros Marsh Consulting, July 2006, 4.

<sup>40</sup> The Council is at "arm's length" from the government, which means that, within its mandate from Parliament, it has full authority to establish its priorities, policies, and funding programs and make grant decisions.

Prime Minister Louis St. Laurent first proposed this model; "Government should support the cultural development of the nation but not control it"<sup>41</sup> Though criticism of the CCA's decisions has arisen from time to time by Members of Parliament and others, subsequent federal governments have respected this principle. The Council states that this arrangement "shields [its] artistic decisions from pressures brought by other sources, whether they are colleagues and friends of applicants, partisan or special interest organizations in or outside the arts, or community groups lobbying for or denouncing a particular point of view."<sup>42</sup>

The eligible titles list approval process requires publishers to submit a list of titles that are assessed for their eligibility by a committee comprised of industry representatives (3 to 7). Members are deemed suitable by virtue of having professional experience and knowledge directly relevant to the program criteria and applicant group.<sup>43</sup> Criteria (see Appendix B) primarily demands 50% Canadian authorship and minimum standards of publication sizes and quantities. While selection criteria ensure some measure of Canadian control and content by way of authorship and corporate control, there are no specific requirements or preference within the Council selection criteria for elements of Canadian national voices, stories, or identities. Emphasis is placed on artistic freedom and developing an appreciation for the arts within Canada and beyond.

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See *Peer Assessment at the Canada Council for the Arts: How the Council Makes its Grant Decisions*, [http://www.canadacouncil.ca/grants/grant\\_policies/gq127234205403281250.htm](http://www.canadacouncil.ca/grants/grant_policies/gq127234205403281250.htm) (January 10, 2006).

<sup>41</sup> *Peer Assessment*, [http://www.canadacouncil.ca/grants/grant\\_policies/gq127234205403281250.htm](http://www.canadacouncil.ca/grants/grant_policies/gq127234205403281250.htm)

<sup>42</sup> *Peer Assessment*, [http://www.canadacouncil.ca/grants/grant\\_policies/gq127234205403281250.htm](http://www.canadacouncil.ca/grants/grant_policies/gq127234205403281250.htm)

<sup>43</sup> *Peer Assessment*, [http://www.canadacouncil.ca/grants/grant\\_policies/gq127234205403281250.htm](http://www.canadacouncil.ca/grants/grant_policies/gq127234205403281250.htm)



These policies have developed along with changes in the book industry. While once completely dominated by foreign publishers, currently the Canadian book publishing industry is heavily, but not exclusively made up of well-financed, multi-national corporations. 17 foreign controlled firms operate subsidiaries in Canada and total sales of this segment represent almost half (47%) of total domestic book sales. (see Appendix A) The remaining half of the domestic market is distributed between 610 Canadian controlled firms, many of which are small presses publishing only a few titles per year. Companies receiving federal support must meet certain requirements that resulted in a total of 213 qualifying in 2001.<sup>44</sup> Sales from this group of 213 publishers accounted for roughly two-thirds of the sales by Canadian controlled firms.

#### *Culture; Public or Private*

The policies of the federal government no doubt incorporate varying degrees of motivation for both cultural defence and economic growth. Federal policy with respect to the book publishing industry contains two stated components. First it has been seen as a cultural development program, a policy designed to increase output of cultural artefacts to develop and sustain a sense of “cultural security.”<sup>45</sup> Second, programs are designed to generate growth of the industry from an economic perspective, regardless of content.

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<sup>44</sup> Currently, publishers must have been in business for 3 years, be at least 75% Canadian-owned and -controlled, have its headquarters and at least 75% of its employees based in Canada, be a private-sector firm or university press, be financially viable have fulfilled all contractual obligations with respect to author royalty payments or other method of payment to authors and have net sales of less than \$20 million. *Eligibility Rules for Publishers*. Department of Canadian Heritage BPIDP program. Found at [http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/demande-apply/atp/atp2006\\_e.cfm?nav=2#rulespubs\\_regleseds](http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/demande-apply/atp/atp2006_e.cfm?nav=2#rulespubs_regleseds) (April 1, 2006)

<sup>45</sup> Rowland Lorimer, “Book Publishing” *The Cultural Industries in Canada, Problems, Policies and Prospects*. Dorland, Michael, ed. James Lorimer & Company: Toronto, 1996. 330.

Government publications are quick to note that publishing exports have risen from \$48 million in 1992 to \$146 million in 2002.<sup>46</sup>

On the surface, the dual motivations of the government seem to be a contradiction, as do their statements. Would Canadian stories for Canadian readers have any market beyond Canadian borders? Those authors held up by the government as successful examples of “distinctive, world class literature” such as Rohinton Mistry, Margaret Atwood, Dany Laferriere may well be a source of great pride for Canadians, but their writing is often not specific to Canadian experiences. However, publications indicate that a key goal of the BPIDP continues to be the development of foreign markets.<sup>47</sup> From the opposite perspective, if the goal is to achieve economic viability, the nationality of the author should be irrelevant. How can we reconcile this issue?

- *Private*

Governments support various industries – automotive, oil and mineral extraction, aerospace – that are not directly tied to the national concept of cultural identity as is publishing or other cultural industries. In the interests of efficiency, funding flows to the companies that produce culture “because it allows the government to avoid involvement in the identification of specific authors and musicians who merit support.”<sup>48</sup> This would imply that the government does not have a vested interest in ensuring that the outcomes

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<sup>46</sup> *The Challenge of Change: A Consideration of the Canadian Book Industry*. Standing Committee on Canadian Heritage. Clifford Lincoln, MP Chair, June 2000.  
<http://www.parl.gc.ca/InfoComDoc/36/2/HERI/Studies/Reports/heri01/04-toc-e.html> (April 1, 2006).

<sup>47</sup> *Culture and Heritage*, 4.

<sup>48</sup> *A Sense of Place – A Sense of Being; The evolving role of the Federal Government in Support of Culture in Canada*. 9<sup>th</sup> Report, Standing Committee on Canadian Heritage, Clifford Lincoln, Chair, Ottawa: Public Works and Services, (June 1999), 38

of subsidized culture reinforce national cohesiveness. Some artists materials may run counter to the objectives of government, even being critical of them or of the national character, but nonetheless would be eligible for support under general grants to publishers.

There is also strong evidence that culture is viewed as an economic activity and not a social good by the Canadian government. Initially, federal government support for the industry focussed on ensuring Canadian ownership of the publishing industry, but within a few years turned to improving business practices within the industry to ensure profitability.<sup>49</sup> Essentially, “most of the federal government’s cultural support programs were originally designed to compensate Canadian cultural producers for their competitive disadvantages;”<sup>50</sup> recognizing that Canadian producers were somehow handicapped in achieving financial success due to domestic conditions. As well, the majority of industry funding runs through federal departments directly, similar to other economic development initiatives.

The newly elected Conservative minority government has a more clearly defined view of the role of support for cultural industries than previous administrations. Recently in the House of Commons, the new Minister of Canadian Heritage stated: “Investing in the arts is an investment in our cultural industries and economy. The cultural sector employed over 597,500 workers in 2002, roughly the same as agriculture, forestry, fishing, mining, and oil and gas combined, or the workforce of a province such as Manitoba. Canada's cultural sector is built around Canada's 131,000 artists, key players in

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<sup>49</sup> Duxbury, 412.

<sup>50</sup> *A Sense of Place*, 36.

the research and development work of the cultural industries.”<sup>51</sup> Though the Budget 2006 included an additional \$50 million for the Canada Council for the Arts, proposed but as yet unspecified general budget cuts have caused concern for continued support for the Block Grant program through the Ministry of Canadian Heritage. Statements that place a greater emphasis on the viability of the industry, the number of employees and the economic benefit to the nation, view culture as a private good that operates within a society where individual rights are paramount.

- *Public*

In spite of the above, various federal governments have been highly motivated to represent cultural industries in general, and the book publishing industry in particular, as supportive of a national unity. For example;

*“The Canadian stories published by these firms are of vital importance to our nation because they reflect the regional, linguistic and ethnocultural vitality of Canada and remind us of our common values.”*<sup>52</sup> and

*“The unprecedented success of Canadian literature and the important part played by the government in that success are absolutely undeniable. However, the problems that our publishers face while developing literary content for a population as small and diverse as Canada's are also very real.”*<sup>53</sup>

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<sup>51</sup> Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): 39th Parliament, 1st Session, (11:1815-20) (April 3, 2006 - )

<sup>52</sup> Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): 38th Parliament, 1st Session , October 4, 2004 - November 29, 2005, 1467-8(25:2210-5)

<sup>53</sup> Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): 38th Parliament, 1st Session , October 4, 2004 - November 29, 2005, 1467-8(25:2210-5)

These statements indicate an assumption that the production of Canadian literature as primarily for domestic consumption in Canada's small market. Why would development of a small industry for a small market be useful? An explanation is offered by Daniel Schwanen. As discussed earlier, he proposes that culture helps to create psychological boundaries between nations that reinforce physical boundaries. Certainly in Canada's case, our borders are long and porous. By investing in culture, governments are creating a bond between citizens and a barrier to those beyond. Perhaps by merely demonstrating success whether it is domestically or internationally, reinforces a sense of the value of being Canadian.

The role of the book publishing industry in sustaining culture is important considering it is a product which competes in international markets and that the domestic market is open to foreign influences and new technologies.

*“Culture in all its forms is the essence and key expression of our identity and heritage as Canadians. As we prepare to enter a new century where technological change will continue to have a vast impact on our socio-economic life, dominated by increasing interdependence of people, countries, and trade among them, it is essential for us to further define the role of the federal government in support of our culture”<sup>54</sup>*

This further definition remains unresolved. The federal government has long been concerned about the erosion of Canadian culture to American influence and fears of Americanization have become incorporated into the very construction of Canadian

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<sup>54</sup> *A Sense of Place – A Sense of Being; The evolving role of the Federal Government in Support of Culture in Canada.* 9<sup>th</sup> Report, Standing Committee on Canadian Heritage, Clifford Lincoln, Chair, Ottawa: Public Works and Services, June 1999.

identity (as in ‘we don’t know what we are but we certainly aren’t American’). “There is a general consensus that some degree of government intervention to promote culture is required in the same sense that the government must provide for national defence and public safety.”<sup>55</sup> Proponents of the concept of culture as a public good have worried that an “ambivalence towards the role of culture is symptomatic of the ambivalent attitude in general of the Canadian state toward its own security interests.”<sup>56</sup> By promoting culture and cultural industries, the federal government may help create those divisions between Canadians and others, and develop loyalty to the nation-state. By positively portraying the publishing industry as vital to the maintenance of our cultural ideals, they are by extension, maintaining a resistance to Americanization.

This desire to maintain borders and a separation of identity is also clearly evident in federal-provincial relations, as well as between provinces themselves. In Canada, the federal government must defend not only against assimilation by American culture, but also against internal fragmentation at the hands of the provinces. By creating a strong national identity which incorporates diversity, as evidenced by multicultural policies of the last three decades or the recent passage of a resolution to recognize the Québécois as a ‘nation within Canada’, the efforts of provincial governments to gain greater regional allegiances are minimized.

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<sup>55</sup> D. Schwanen, “A Matter of Choice: Toward a More Creative Canadian Policy on Culture.” *Commentary* No. 91. Toronto: C.D. Howe Institute. 1997. In Victor Rabinovitch, “The Social and Economic Rationales for Canada’s Domestic Cultural Policies.” *The Culture/Trade Quandary; Canada’s Policy Options*. Browne, Dennis ed. Centre for Trade Policy and Law: Ottawa 1998. 26.

<sup>56</sup> Kevin Dowler, “The Cultural Industries Policy Apparatus” *The Cultural Industries in Canada, Problems, Policies and Prospects*. Dorland, Michael, ed. James Lorimer & Company: Toronto, 1996. 340.

Intermittently, additional funds have been made available for specific purposes. For example, ‘unity’ funds totalling \$2 million were distributed to publishers in the wake of the Parti Quebecois’ first electoral win in Quebec to “encourage the expansion of the Canadian experience in our cultural life and make it more readily available to all Canadians.”<sup>57</sup> Such programs are a direct execution of a political goal to support nationalistic cohesiveness and the connection between funding cultural industries to affect change in the national culture is evident.

Since the inception of funding for the publishing industry, federal government policies incorporate rationalizations based on culture being both a public and private good. Successive governments have sat firmly on the fence, funding publishers both directly and indirectly, and for the purposes of both national identity and economic vitality.

For example, from Canadian Heritage’s website:

*“For more than a century, the Government of Canada has had programs and policies to support the production, distribution and promotion of Canadian books, magazines and newspapers that reflect Canada's unique and dynamic culture. This support is premised on the belief that Canadians must have access to Canadian voices and Canadian stories. Looking to the future, the cultural sector must continue to adapt so as to benefit fully from a changing global economy. For the Government of Canada, this*

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<sup>57</sup> “Cultural Support for unity funds.” 1977, October, *Quill and Quire*, p.1, in Duxbury, 417.

*means searching for innovative ways to support publishers so they can take advantage of opportunities available both at home and abroad.”<sup>58</sup>*

Fortunately, by funding publishers directly through block grants to publishers as well as through the Canada Council, the government is relieved of having to define exactly what might constitute Canadian voices and Canadian stories, leaving those decisions to publishers and industry experts.

The 2006 budget of Stephen Harper’s Conservative government increased tax deductions for charitable donations to arts programs and organizations and followed through on a Liberal commitment to contribute \$50 million over two years to the Canada Council of the Arts. However, cuts to the Department of Canadian Heritage for museum programs, and future anticipated cuts to funding of cultural programs due to program review at Heritage Canada, have raised concern within the arts community of less support from government in the near future.<sup>59</sup>

While there has been some fluctuation in funding levels from government to government, the structure of cultural policy has remained consistent, and in general, funding levels from all federal programs have generally risen over time. The policy is comprised of several funding streams with similar criteria but independent from one another. It is clear that there has been no definitive resolution by the Canadian government to the question of what publishing’s role is in the Canadian economy or society.

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<sup>58</sup> *Cultural Affairs; Books*, Department of Canadian Heritage, [http://www.pch.gc.ca/progs/ac-ca/pol/livre-book/index\\_e.cfm](http://www.pch.gc.ca/progs/ac-ca/pol/livre-book/index_e.cfm), (January 10, 2007).

<sup>59</sup> *CCA Bulletin 39/06*, Canadian Conference of the Arts, Ottawa September 15, 2006. <http://www.ccarts.ca/en/advocacy/bulletins/4006.htm>, (January 5, 2007).



## *Federalism*

Vipond states that a key tension inherent in Canadian federalism occurs between the ideals of the individual's right to liberty and a community's ability to act for collective purposes. His point reflects this thesis' statement that cultural policy development is in constant tension between the public position, or what is best for the national community as a whole, and the private industry position of economic individuality and pursuit of free trade. Canada's political institutions have grown adept at accommodating this tension, even encouraging both components as a means of ensuring continued national integrity. The need for continued harmony between these competing tensions often undermines efficiencies that might be achieved through the rationalization of policy between differing levels and agencies of government. In this case, funds flow from the federal government to the book publishers through two separate streams and approval processes, creating duplication of application and administration by both parties.

In addition, both federal and provincial levels of government have chosen to support the same industry. This duplication of services is not unique and is evident in other industries where multiple levels of government contribute to cost-sharing. For example, the auto industry receives subsidies or training allowances from all three levels of government to encourage the location of factories in particular regions. Municipalities receive assistance for infrastructure projects from both federal and provincial sources.<sup>60</sup>

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<sup>60</sup> Recent events with respect to a proposed light rail line in Ottawa, ON illustrated this. See *What's New*, December 14, 2006. City of Ottawa website, [http://www.ottawa.ca/residents/lrt/whats\\_new/20061214\\_en.shtml](http://www.ottawa.ca/residents/lrt/whats_new/20061214_en.shtml). (January 30, 2007).

However the publishing industry is relatively small (total sales equal \$2 billion) and only half of the total revenue available returns to domestic producers. Large industries such as auto manufacturing employ several times the number of individuals that the book publishing industry and do so at higher wages.

In 2005, total funding under the BPIDP equalled \$27 million. Roughly \$14 million is distributed to publishers in Quebec, \$7 million in Ontario and the remainder to other provinces. Some of this funding distribution is targeted towards educational publishers, however most is for ‘trade’ publications, i.e. for the general market. (For interest, Appendix “C” indicates the top 30 recipients in terms of dollar amounts and distribution between provinces.) Likewise the Canada Council of the Arts, whose mandate is the development and appreciation of Canadian literature as opposed to the development of the publishing industry<sup>61</sup> in 2005, distributed 39% of grants to recipients in Quebec totalling \$3 million.

Arguably, the geographic distribution of the industry has an influence on these figures and this has changed since the beginning of government support. In the 1970s, 92 of the 100 English language publishers in Canada were located in the Toronto area and 5 of the remaining 8 were located in Montreal. All 34 French language firms at the time were also located in Montreal. In 2004-2005, 23 publishers receiving aid were in British Columbia, 14 in Alberta, 8 in Manitoba, 10 in Atlantic Canada with the remainder in

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<sup>61</sup> “Essential Support for Literary Publishing in Canada, A review of the Canada Council for the Arts’ Programs in Support of Book Publishing, Final Report” DeGros Marsh Consulting, July 2006

Ontario.<sup>62</sup> Sales revenue by province, which does not correspond to funding distribution, are listed in Appendix D.

Asymmetrical federalism<sup>63</sup> helps explain the uneven treatment of languages and regions by asserting that varying methods and levels of support are reasonable depending on regional conditions, economic prospects and social demands. Therefore, the unique situation of Quebec in North America with respect to producing an adequate variety of literature for a relatively small market might constitute such circumstances, particularly when educational requirements and the distribution of the industry across the country are considered. The policies of the Ministry of Canadian Heritage toward the book publishing industry no doubt attempt to balance the demands of the industry with political demands for resources. However, if the federal government were committed to funding publishing due to its value as an economic entity, such a distribution would be unreasonable – funding would go to those most in need or with greatest risk of laying off large number of employees. By utilizing both the arms-length and non-arms length methods, as well as providing greater levels of funding in regions where demands for the preservation of cultural industries for non-economic reasons exist, the federal government incorporates competing justifications from both the public and private sphere concepts of culture. This policy mix is tolerated by the federal structure of Canadian

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<sup>62</sup> *Printed Matters; Book Publishing Policy and Programs*. Annual report 2004.05 Canadian Heritage.. Found at [http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/reports/printed\\_matters\\_0405/pdf/printed\\_matters\\_04-05\\_e.pdf](http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/reports/printed_matters_0405/pdf/printed_matters_04-05_e.pdf) (April 1, 2006).

<sup>63</sup> Defined by Jennifer Smith as “the differential treatment of the units of the federation under the constitution or in national public policy.” see “The Case for Asymmetry in Canadian Federalism” Asymmetry Series 2005 IIGR, School of Policy Studies, Queen’s University.

government that supports programs content to reinforce the differences in regional characters.

Part IV of the Constitution Act of 1867, particularly Section 91 and 92 outline the divisions of powers which formed the basis for which much of the relationship between federal and provincial governments is based. The federal government holds control over trade and commerce (section 91.2) while provincial governments were charged with providing education (with restrictions, section 93) and those “matters of a merely local or private nature in the province.” (section 91.16). At the time, the concept of culture as a separate and useful function was not delineated however residual powers returned to the federal government. Notwithstanding this, the remainder of our constitution, by convention, provides a basis for involvement by both levels in the publishing industry. As is evident in many areas of public policy (education, health, etc.) federal and provincial governments overlap in their funding and/or legislation. In the next chapter the results of funding by the provinces to the publishing industry will be explored.

The public/private divide on the role of culture creates an environment where politicians, policy makers and publishers fail to communicate due to misunderstandings of desired outcomes. This creates animosity and division both within the industry and beyond.<sup>64</sup> A report commissioned by the federal government in 1976 stated there was a difference between publishers that operated for ‘cultural’ purposes and those that were ‘commercial’ and primarily concerned with generating profits.<sup>65</sup> This perceived division is reflected in the dual policy streams of the BPIDP and the Canada Council.

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<sup>64</sup> Duxbury, 408.

<sup>65</sup> Duxbury, 414.

Furthermore, by keeping alive small publishers through all programs, the federal government has maintained the segment of the industry that creates culturally important but economically marginal literature.

## Chapter Four: Provincial Government Publishing Policies

Within the Canadian federal system, each province develops its own program for the support of cultural industries. These responses have been shaped by factors such as institutional and industry development, political philosophy, and economic conditions. By reviewing the respective policies of Ontario, Quebec and British Columbia and their approaches to cultural industries, we will see how differing perspectives are exercised within the federalist framework.

### *Ontario*

Since the bulk of the English language publishing industry was then located in Toronto, the threats of foreign ownership takeovers in the early 1970s concerned the Ontario government to the same degree as the federal government. A provincial Royal Commission on Book Publishing was established to investigate the state of the industry and suggest possible remedies to prevent the erosion of Canadian owned presses to foreign control. As a result of the Commission's report, a loan program was established in 1971 and funding to publishers was increased through the Ontario Arts Council (OAC) to \$340,000 in 1973-74.<sup>66</sup> The provincial government of Ontario had been a forerunner in establishing an arts council with the OAC in 1963. Currently the OAC is the primary

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<sup>66</sup> Nancy Ann Duxbury, "The Economic, Political, and Social Contexts of English-Language Book Title Production in Canada, 1973-1996," PhD Dissertation, Simon Fraser University, October 2000, 405.

funding body for the professional arts in the province, distributing approximately \$35 million annually, and is administered by a board of 12.<sup>67</sup>

The Province of Ontario funds publishers through two agencies; the Ontario Arts Council and the Ontario Media Development Corporation (OMDC). Both fall under the jurisdiction of the Ministry of Culture. In addition, the province allows publishers a tax credit applicable to any potential tax liability.

The OAC provides funding to develop literature and publishing in Ontario. Through successive governments, funding has increase such that the publishing industry received \$753,670 in 2005 in block grant support distributed to 39 publishing firms.<sup>68</sup> An additional \$200,000 is available for French language publishing in Ontario.<sup>69</sup> Recipients of these awards are based on criteria similar to the Canadian Council of the Arts (see Appendix B) and adjudicated by a peer-committee of 6. Relative to the large size of the industry in Ontario, this amount is considerably less than is available to Quebec publishers measured either by sales or population. It is also much less than is available to publishers in British Columbia when the amount is viewed as a function of population. (See Appendix E).

The following statements from their publications help illuminate the OAC's motivations with respect to cultural industries.

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<sup>67</sup> *Granting Programs and Awards*, Ontario Arts Council, <http://www.arts.on.ca/site4.aspx> (January 15, 2007).

<sup>68</sup> *List of Recipients*, Block Grants to Book Publishers, Ontario Arts Council. <http://www.arts.on.ca/Page290.aspx?DateTime=632768112000000000&PageMode=View> (March 1, 2007).

<sup>69</sup> *List of Recipients*, Édition, Ontario Arts Council, <http://www.arts.on.ca/Francais/page-1-2099-2.html>, (March 1, 2007).

*“The arts are an integral part of our everyday lives, an essential and inseparable component of culture. Through its arts a society refines and develops its culture by creating new cultural products and expressions. Participation in the arts leads to healthy, stable individuals and helps promote the social and economic well being of communities. The arts contribute to the development of our cultural industries through the creation of film, sound recording, theatre and books. The arts also contribute to our heritage by leaving a legacy of our culture through paintings, crafts, design and art works.”*<sup>70</sup>

In addition;

*“The Ministry encourages arts organizations to become more financially self-reliant by providing information and expert advice on issues such as voluntarism.”*<sup>71</sup>

The majority of financial support for the industry flows through the OAC, however the province of Ontario uses other methods to support publishers. The Ontario Media Development Corporation (OMDC), established in 2000 from the previously incorporated Ontario Film Development Corporation<sup>72</sup>, provides funds to the province’s book publishing, film and television, interactive digital media, magazine publishing and music industries. It was formed “to help Ontario be recognized as a leading global jurisdiction to invest in, create, produce and enjoy original cultural media products.”<sup>73</sup>

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<sup>70</sup> Arts, Ministry of Culture, Government of Ontario, June 5, 2006.  
<http://www.culture.gov.on.ca/english/culdiv/arts/index.html> (January 15, 2007).

<sup>71</sup> Arts, Ministry of Culture, Government of Ontario, June 5, 2006.  
<http://www.culture.gov.on.ca/english/culdiv/arts/index.html> (January 15, 2007).

<sup>72</sup> Ontario Media Development Corporation, Ministry of Culture, June 5, 2006.  
<http://www.culture.gov.on.ca/english/culdiv/cultind/omdc.htm> (March 1, 2007).

<sup>73</sup> OMDC is... About Us, Ontario Media Development Corporation website. August 13, 2004.  
<http://www.omdc.on.ca/Page3283.aspx> (March 1, 2007).



The corporation's mandate is summarized in their slogan, "Culture is our Business".<sup>74</sup> The corporation provides funds on a project by project basis to publishers in Ontario through the OMDC Book Fund to develop domestic and foreign markets. It strongly encourages development of export markets and overall marketing initiatives are favoured. Publishers must have clear objectives and must achieve measurable results, normally a return on investment, and focus on increasing revenues and creating and retaining jobs.<sup>75</sup> Project selection is by jury and individual publisher funding is dependent on total funding made available each year by the government.<sup>76</sup> While this funding may be useful for larger projects such as films or ongoing journal publications, book publishers tend to engage in many projects simultaneously creating multiple applications and reporting demands.

In addition, the Ontario Book Publishing Tax Credit (OBPTC) is a refundable tax credit administered by the OMDC, and is based upon eligible Ontario pre-press, printing and marketing expenditures incurred by a qualifying corporation with respect to eligible book publishing activities. The OBPTC was announced in the May 1997 Budget, legislation was enacted in December 1997. Amendments expanding the eligible expenditures incurred after May 2, 2000, were passed in December 2000 and again in 2004 and 2005. The OBPTC is calculated as 30% of the eligible Ontario expenditures,

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<sup>74</sup> *OMDC is...* About Us, Ontario Media Development Corporation website. August 13, 2004. <http://www.omdc.on.ca/Page3283.aspx> (March 1, 2007).

<sup>75</sup> *OMDC Book Fund Guidelines*, OMDC Book Fund, Ontario Media Development Corporation website, August 13, 2004. 1. Found at [http://www.omdc.on.ca/userfiles/page\\_attachments/Library/1/prog\\_contmktg\\_bookfund\\_guide2006\\_3908982.pdf](http://www.omdc.on.ca/userfiles/page_attachments/Library/1/prog_contmktg_bookfund_guide2006_3908982.pdf) (October 30, 2007).

<sup>76</sup> *OMDC Book Fund Guidelines*, [http://www.omdc.on.ca/userfiles/page\\_attachments/Library/1/prog\\_contmktg\\_bookfund\\_guide2006\\_3908982.pdf](http://www.omdc.on.ca/userfiles/page_attachments/Library/1/prog_contmktg_bookfund_guide2006_3908982.pdf), (October 30, 2007)

net of assistance related to these expenditures, incurred by a qualifying corporation with respect to eligible book publishing activities, up to a maximum tax credit of \$30,000 per book title. (For qualifying expenditures incurred before May 3, 2000, the maximum credit is \$10,000 per book title.)<sup>77</sup> If no tax is payable, the amount is refunded to the publisher. A total of \$6.9 million was issued to publishers over the 8 years from 1996-2004.<sup>78</sup>

In total, funding from the Ontario government is only 10% of the amount received by Ontario publishers from the federal government. Even though the majority of English language publishers remain in Ontario, support from the provincial government is relatively insubstantial. Nevertheless, the Ontario government, through both the OAC and its crown corporation the OMDC, is clearly funding the publishing industry at an arms-length distance from the Ministry which oversees culture and related activities. Unlike the federal government's BPIDP, there is no approval process that involves ministry employees or their agents. Also unlike the federal government, the provincial government directs the majority of its funding for the arts through the Ontario Arts Council. The OAC recognizes that participation in the arts may result in 'community well-being', however the statements of both public agencies involved in funding cultural industries emphasize the economic contribution of the arts as a primary reason for funding. By supporting this industry, quality employment opportunities will be continued and economic stability ensured. Publicity materials repeatedly emphasize the

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<sup>77</sup> *Ontario Book Publishing Tax Credit*. Tax Incentives, Ontario Media Development Corporation website, August 14, 2004. <http://www.omdc.on.ca/English/Ontario-Book-Publishing-Tax-Credit.html> (October 30, 2007).

<sup>78</sup> "Ontario Media Development Corporation and Ministries of Culture and Finance, VFM section 3.13 Media Tax Credits, 2004 Annual Report of the Office of the Provincial Auditor of Ontario, 314.

industry's number of employees, the size of the market, the economic benefits and the international opportunities for publishers.

Further evidence of this can be seen even in the title of the recently completed report on the industry *Economic Impact Study of the Canadian-Owned Publishing Industry*. Prepared for the Organization of Book Publishers of Ontario and the OMDC, it attempts to measure the economic impact of publishing and resulting economic spin-offs to the provincial economy. Quantifying the direct and indirect and tax contributions of the industry indicates an assumption that the value of the industry is in its economic activity and not in other social or cultural spheres.

The Ontario government does not utilize publishing policy as a means of developing a common voice or cultural experience. Nor is it in the manner one would expect from a bureaucracy that views publishing as a public good that should be accessible to all citizens. By funding the Arts Council and the Development Corporation the province is divesting itself of an opportunity to direct the manner in which provincial culture develops. Though it is encouraging economic vitality which some argue contributes to social cohesion, it is not particularly concerned with the direction this takes in cultural terms or that the political and social identity of the community of Ontario be enhanced and unified.

### *Quebec*

The Ministry of Cultural Affairs of Quebec was established in 1961 to promote widespread participation and the democratization of culture.<sup>79</sup> Initially, the provincial

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<sup>79</sup> Gattinger and Saint-Pierre, 12.

government developed cultural programming within a government department before establishing an Arts Council in 1967. From that time until the 1990s, levels of government involvement in arts development varied as demands on cultural policy grew and faded. Over the last several years, the objectives of cultural policy have been the affirmation of Quebec's cultural identity while making space for neo- and anglo-quebecois, development of artistic creation, and citizen access and participation.<sup>80</sup>

The programs of the Culture Ministry emphasize the importance of producing and reading Quebec material in order to maintain cultural integrity. Therefore programs are intended to support the entire chain of events and related institutions that bring reading to the Quebec public. This includes writers, publishers, distributors, libraries, bookstores and related special events. Most studies on problems facing the publishing industry comment on the irrationalities inherent in the book industry, particularly the sale of product on consignment which results in high returns.<sup>81</sup> While the federal government has instituted some minor initiatives to resolve some issues, Quebec emphasises the integration of the entire supply chain and develops programs that recognizes the importance of integration.

The process of approval for the funding of book publishers in Quebec is also unique in Canada. The arms-length agency Société de développement des entreprises culturelles (SODEC), created in 1995, distributes funding. However approval of program recipients is controlled by the government's department of Culture and Communications. This is accomplished through a publisher gaining approval from Culture et

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<sup>80</sup> Gattinger and Saint-Pierre, 15.

<sup>81</sup> See the Royal Commission reports of 1971, Printed Matters, reports commissioned by industry associations such as the Association of Canadian Publishers.

Communications Québec to become eligible to ‘be on the list’ of potential recipients.<sup>82</sup> Only approved publishers and bookshops are eligible for funding through SODEC. In total, \$10 million is available to the book industry in Quebec from the province<sup>83</sup> though this includes amounts available to institutions (schools, libraries) for purchase of books and other materials.

In addition, since 1981, legislation has been in place to protect approved publishers and bookshops from unfavourable market conditions that would threaten the integrity of the book industry in Quebec.<sup>84</sup> It requires public institutions such as schools and universities to purchase from approved book sellers, and not from a single source. This is intended to create a diverse and competitive marketplace which remains in the province. This type of legislation is an attempt to support the existing structure of the industry in Quebec, where numerous small domestic firms are active in a relatively small marketplace. Also, the government of Québec offers tax credits and loan guarantees to publishers through the same ministry. Again, recipients of these avenues of funding assistance are approved by Ministry employees and the programs are intended to provide further financial assistance to small, domestically owned and operated businesses.

Culture et Communications Québec’s website states that the publishing of books is the oldest of Quebec’s cultural industries and that the intention of the programs is “de faire de la lecture une véritable pratique culturelle, d'en faciliter l'accès à l'ensemble des

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<sup>82</sup> *Rôle du Ministère, Lecture et Livre*, Culture et Communications Quebec. 2007. <http://www.mcc.gouv.qc.ca/index.php?id=99>, (March 1, 2007).

<sup>83</sup> *Portrait Statistique, Les dépenses publiques en matière de culture au Québec en 2003-2004*. Direction Du Lectorat, de la Recherche et des Politiques., Culture et Communications Québec, (Avril 2006) 3.

<sup>84</sup> *Lois et règlements s'appliquant à la lecture et au livre*, Culture et Communications Québec, Programmes et Services, <http://www.mcc.gouv.qc.ca/index.php?id=1005> (March 1, 2007).

Québécois et d'en préserver la diversité”<sup>85</sup> (“to make reading a veritable cultural practice, to facilitate access to the whole of Quebec, and to preserve diversity.) Though some market mechanisms such as tax credits are utilized, the intention of the program is to ensure the continued practice of reading as a cultural activity, and through this activity, maintain the uniqueness of Quebec culture.

While assistance to publishers in Quebec appears to be controlled by an arms-length corporation, it is in fact, closely monitored by the Ministry of Culture. By retaining final decision-making concerning the approved list of recipients, the government of Québec has the ability to influence outcomes. Both the policy design and the statements issued by Culture et Communications Québec and SODEC indicate that the promotion of the industry is for the betterment of the province as a community, as opposed to development for economic purposes only. Both organizations state that they are committed to the promotion of Québec literature in Québec and for the residents of Québec, as opposed to the federal and Ontario governments which pursue policies intended to broaden the market for the publishers’ product anywhere a market can be found.

Alain Cairns has suggested, “The Quebec government, like the others, attempts to mould society in terms of its conception of a desirable future.”<sup>86</sup> But with respect to the level of funding for cultural activities like publishing, significant differences in cultural policy exists here than in other provinces. The Quebec government gives to publishers

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<sup>85</sup> *Panorama du Secteur, Lecture et Livre*, Culture et Communications Québec, February 7, 2007. <http://www.mcc.gouv.qc.ca/index.php?id=87> (March 1, 2007).

<sup>86</sup> Cairns, Alan C. *Constitution, Government and Society in Canada: Selected Essays*. Toronto: McClelland and Stewart, 1988. 154.

an amount equal to roughly 75% of the funding received from the federal government,<sup>87</sup> a figure much higher than either Ontario or British Columbia. In addition, their policy of ensuring outlets for the products of publishing, and legislation to protect this retail market, guarantees a greater likelihood of continued viability than in other jurisdictions in Canada. Furthermore and perhaps most clearly, the motto of SODEC is “Parce que notre culture est une force.” (Because our culture is a force).<sup>88</sup> Though Quebec makes use of funding agencies, the government has a clear involvement in directing the path and use of culture to ensuring social cohesion.

### *British Columbia*

Historically, the publishing industry has been located in Central Canada, with the English speaking presses primarily located in Toronto. Today the publishing industry in British Columbia is 5 to 10% of that in Ontario employing roughly 500 people (see Appendix E). This combined with the smaller population of British Columbia makes it likely to see programs for the arts that are less robust than those in central Canada. Nonetheless, British Columbia has invested some resources in the Ministry of Tourism, Sport and the Arts, under which assistance for the arts and therefore publishing resides.

The British Columbia Arts Council (BCAC) was established in 1995 (formed from the BC Arts Board founded in 1974) and is responsible for funding to specific art groups and community groups involved in cultural activities. The Council is funded

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<sup>87</sup> *Le temps de lire, un art de vivre; Politique de la lecture et du livre*. Gouvernement du Québec, 1998. 62.

<sup>88</sup> *Déclaration de Services aux citoyennes et aux citoyens, 2003-2004*. Société de développement des entreprises culturelles, Québec. p 1. [http://www.sodec.gouv.qc.ca/documents/sodec\\_services.pdf](http://www.sodec.gouv.qc.ca/documents/sodec_services.pdf) (March 1, 2007).

entirely by the Government of British Columbia and has focussed on developing a strong network of regional organizations that deliver arts programs to their local communities. Through the BCAC, publishing block grants of \$450,000 were awarded in 2005-2006 to 19 recipients and an additional \$11,000 was distributed for projects, based on specific book titles.<sup>89</sup> The approval process is similar to that found in Ontario and requires company owners to reside and operate in British Columbia but puts few restrictions or qualifications on the type of materials published, or their content. The funding application process is also similar to Ontario, where an application is assessed by industry experts appointed by the BCAC, with no involvement by government representatives.

In addition to ongoing grants, the Ministry of Small Business and Revenue provides a tax credit to publishers applicable to any liabilities owing and is tied to amounts received from the federal government.<sup>90</sup> The amount of the refundable tax credit that may be claimed by a book publishing corporation for a taxation year is equal to 90% of the BPIDP contribution received for the taxation year. In essence, funding to publishers from the federal government is deemed to be tax exempt. In this manner, the BC government piggy-backs on the federal government's assessment program in determining eligibility for financial assistance.

In British Columbia, responsibility for the Arts is integrated with the Department of Sport, Tourism and Arts. Its has defined its purpose "to foster job creation, business development, dynamic communities and healthy, active citizens by bringing new

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<sup>89</sup> *BC Arts Council Annual Report 2005-2006*, BC Arts Council, Province of British Columbia, 2006. 71-75. Available at <http://www.bcartscouncil.ca/publications/> (Feb 1, 2007).

<sup>90</sup> "Book Publishing Tax Credit; Income Tax Act" Ministry of Small Business and Revenue, Bulletin CIT 008, May 2003. [http://www.rev.gov.bc.ca/itb/Bulletins/cit\\_008.pdf](http://www.rev.gov.bc.ca/itb/Bulletins/cit_008.pdf) (June 14, 2006).



leadership and focus to the tourism, sport and arts sectors.”<sup>91</sup> Culture in this instance, is perceived more as an asset to be exploited by and for the tourism industry than an element of responsibility of the provincial government. Government documents speak of culture, particularly Aboriginal culture, as a fixed commodity that was developed in the past. However the Cultural Services branch administers programs for the film and music industries, primarily through arms-length, industry based, organizations. As well, the branch provides limited support to the Association of Book Publishers of British Columbia, which currently includes 50 members. Its programs involve lobbying governments for greater assistance and other industry development activities.<sup>92</sup>

The BC Arts Council has determined its mandate to be to encourage participation in the arts by all citizens of British Columbia by serving the cultural community.<sup>93</sup> It emphasises the role of arts groups in creating cultural activities and focuses on their development and support. The organization states that it encourages innovation and variety, and does not attempt to provide uniform activities which all residents might share. In British Columbia, cultural activities could be very different from one region to another, and from one individual to another. Equal access of all individuals to participate as they see fit is repeated throughout their program literature and statements by the government. In this manner, the Council assumes that arts consumption is an individual

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<sup>91</sup> “Purpose, Vision, Mission and Values,” *Annual Service Plan Reports, 2005-2006*. Ministry of Sport, Tourism and Arts. Government of British Columbia.  
[http://www.bcbudget.gov.bc.ca/Annual\\_Reports/2005\\_2006/tsa/Purpose\\_Vision\\_Mission\\_and\\_Values.htm](http://www.bcbudget.gov.bc.ca/Annual_Reports/2005_2006/tsa/Purpose_Vision_Mission_and_Values.htm) (February 20, 2007).

<sup>92</sup> *About Us*, The Association of Book Publishers of British Columbia,  
<http://www.books.bc.ca/aboutus.php> (March 1, 2007).

<sup>93</sup> BC Arts Council Annual Report 2005-2006, 1.

choice and cohesion between regional groups within the province is not required. The culture of a person is to be developed, not the culture of the province as a unified group.

### *Summary*

In reviewing the policies of the three provinces we see that each approaches support for the arts differently. The environments that led to the creation of each of these policies has varied considerably and each has developed in response to considerably different pressures and circumstances. As a result, the intended outcomes of the policies have varied and while each province has established an Arts Council funded by the provincial government, each uses this agency in a different manner and for a different purpose.

The governments that choose to retain control over the selection of publishers (Quebec) have demonstrated a greater interest in controlling the voice that emanates from the literature produced. Their programs are designed to allow the government to exercise influence over the direction the provinces culture takes, therefore implying that cultural policy is able to influence cultural growth. Provinces such as Ontario and British Columbia, with no apparent need or desire to protect or promote a distinct cultural identity will use the arms-length arts councils where literary voices can be developed for their own sake, not the government's. If there is a desire on the part of some government actors to influence the direction the provinces' culture takes, policy toward the cultural industries such as publishing are not utilized in this regard.

Funding to arts council is a long-term commitment though levels change from government to government. However by establishing a permanent council, there is an

implication that recipients will need, and are worthy of, ongoing assistance. By including publishing under the arts councils' umbrella, it assumes that publishers will continue to require assistance. Most economic development programs are designed to help establish fledgling industries or mature industries through periods of crisis; funding that is ongoing is not for economic development purposes alone. There is no stated intention that the Councils exist only until arts groups become self-sufficient as would be consistent with development goals.

In addition, each province offers minor additional assistance beyond that of the Arts Councils, primarily in the form of tax credits and marketing assistance. However, Canadian publishers rarely pay taxes since they rarely make much profit. Due to the limited net incomes generated by the publishing industry in the face of strong international competition for the Canadian market, these programs represent little cost to the provincial coffers. This is an example of what Schneider and Ingram refer to as token support where policy makers can gain political advantage by being seen to support a weak but worthy segment of the population but in actuality, spending a very limited amount of political or fiscal capital.

This is facilitated by publishers who have labelled themselves as vulnerable to competition in an attempt to frame themselves as worthy recipients of governmental assistance. In so doing, publishers have created opportunities for some policy development which fails to deliver substantial benefits to the industry. Such programs have been established in response to demands by the industry for recognition of their precarious fiscal positions but have in fact, significantly increased the administrative burden for both the industry and government.

Since the publishing industry attempts to shape itself in response to the demands of both the federal and provincial governments, it must describe its role in both the economic and cultural spheres. While the federal government attempts to incorporate both the individualist and communitarian aspects of Canadian ideology into its publishing policy, each of the three provinces reviewed have fallen primarily under the influence of one or the other. The Quebec government controls the list of eligible publishers, thereby ensuring some control over development of identity. They have developed their policies not only to ensure the viability of the publishing industry in creating material that supports Quebec culture, but also attempts to ensure the distribution of the material to the population. There is a recognition that the purpose of this industry in Quebec is to create a unified experience for all Quebecers and reassert the communitarian aspects of Quebec culture; one that will create a sense of unity and allegiance to the community as a whole. While economic vitality is encouraged, it is not the stated outcome of the programs in either the ministry or the SODEC.

Neither the Ontario nor British Columbia governments have attempted to exercise influence over the content or direction that culture takes in their respective provinces. While there is some recognition of the value of the arts in providing a healthy environment in which to live as well as the benefits of economic stability, the exercise of any cultural experience is dependent upon the individual and is not perceived as a means of developing greater affinity for the population defined by provincial borders. This is similar to their approaches to other cultural industries, particularly film, where efforts are focused on development of an industry that provides dependable, quality employment and investment opportunities, but provides little influence over content. Unlike Quebec,

decisions on eligible recipients are performed by individuals removed from the government and insulated by an arms-length organization. Particularly in Ontario, the value of the publishing industry is perceived to be in its economic value to the areas in which it operates, even though it is largely located only in Toronto. This is due to historical factors and there is little effort to decentralize the industry to other areas of the province to provide greater economic parity. With respect to publishing, the dissemination of the product is not a concern of the policy as much as that it be disseminated in a profitable manner.

With only one minor exception, the policy statements of the provinces reviewed here do not recognize the existence of federal programs offered to the book publishing industry by the federal government. The provinces do not suggest their support as intended to compliment or supplement federal initiatives, but is guided by their own purpose statements. This lack of rationalization creates an onerous duplication of applications and reporting for the publishers. In Ontario, for example, a publisher might annually apply to a minimum of five standing programs, as well as additional export, marketing and intermittent development programs as they become available. Each of these policies requires follow up reporting and collection of holdbacks. These same publishers are more often than not, struggling to manage the pressures of intense foreign and domestic competition and have limited resources to devote to multiple funding programs. This lack of rationalization is a real cost to the industry that returns no benefits.

## Chapter 5: Conclusion

The policies and programs that are currently being administered by federal and provincial governments have grown out of a variety of historical and political circumstances. While there are commonalities between jurisdictions, each government has adopted a unique mix of agencies and policy tools to accomplish its goals with respect to the book publishing industry. These differences in approaches and duplication of support are a reflection of the cultural landscape of Canadian federalism. Samuel LaSelva credits the dichotomies and competing values that exist within Canadian society and its political structures as the source of both tragedies and successes. These tensions clearly exist within Canadian cultural policy where the need for protection of the Canadian identity (defined or undefined) and liberal socio-economic objectives compete. He suggests that Canada's plurality is both its strength and its Achilles heel, stating that "it is the existence of a complex sense of community that provides Canada with its moral foundations."<sup>94</sup>

As a result of these tensions, the relationship between the levels of governments in a federation such as Canada is complex and multi-faceted. This study is not intended to propose a cause and effect relationship between ideology and policy outcomes, but hopefully adds another dimension to consider when viewing the development of public policy in a federation.

The purpose of establishing a federation of jurisdictions into a single political unit is to allow for regional autonomy in some aspects of society while giving powers of

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<sup>94</sup> Samuel LaSelva, *Moral Foundations of Canadian Federalism*, Montreal: McGill-Queen's University Press, 9.

common interest, such as national security, to a joint government. Because of the shared and sometimes competing interests by both levels of government, cultural policy is an area where we can compare the exercising of interests and attempt to understand the reasons for differing policy outcomes.

One of the tensions federalism in Canada is tasked with mediating is the opposition between parties that wish to protect community-based group identities and others who view the independence of the individual as primary. The balancing and rebalancing of this dichotomy is constantly being played out in Canadian politics. Cultural industries are drawn into this tension because of differing assessments of the role culture has in society; as either a mechanism for developing and maintaining common identities or as an individual pursuit requiring protection from government interference.

Those who study culture have proposed that the development of a strong common cultural allegiance is important for the continued unity of the state. If this were so, we might expect the federal government of a developed nation such as Canada with ongoing unity issues to have developed a strong and comprehensive policy approach to the support, development and role of cultural industries. That there is a diversity of policy within and between the various levels of government is worthy of investigation in order to determine what factors may be driving the differences. The very structure of the federal arrangement has been charged with creating and reinforcing itself.<sup>95</sup> Investigating

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<sup>95</sup> See Alan Cairns, "The Governments and Societies of Canadian Federalism" *Canadian Journal of Political Science*. Vol. 10, no.4 (December 1977): 695-726. also *Constitution, Government and Society in Canada: Selected Essays*. Toronto: McClelland and Stewart, 1988.

whether it also influences policy outcomes with respect to cultural industries has been the purpose of this thesis.

Figure 2: Government programs assessed

	<b>Cohesive, Public Service, Directed</b>		<b>Diversified, Economic Development, Unfocused</b>
	<b>Public</b>		<b>Private</b>
Federal Government	Book Publishing Industry Development Program	Auxiliary programs to BPIDP	Canada Council for the Arts, Association for the Export of Canadian Books
Ontario			Ontario Arts Council, Ontario Media Development Corporation, Industry Tax Credit
Quebec	Culture et Communications - approval process for recipients	SODEC	Industry Tax Credit
British Columbia			British Columbia Arts Council, Industry Tax Credit

Given the ongoing constitutional struggles between Quebec and the federal government, it is not surprising that each of these groups would attempt to use cultural policy for political purposes, i.e., to establish loyalty to the national unit, whether it be Canada or Quebec. What is interesting is the wide variety of approaches contained within each of these jurisdictions. This lack of cohesion requires a reassessment of the idea that cultural policy is derived from a singular perspective. In fact, it is apparent that cultural policy has developed in these two areas to satisfy the needs of both perspectives



of culture; that of a force for unity among the population and an individual pursuit with principally economic implications.

British Columbia and Ontario, have been less embroiled in constitutional negotiations and a more focused if less robust policy direction has resulted. (As illustrated in Figure 2, their programs fall only in the area of cultural industries as a private good.) This is consistent with Cairn's suggestion that provincial governments have used the constitutional structure to expand their power and influence over the electorate. Ontario and British Columbia have simply used cultural policy for the purposes of economic development not cultural allegiance.

From the research conducted, we can see that the federal government has implemented policies that satisfy the ideological perspective of both of these positions. Through its BPIDP programs administered by the Department of Heritage, direct funding is channelled to publishers chosen by the government department itself. At the same time, the Department supplies funding for the Canada Council for the Arts, thereby subscribing to the arm's-length principle that subsidized cultural pursuits should still be free of direct government selection and control. In utilizing both policy avenues, the federal government is demonstrating an unwillingness to support one perspective over another, in spite of administrative inefficiency inherent in funding a single industry through two separate policy streams. In statements, the government indicates it is concerned with developing Canadian culture for both individual and community reasons or more plainly for both economic and social development, further illustrating the incorporation of both attempts to direct and allow free development of cultural experiences.

Unlike the federal government, the Quebec government retains approval of the potential recipients of funds and it is clear that its policies are designed to maintain Quebec culture for its citizens now and in the future. It clearly prefers to consider culture as a public good that must be protected and reinforced. The provinces of Ontario and British Columbia funnel all resources for cultural industries through independent bodies, suggesting that there is no attempt to use these programs as a method to shape citizens identities or broader cultural perceptions. Attempts to link per capita funding or per business funding levels are thwarted by the concentration of the French-language minority and the educational needs of the French-speaking population. Nonetheless, the much higher investment by the Quebec government over the other provinces and support to the entire industry demonstrates a greater involvement by government in the structuring and directing of cultural activities.

The diversity of approaches and contradictory assessments of the role of books in society also presents a dilemma for publishers. Is culture a public good that should be free to all, is it an industrial good like any other, or is it some hybrid in the middle, incorporating the two perspectives into a form of cultural defence through strong economic development? Schneider and Ingram have suggested that groups attempting to gain governmental support might shape their images as more favourable in order to be successful. But which role should be emphasized? For instance, should they pursue the production of Canadian stories written for Canadians, even though this market is small and highly fragmented? Or should they take a market approach, developing and marketing good but generic stories for the larger global market?

The challenges facing book publishers are exacerbated by the intense competition from international conglomerates that have dominated the Canadian market in the past. Current international economic agreements are weak in offering protection to domestic publishers, and the relatively small Canadian population creates a limited market for products with a strictly Canadian content. Competing abroad is also difficult due to competition from the multi-nationals and in recent months, unfavourable currency fluctuations. While foreign-owned publishers are not eligible for benefits under Canadian programs, this limitation is more than offset by their greater economic resources and marketing capacities. Canadian publishers then are operating under the unique political context known as Canadian federalism, but still within a global marketplace.

At the same time and not discounting changes to federalism over time and the complexity of the negotiations of power within it, an understanding of the methods of exercising influence within a federation is important. Some attitudes are evolving within governments to see culture as underpinning the core of contemporary societies. The older policy preoccupation with culture as a repository of national values is being displaced by concerns with local conditions, grassroots activism, new initiatives and pragmatism.<sup>96</sup>

No doubt, Canadian culture will continue to change from the effects of international conglomerates exercising their influence in a more highly globalized world, technological changes and demographic shifts within Canadian society itself. Much has

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<sup>96</sup> Jennifer Craik, Libby McAllister and Glyn Davis "Paradoxes and Contradictions in Government Approaches to Contemporary Cultural Policy: An Australian Perspective" *The International Journal of Cultural Policy*, Vol. 9, 1 (2003): 18.

been made of the emerging information society and the cultural changes that is linked to it.<sup>97</sup> If culture is a mechanism that creates national unity, the influence of public policy on the shaping of culture becomes even more important, and urgent. Currently there is no consistent philosophical rationale for the existing policy choices and the policies in use may even be working in conflict with one another.

According to UNESCO, “cultural goods and services convey ideas, values and ways of life which reflect the plural identities of a country and the creative diversity of its citizens.”<sup>98</sup> Since 1867, Canadian federalism has attempted to incorporate the plural identities of its citizens and to allow conflicting ideals to co-exist. Cultural industries are a part of this accommodation and may play a role in developing the social capital necessary to support plural identities within a single country. If nothing else, an understanding of alternative perspectives within policy circles may allow for more effective dialogue and eventual cooperation in policy development between publishers, provincial and federal governments, and the agencies charged with developing cultural industries.

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<sup>97</sup> Craik et al., 19.

<sup>98</sup> “What do we generally understand by Cultural Exemption,” Culture, Trade, and Globalization UNESCO, 2002, [http://www.unesco.org/culture/industries/trade/html\\_eng/question.shtml](http://www.unesco.org/culture/industries/trade/html_eng/question.shtml) (February 15, 2007).

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## Appendix A

### Industry Data; Book Publishing in Canada 2001-2002

	Foreign controlled firms		Canadian controlled firms		Total
Number of Publishers	17	3%	610	97%	627
Titles in print *	14,924	13%	98,805	87%	113,729
Sales in Canada	846,170	47%	968,527	53%	1,814,697
Own titles	408,517	42%	553,011	58%	961,528
Exports	8,403	5%	146,382	95%	154,785
Other foreign sales	171	0%	313,239	100%	313,410
Total revenue	872,388	36%	1,543,657	64%	2,416,045
Cost of sales	433,635		796,674		3,386,035
Total operating expenses	355,960		661,986		2,861,185
Before-tax profit margin	82,793		84,997		389,521
As a percentage of revenues	9.5		5.5		
% of firms with a profit	66.7		56.0		
Book Publishing Industry Development					
Program Funding (000)			\$31,300		
No of publishers in program			213		
Participating Publishers' total revenues (000)			\$626,540		
Total Funding for Publishing Industry					
Federal sources (000)			\$37,603		
Provincial sources (000)			\$5,679		
Other sources (000)			\$4,803		
% receiving aid			46		

\* Includes the activities of publishers only.

Source: *The Book Report, Book Publishing policy and programs, 1993.1994 to 2002.2003.* Canadian Heritage

## Appendix B

### **Publisher Eligibility, Canadian Council for the Arts**

To be eligible for Block Grant support, a publishing company must:

- have its head office in Canada, maintain editorial control in Canada and be at least 75 percent Canadian-owned
- maintain full control over editorial processes, have editorial independence from any other company receiving Book Publishing Support from the Canada Council for the Arts, and produce separate financial statements
- have book publishing as its primary, rather than a peripheral or occasional, activity
- have at least 16 eligible titles in print and be committed to a sustained trade book publishing program, consisting of titles by a variety of authors
- have published at least four eligible titles between 1 December 2005 and 30 November 2006 (Exception: Those applying to the Block Grants component for the first time are still eligible if they have published only three eligible titles in the above period.)
- use appropriate and effective means to market, distribute and create public awareness of its publications
- issue clear royalty statements on a regular basis and have fulfilled all contractual obligations to writers, illustrators, translators and other copyright licensors; no grants will be issued to publishers that owe payments to writers, illustrators, translators and (or) other copyright licensors as of the application deadline.

### **Eligible Titles**

To be eligible, a title must:

- contain at least 50 percent Canadian-authored creative content, text or graphic
- have at least 48 printed pages between the covers (with the exception of children's books, which must contain at least 24 printed pages)
- have a print run of at least 300 copies
- be published principally in English, French or one of Canada's Aboriginal languages, and
- acknowledge the support of the Canada Council for the Arts, if produced by a publisher receiving Book Publishing Support.

Because the Canada Council's mandate includes supporting production in the literary arts, and the study of literature and the arts, only titles in the following categories are eligible:

- fiction, poetry, drama
- graphic novels (more than 47 pages)
- publications for children and young adults, except those in ineligible categories (see below), and
- literary non-fiction.<sup>99</sup>

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<sup>99</sup> *Book Publishing Support: Block Grants*, Canada Council for the Arts, <http://www.canadacouncil.ca/grants/writing/ap127723094273982142.htm> (Dec 15, 2006).

## Appendix C

### Top 30 recipients of BPIDP block grants

<b>Publisher</b>	<b>Province</b>	<b>Contribution</b>
Groupe Educalivres inc.	QC	\$850,000
Les éditions de la Chenelière inc.	QC	\$850,000
Éditions Quebecor Média inc.	QC	\$803,533
Sogides Ltée	QC	\$708,985
Kids Can Press Ltd.	ON	\$619,151
McClelland & Stewart Ltd.	ON	\$578,365
Groupe Beauchemin, Éditeur Itée.	QC	\$547,601
Les Éditions Québec-Amérique Inc.	QC	\$537,625
Firefly Books Ltd.	ON	\$535,842
Douglas & McIntyre Ltd.	BC	\$479,109
Groupe Modulo Inc.	QC	\$443,122
Lone Pine Media Productions Ltd.	AB	\$439,224
Crabtree Publishing Company Limited	ON	\$438,378
Éditions Tormont inc.	QC	\$411,526
Les Éditions Yvon Blais Inc.	QC	\$366,589
Gaëtan Morin Éditeur Ltée	QC	\$353,733
Éditions Phidal inc.	QC	\$344,553
Key Porter Books Limited	ON	\$319,163
Éditions Hurtubise HMH Itée	QC	\$304,823
Lidec Inc.	QC	\$291,335
Whitecap Books Ltd.	BC	\$280,298
Guérin, Éditeur Itée.	QC	\$269,490
Robert Rose Inc.	ON	\$266,211
Les Publications Graficor Inc.	QC	\$265,398
University of Toronto Press Incorporated	ON	\$264,827
The Frederick Harris Music Co., Limited	ON	\$238,085
Les Éditions Novalis Inc.	QC	\$237,615
Les Éditions Fides	QC	\$236,421
Les Éditions Chouette (1987) Inc.	QC	\$224,906
Le Boréal Express Ltée	QC	\$222,222

## Appendix D

### Book Industry Statistics by Province

		BC 2000-2001	Ontario 2000-2001	Quebec 2000-2001
<b>Titles published *</b>	<b>No.</b>	<b>1,232</b>	<b>7,752</b>	<b>5,791</b>
<b>Titles reprinted *</b>	<b>No.</b>	<b>471</b>	<b>5,930</b>	<b>5,134</b>
<b>Total in print *</b>	<b>No.</b>	<b>6,645</b>	<b>49,312</b>	<b>49,913</b>
<b>Sales in Canada</b>	<b>\$'000</b>	<b>79,260</b>	<b>1,249,945</b>	<b>436,235</b>
<b>Exclusive agency</b>	<b>\$'000</b>	<b>30,607</b>	<b>625,866</b>	<b>188,519</b>
<b>Exports</b>	<b>\$'000</b>	<b>22,615</b>	<b>60,193</b>	<b>64,533</b>
<b>Other foreign sales</b>	<b>\$'000</b>	<b>3</b>	<b>311,772</b>	<b>272</b>
<b>Personnel</b>				
Full-time employees	No.	435	5,307	2,405
Part-time employees	No.	68	1,041	416
Total personnel expenses	\$'000	14,800	294,953	95,736
<b>Total revenue</b>	<b>\$'000</b>	<b>109,837</b>	<b>1,697,697</b>	<b>542,746</b>
<b>Cost of sales</b>	<b>\$'000</b>	<b>67,787</b>	<b>822,583</b>	<b>307,621</b>
<b>Total operating expense:</b>	<b>\$'000</b>	<b>35,149</b>	<b>724,605</b>	<b>223,841</b>
<b>Before-tax profit margin</b>	<b>\$'000</b>	<b>6,901</b>	<b>150,508</b>	<b>11,284</b>
As a percentage of revenue	%	6.3	8.9	2.1
% of firms with a profit	%	61.1	54.0	61.6

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*Book publishers and exclusive agents: data tables, November 2003.*

## Appendix E

### Summary of Funding by Province

Province	Amount from BPIDP 2005-06	Canada Council for the Arts Grants to Publishers 2004-05	Provincial Arts Council grants	Total	Population (000)	\$ per capita
Alberta	1,742,598	297,600			3,257	
British Columbia	2,376,758	980,300	374,991	3,732,049	4,255	0.88
Manitoba	297,477	342,100			1,178	
New Brunswick	95,585	193,700			752	
Newfoundland & Labrador	207,066	77,300			516	
Nova Scotia	409,832	207,200			938	
Ontario	7,079,606	2,515,700	753,670	10,348,976	12,541	0.83
Quebec	14,246,903	3,083,800	2,400,000	19,730,703	7,598	2.60
Saskatchewan	213,422	143,100			994	
<b>Total</b>	<b>26,669,247</b>	<b>7,840,800</b>			<b>32,028</b>	

#### Sources:

BPIDP funding summary, [http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/recipients/atp/list\\_atp\\_0506\\_e.cfm](http://www.pch.gc.ca/progs/ac-ca/progs/padie-bpidp/recipients/atp/list_atp_0506_e.cfm)

*Le temps de lire, un art de vivre; Politique de la lecture et du livre.* Gouvernement du Quebec, 1998.

Canada Council for the Arts, Funding Report, <http://www.canadacouncil.ca/NR/rdonlyres/551FEA2D-1576-4A40-8425->

Statistics Canada, <http://www40.statcan.ca/l01/cst01/demo02.htm>