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## **Standing Committee on Canadian Heritage**

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**EVIDENCE**

**Tuesday, October 30, 2018**

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**Chair**

**Ms. Julie Dabrusin**



## Standing Committee on Canadian Heritage

Tuesday, October 30, 2018

• (1100)

[English]

**The Chair (Ms. Julie Dabrusin (Toronto—Danforth, Lib.)):** This is the 127th meeting of the Standing Committee on Canadian Heritage. We are continuing our study on remuneration models for artists and creative industries.

For our first panel, we have with us Corrie Jackson from the Royal Bank of Canada; Glenn Rollans and Kate Edwards from the Association of Canadian Publishers; and William Huffman from Dorset Fine Arts.

We'll begin with Ms. Jackson.

**Ms. Corrie Jackson (Senior Art Curator, Curatorial Department, Royal Bank of Canada):** Thank you and good morning.

My name is Corrie Jackson, and I am a senior curator at RBC. I'm responsible for overseeing and managing the RBC art collection, including acquisitions and installations of artwork globally.

The RBC art collection actively supports the work of living Canadian artists and has been collecting works since 1929. While many of our acquisitions focus on the work of emerging artists—supporting their work often before they find critical support from major museums or institutions—we also look to collect from artists of different generations who are fostering important conversations, and who are the mentors to the next generation of artists.

At RBC, we recognize the important role the arts play in supporting vibrant communities and strong economies. We also understand that support for the arts creates opportunities for many promising new artists to commit to their craft and take their careers to the next level. That is why RBC has made it a priority to help the next generation of artists progress in their careers. Our strategy provides the opportunity to raise awareness about Canada's vibrant and diverse art landscape.

Some examples of RBC's support for the arts include the following.

The RBC emerging artist project, which is overseen by the RBC Foundation, is committed to supporting young artists as they graduate and make their way to being professional practitioners. The RBC Foundation partners with institutions to support mentorship programs that help young artists in the early stages of their careers. This support is essential as young creators leave school and look to establish themselves among their peers. Since its inception, the RBC emerging artist project has helped over 8,000 artists from a variety of

disciplines, and has invested over \$70 million in arts organizations globally.

There is also the RBC Canadian painting competition. It was established in 1999 and has focused on helping emerging visual artists by providing them with a national forum to display their work and by opening doors to future opportunities. In addition to monetary prizes, artists are provided with support and mentorship. Each year, one national winner and two honourable mentions have their works become part of RBC's corporate art collection, which I oversee.

We partner with the Canadian Art Foundation to ensure that these young artists also receive mentorship from a jury of nationally and internationally celebrated art experts. We have partnered with organizations such as CARFAC to also ensure that these young artists receive access to information on artist compensation, copyright and the rights of an artist.

RBC's corporate art collection includes over 4,500 works by Canadian artists. RBC is collecting with an awareness that we are supporting a practice, and that this support is part of an active exchange. The works we acquire are sourced from commercial primary market galleries and help fund the time in the studio that allows for the next exhibitions, the publications, and the ability for artists to continue to engage, reflect and produce.

We collect with an awareness that an active market in Canada can strengthen the vibrancy of our communities. The stronger our arts community is nationally, the more we are cohesively engaged in creating a culture that benefits from the innovative, experimental and enriching experience that art brings to us all.

What drew me to this position personally, after working in commercial and university galleries, was seeing the unique and direct impact corporate collecting can have on the livelihood of artists. An actively acquiring collection pays artists for the work of their labour, research, time and thought, and that becomes manifested within an artwork. This opportunity is important and impactful. The Canadian primary market can be limited in scope, and the impact of corporate collections is not insignificant.

When thinking about our responsibility toward supporting artists, I often think of an ongoing study I recently read, entitled “Waging Culture”, which comes out of York University. It's a small sampling and quite limited in scope, but it offers information that I feel echoes sentiments I have heard in talking to artists across the country.

It looks at the typical experiences of a professional artist working in Canada. I want to emphasize that this is a study of artists who are actively making work and contributing to cultural dialogues, showing in museums and institutions. They are professional artists, but they are not necessarily living off the sale and display of their work alone. They are also often working other jobs. They are focused and committed to making work that is bringing new voices into our communities.

The study is broad and speaks to many of the challenges artists face. However, it also helps us understand how our acquisitions affect the livelihood of artists. The study states that the revenue for median artists in Canada, from their artistic practice, is 40% from sales, 40% from grants and 20% from artist fees, like copyright income. The yearly income for artists from all sources, including their day job, is approximately \$21,000.

In both 2007 and 2012, however, the study showed that artists are not realizing any profit from their practice. In 2007, the median practice income was a loss of approximately \$500, and in 2012, it was about a \$400 profit. On average, the hourly income for artists was less than \$2 an hour. This gives us pause to consider that it's often the artists themselves who are actively funding the production of art in Canada.

● (1105)

RBC's support of the arts is part of our corporate culture. The conversations sparked by artworks in our collection infuse the innovative and dynamic exchanges between our clients and our employees. As we continue to support the visual arts, we look to better understand and strengthen our relationships with visual arts organizations across Canada and understand our impact within the larger Canadian and international art market and the visual art community as a whole. We continue to look to support the diverse conversations stimulated by visual art.

Thank you for your attention. I'd be pleased to answer any questions from the committee.

**The Chair:** Thank you.

We will now go to the Association of Canadian Publishers. We have Glenn Rollans and Kate Edwards.

**Mr. Glenn Rollans (President, Association of Canadian Publishers):** Thank you, Madam Chair and members of the committee.

I'm Glenn Rollans. I'm president of the Association of Canadian Publishers, known as ACP, and co-owner and publisher of Brush Education in Edmonton. I am joined by Kate Edwards, who is the executive director of ACP.

We acknowledge that we're meeting today on the unceded traditional lands of the Algonquin Anishinabe people.

ACP represents almost 120 Canadian-owned, mainly English-language book publishers across Canada, publishing in all genres for audiences around the world. We're creative partners and risk investors in books. We're not printers. We fill the role in the book world that producers play in the film world. Audiences can purchase our works, or license them under direct or collective licences, in digital and print formats. We generate important income for authors,

editors, designers, illustrators, photographers and other creative professionals, and we are creative professionals in our own right.

The 2012 amendment to Canada's Copyright Act damaged our livelihoods. In particular, it opened the door to systematic and widespread unpaid copying by Canada's K-12 and post-secondary sectors. The two amendments most responsible are the inclusion of education as a purpose for fair dealing, and the reduction of statutory damages—that is, the penalties for infringement specified by the act.

Emboldened by these amendments, the education sector throughout Canada, with the exception of Quebec, abandoned collective licences and stopped paying mandatory Copyright Board tariffs. Instead, they implemented new policies advising staff and students that all copying, within the limits of the old licences and tariffs, was now available for free. The new statutory damages didn't even slow them down. Our members were shocked to learn that the only significant difference between the new policy and the old licences and tariffs was that publishers and authors would no longer be compensated.

This cynical ambush was the exact opposite of what the education sector had promised to do during the pre-amendment consultations. By opening the door to widespread unpaid uses of our works, these amendments created a threat to the existence of independent Canadian writers and publishers.

Make no mistake: They also created an urgent freedom of expression issue. If our Copyright Act leads to a Canada where the only writers and publishers who can earn a living are those with institutional salaries and those chasing Internet advertising, it will have silenced important, independent Canadian voices.

Independent Canadian publishers struggle in a home market dominated by internationally owned media. We are comparatively small entrepreneurs, yet we publish 80% of all Canadian-authored titles. Our members publish writers who might otherwise go unheard—diverse, marginalized and emerging voices. By undermining their livelihoods, the 2012 amendments have encouraged the exploitation and suppression of these authors. They have also made it less possible for publishers to take risks on developing these authors' works and finding their audiences.

As a result of the behaviour unleashed by the 2012 act, our sector has lost copying revenues of roughly \$30 million per year, as determined by the PwC study of 2015. Our opportunity to sell books has also suffered because of the large free-copying zone opened up by the act. The 2015 study—which I think we have supplied to the clerk—stood up well to the 2017 scrutiny of the Federal Court of Canada.

These changes also went against Canada's international commitments under copyright conventions and treaties. Foreign users now pay Canadian authors and publishers more for copying than Canadians do. By failing to rein in copying by its education sector, Canada has cast itself as an outlier among developed nations. We have become a scavenger of published works that lacks the will to support their creation, rather than a confident creator of intellectual property in a 21st century economy.

The Copyright Act should defend Canadian creative workers against large-scale copyright users who systematically use our work for free. Thrift does not justify theft. There is no justification for treating Canada's authors and publishers as uncompensated suppliers.

• (1110)

The education sector argues that statistics prove the Canadian book publishing sector is doing well despite uncompensated copying. In fact, this is a flat-out misstatement of the facts. I urge you to review the information we have supplied to the clerk and to question such misstatements carefully.

Losses due to the education sector's rejection of Access Copyright licences and Copyright Board tariffs vary by publishers, but in the case of my own company, those direct losses have amounted to roughly 5% of revenues. When combined with our diminished opportunity to sell books, and with the razor-thin margins in book publishing, this has had a dramatic impact on our growth and operations. Among independent Canadian publishers, losing even 1% of revenues means lost jobs, unpublished titles, lost opportunities for today's students to work in our sector and lost contributions to Canadian education, community and culture.

The education sector also argues that copyright users are harmed when copyright creators are protected. I beg you to reject this premise in all its forms. The rights you protect for me and my colleagues are not taken away from anyone. They are protected for everyone, and protecting them benefits all Canadians.

Relicensing the education sector is not complicated. The only thing the education sector needs to change is its attitude toward what is fair. Quebec's education sector is fully licensed under collective licences, while the education sector in the rest of Canada is almost completely unlicensed. That means that Canadian authors and publishers are compensated when they are copied in Quebec but not when they are copied elsewhere in Canada. That is simply unacceptable in our federation. The easy, practical and affordable solution is for the education sector in the rest of Canada to again enter into collective licences—but they appear to need your encouragement to do so.

We were disappointed to learn yesterday that the government's plan for Copyright Board reform will not address statutory damages for our sector. This is a missed opportunity to encourage respect for the Copyright Board's decisions and to create an incentive for all parties to come back to the negotiating table. Unless this omission is reconsidered, mandatory tariffs will remain unpaid and damage to our sector will continue to mount.

I need to say clearly and bluntly that if you don't intend the damage—damage that has now gone on for years and years—you

need to stop it and reverse it. We urge this committee to find the courage to say no to the short-sighted conduct of the education sector, which is so destructive to the livelihoods of Canadian authors and publishers—and in fact to the interests of educators, their students and all Canadians.

Please restore a fair marketplace where independent Canadian book publishers can earn a living and continue to make their important contributions to other creative professions and to our country.

We'll include our full set of recommendations as part of our written submission.

Thank you, Madam Chair and members of the committee. We look forward to your questions.

• (1115)

**The Chair:** Thank you.

Now we will go to William Huffman from Dorset Fine Arts.

**Mr. William Huffman (Marketing Manager, West Baffin Eskimo Co-operative, Dorset Fine Arts):** Thank you, Madam Chair and members of the committee.

I'm William Huffman, and I represent the West Baffin Eskimo Co-operative, an organization with a very broad mandate but one that includes the management of copyright and permissions as it relates to Inuit artists in the region.

I'll just give you a bit of an organizational overview, to give you a sense of who we are. The West Baffin Eskimo Co-operative is the oldest and most successful of the Arctic co-operatives. There is a network across the north. The organization was created in 1959 to provide resources for Inuit artists working in the community. Since its inception, the co-operative has been responsible for making possible the iconic Inuit art of Cape Dorset. The creation and sale of Inuit art is the largest and most profitable local industry in the region.

Cape Dorset is located in the territory of Nunavut, approximately 2,091 kilometres north of this room. The head office is in Cape Dorset, and since 1976 a satellite office operates in downtown Toronto, where I am based.

We are a community-owned organization; 90% of 1400 residents in Cape Dorset are shareholders. Profits are distributed back to the community in the form of annual dividends.

What we do in the context of copyright is that we manage the copyright and reproduction permissions on behalf of Cape Dorset's living artists and artists' estates. Our system is predicated on a power of attorney and appointment of agent arrangement that we negotiate with each artist, or the artist's estate representative. We are only responsible for this community. No other organization in the Canadian Arctic has the same system sophistication that exists in Cape Dorset.

For today's forum, I should note that my office regularly receives requests from artists residing in other communities for its copyright and permissions expertise. That certainly demonstrates a need for this specialized infrastructure in Canada's Arctic region for our northern creators.

Any individual or entity wishing to reproduce, in whole or in part, the likeness of a work of art produced by a Cape Dorset artist must seek authorization from the co-operative. Our office has worked with a range of stakeholders, from museums and art galleries to corporations and government.

In light of today's forum, we have ongoing federal relationships in the context of copyright and permissions with the Bank of Canada, the Royal Canadian Mint, Canada Post, the National Gallery of Canada, the Canada Council for the Arts, Indigenous and Northern Affairs Canada, and Global Affairs Canada, among others.

Our copyright and permissions specialist reviews the proposed use of the imagery and provides final approval on format and quality of the reproduction or depiction. The co-operative often collects a user fee based on the CARFAC copyright collective schedule and remits, minus a 20% administration fee, a dollar amount to the artist or estate. Use of imagery can relate to both print and online platforms. These can include publications, advertising initiatives and merchandising, everything from coffee mugs and umbrellas to exhibition catalogues and magazines.

Often, the approach is proactive, with requests for copyright and permissions received by my office. We then work closely with those individuals or organizations. In other circumstances, we are made aware of or we discover unauthorized image use and attempt to enforce our reproduction and fee requirements. In the case of the latter, we are often successful collecting fees and rectifying improper image use, but certainly we are limited in how aggressively we can enforce our copyright and permission terms globally.

In our 2017-18 fiscal year, we processed \$137,466.78 in copyright and permission fees, remitting \$109,973.73 to Cape Dorset artists and their estates.

Why do we manage this program? The artists of Cape Dorset range from the very emerging to elder creators. Many artists are challenged by a lack of home phone and Internet access. All have Inuktitut as a first language, and it is common for our more senior artists to be unilingual Inuktitut speakers. It's also common that our artists are without bank accounts and are therefore unable to accept payments under what we would consider normal circumstances.

In light of that, you can imagine how complex and challenging it is for our artists to both understand and navigate a copyright and permissions program under, again, what we would consider normal circumstances. The specific structure and administration of this copyright and permissions program by the West Baffin Eskimo Co-operative makes possible a financial benefit to artists from image use while protecting the integrity of the original work by regulating and restricting its reproduction or depiction.

In closing, the distinctive structure of our organization and its collective understanding of the Inuit artist community in Cape Dorset have uniquely equipped us to manage copyright for our stakeholders.

Thank you.

•(1120)

**The Chair:** Thank you.

[*Translation*]

We'll now move on to the series of questions and answers, starting with Mr. Breton.

**Mr. Pierre Breton (Shefford, Lib.):** Thank you, Madam Chair.

Good morning.

[*English*]

I will ask my question in French. I don't know if you have.... If necessary, just put your headset on.

[*Translation*]

Ms. Jackson, I'll start with you. You caught my attention by talking about the program that the Royal Bank of Canada has had in place for many years. It's a way of encouraging emerging artists. First of all, I'd like to congratulate you and your organization.

Could you tell us a little bit about your program with emerging artists and your relationship with them? What has changed? What are the differences between past decades and today, for example, in terms of technology? Can you tell us more about this?

[*English*]

**Ms. Corrie Jackson:** About technology as it affects emerging artists tied to the program, there has definitely been an increase of communications around social media. There's an awareness of the different programs that go out and of the ability of artists to respond to that information. Outside of that, I think the changes are quite limited, from what my purview has been.

Working with the foundation, I'd say the ability for artists to be aware of calls for submissions and grant deadlines has increased. The visibility of those opportunities has increased.

[*Translation*]

**Mr. Pierre Breton:** Thank you, Ms. Jackson.

Mr. Rollans, you said that you had some recommendations for the committee and that you would submit them in a brief. We also know that you made recommendations, last year if I'm not mistaken, to the Standing Committee on Industry, Science and Technology. I don't know whether you presented them in person or in a brief.

Are you going to present the same recommendations in the brief you're going to submit to us? Could you tell us more about these recommendations?

[*English*]

**Mr. Glenn Rollans:** The short answer is yes. They're the same recommendations. I saved a little word length by not reading them out again today in committee.

[Translation]

**Mr. Pierre Breton:** All right. Could you tell us about the recommendations you made to the industry committee?

[English]

**Mr. Glenn Rollans:** Yes, very quickly, we recommend that you clarify fair dealing for education, and that means essentially signalling to the education community that they need to license to take full advantage of the grey areas in the Copyright Act, rather than appropriating the right to copy. They need to promote a return to licensing through collective societies. Those licences cover all of the uses that would otherwise be unlicensed that occur through copying in digital or print form.

They need to increase statutory damages. At the moment, the maximum damages under the act are the same cost as would be there if an entity such as a university were to license, meaning that if you avoid licensing, the maximum cost you will have will be what you would have had otherwise. It's like being told that the cost of a parking ticket is the same cost as it would have been to park in the first place. No one would pay such a fee to park if they are only caught once in a while and have to pay only the cost of parking. There needs to be an incentive to license and a disincentive to infringe.

We recommend ensuring that Canada's international treaty obligations are met and that our law complies, especially with the three-step test, which is there in international standards. Essentially, the widespread uses should occur only in special cases, and those exceptions and limitations should only be in special cases. They shouldn't interfere with the ordinary exploitation of the work, and they shouldn't prejudice the author's interest, the copyright holder's interest. At the moment, our law does not meet that test.

Our fifth recommendation is to promote the effective operation of the Copyright Board. As I said, we were very disappointed yesterday, especially to see that statutory damages were not increased for our sector in the government's proposals.

•(1125)

[Translation]

**Mr. Pierre Breton:** Thank you, Mr. Rollans.

I'll finish with you, Mr. Huffman. I understand that your cooperative, which seems unique, in a way promotes Inuit artists from Nunavut. Could you tell us how these artists are paid? I understand that the cooperative belongs to the Cape Dorset community. Do the artists do business with you? What is the link between the cooperative and the artists that allows them to be paid?

**Mr. William Huffman:** Thank you for your question.

[English]

It is a very complicated procedure, to tell you the truth, for a variety of reasons that I identified in my remarks. These are artists who deal almost entirely in a cash economy, so we have to be prepared to provide payment to artists in whatever form they're capable of accepting. And when we're dealing with Inuktitut speakers to begin with, the fact that we have a team of people who are fundamentally able to communicate with these artists....

Interestingly, a lot of our artists don't really understand the permissions and copyright program, so there is a very high level of trust between the artist stakeholders we work with and our organization. We've organized copyright arrangements with Centre Pompidou and with MoMA in New York. These are very important institutions. Most of our artists have no idea what these museums are. They've never been outside of the territory in some cases.

To answer your question, it is about our having that level of comfort, a level of trust, with our artists and being able to administer the program with their blessing.

**The Chair:** Thank you.

We will now go to Mr. Shields, please.

**Mr. Martin Shields (Bow River, CPC):** Thank you, Madam Chair.

Thank you all for being here today.

Ms. Jackson, when you talked about what you do in your role, I found it very interesting. Maybe you can describe the process. How do you identify emerging artists?

**Ms. Corrie Jackson:** Absolutely, I'd be happy to.

Our curatorial department works with museums and galleries across Canada. I have a network of curators and experts who work across the country on exhibitions and programming. But our main point of contact in terms of acquisitions is with primary-market commercial galleries. They're galleries that represent living artists. They often have individuals in the studios who are seeing the work produced.

When there are exhibitions of those artists' works, we'll get an email or a PDF, or we'll go to see an exhibition in person. Usually we do research in advance as to the artist's past practice, as well as look into what upcoming exhibitions, publications, or milestones in their career they might be having. Then we make acquisitions based on that information.

When we're working with young artists, a big part of that is looking at what curators in the community are supporting their practice and spending time looking at their work and engaging. Definitely, artist-run centres are a huge step for those emerging artists, and we have a fair bit of awareness of those artist-run centres across the country and their programming.

•(1130)

**Mr. Martin Shields:** When you purchase this collection, how do you display it, and where?

**Ms. Corrie Jackson:** The collection goes into a lot of conference centres. It goes into client-facing offices and some senior executive offices, but mostly in spaces that are shared. We're looking to do more to also install the work in employee-facing areas.

We do a fair number of tours and talks for clients and employees, and that's how it gets engaged with primarily.

We just launched a website that shows 50 pieces from the collection. We've had to go through the process of making sure we have appropriate copyright, and then we give a breadth of understanding into the historical works in the collection, as well as the work by younger artists.

When we install the work, we do our best to make sure the works of young artists are hung alongside the work of the senior artists who have influenced them.

**Mr. Martin Shields:** That's of interest in the sense that if you walk into a business and there is a big painting on the wall, who knows how it got there and what it is?

Do you have an educational program for your staff to identify that this is what it's about?

**Ms. Corrie Jackson:** We do talks and tours. We also have an internal communication space that gives information about many of the pieces we acquire and what our mandate is. And if you were to walk into the offices, you'd also find a plaque with information about who the artist is, where they're from, when they were born, and details about the work itself.

**Mr. Martin Shields:** Do you resell any of these that you acquire?

**Ms. Corrie Jackson:** I haven't in my time. We do donation of pieces to a major hospital network when the value of the work is below the cost to store and reframe it. But for the most part we do display it; 98% of the collection is on the walls. It's not stored. It really is out there in the world and looked at, which is exciting for us.

**Mr. Martin Shields:** You answered my last question.

Thank you.

Mr. Rollans, you talked about money. Do you know how much money Quebec has generated, because they are collecting it? Do you know the gross amount?

**Mr. Glenn Rollans:** The licences are through Copibec. I don't have the gross numbers in hand. I know the rates they charge for copying have been depressed by the fact that the rest of the country has been unwilling to license.

**Mr. Martin Shields:** Do you know the amount the rest of the country was paying in 2012?

**Mr. Glenn Rollans:** I know that for Access Copyright, our collective, the collective for Canadian authors, illustrators, and photographers in the text licensing realm, the total collected at any stage is under \$40 million.

**Mr. Martin Shields:** That's the education sector?

**Mr. Glenn Rollans:** The education sector was responsible for most of that, between K-12 and post-secondary. There was additional licensing to the public sector, and in some cases to private companies, for their use of copyright-protected material. There are also bilaterals that govern the copying of Canadian works in other countries on the remittance of those copying revenues back to Canada.

**Mr. Martin Shields:** Would you submit with your recommendation the financial numbers that go with those pieces you have referenced in your presentation?

**Mr. Glenn Rollans:** Yes, and I think Access Copyright is also on your witness list. They will have direct access to those numbers that aren't on the tip of my tongue.

**Mr. Martin Shields:** Okay, thank you.

You talked about being unique, and I appreciate that as a co-operative.... Are other co-operatives that you're familiar with operating in similar senses?

**Mr. William Huffman:** Not that I know of.

**Mr. Martin Shields:** Are you the only one in the north that's operating this kind of thing? How do the other artists deal with copyright?

**Mr. William Huffman:** There's very little recourse for them. If they are unwilling to allow their work to be reproduced, there is no structure for them to utilize or activate in the same way that we operate. It's very unfortunate. Even in the territory of Nunavut, government officials often are imploring us to be more responsible for other territories. But essentially we're a municipal agency for Cape Dorset artists. It's impossible for us to take on that role.

● (1135)

**The Chair:** You have one minute.

**Mr. Martin Shields:** If you made a recommendation, what would it be?

**Mr. William Huffman:** The recommendation is to look at our model. Since the 1950s, we've been very successful at managing all of these things, not only in distributing work internationally but also in the copyright and permissions realm.

We'd happily assist in rolling out that model to other interested communities.

**Mr. Martin Shields:** Would you take a leadership role in their application?

**Mr. William Huffman:** Absolutely.

**Mr. Martin Shields:** Thank you.

Thank you, Madam Chair.

**The Chair:** Thank you.

[*Translation*]

Now we'll continue with Mr. Nantel.

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

Thank you, everyone, for being here.

First of all, Ms. Jackson, I would really like to congratulate you on what you just presented and on the Royal Bank's role, which I was unaware of. It's a wonderful example of support for creators, and contemporary creators, which is particularly interesting. I sincerely thank you for that.



I would like to turn now to the Cape Dorset artists. In the last Parliament, one of the Liberal MPs, Scott Simms, introduced his bill, Bill C-516, proposing to amend the Copyright Act with respect to the continuation right in visual arts. This bill did not succeed. Today, while there is much talk of the need for reconciliation with indigenous peoples, I find that the lack of resale rights in the visual arts is a glaring example of Canada's lax approach.

I'll summarize for my colleagues what this is all about. Let's take the example of a little-known artist—perhaps a little like those whose creations are on display at the Royal Bank—who sells his work at a low price or accepts the first offer that seems reasonable to him. His work eventually gains value and is sold for hundreds of thousands of dollars. Without the resale right, the artist won't benefit from it and will remain poor for the rest of his life.

The example is striking in the case of First Nations and Cape Dorset. I must remind you of the case of Ms. Pootoogook, whose body was found in the Rideau River here in Ottawa, where she lived in poverty, illness and despair. This might not have happened if she had received worthwhile remuneration for her work, for example from your Cape Dorset cooperative, Mr. Huffman.

Don't you think we should quickly create this resale right, perhaps even in the context of the revision of the Copyright Act?

[English]

**Mr. William Huffman:** I think so. The more tools we have at our disposal to distribute resources in the form of financial benefit to our artists.... Yes, we'd welcome that. In the case of Annie Pootoogook, who arguably—and Corrie, I'm sure you would agree—is one of the most important Canadian artists.... Again, we have an office in Toronto and a head office in Cape Dorset. Annie's situation became so difficult for us because we couldn't find her at times. When we did, it was too late.

You're absolutely right. More infrastructure, and I suppose more normalcy in the way we do things and its relationship to the way other things happen in the art world, would be a benefit.

**Mr. Pierre Nantel:** Thank you. What I have come to know is that most Commonwealth countries apply this.

**Mr. William Huffman:** Indeed. Yes.

**Mr. Pierre Nantel:** More than 93 countries around the world have this.

We pride ourselves on reconciliation. We pride ourselves on this. We must always keep in mind that the Canada Council for the Arts broadly prioritizes this angle toward first nations, so I think it would be justified.

Would it be possible for you to send us a resumé of your thoughts about this so that we can include it in our recommendations?

**Mr. William Huffman:** Absolutely.

**Mr. Pierre Nantel:** I would appreciate that a lot.

[Translation]

My next question is for Ms. Edwards and Mr. Rollans.

You mentioned a situation related to fair dealing. I would like to provide a reminder that a former Conservative vice-chair of this

committee, Mr. Van Loan, has already made it clear that he felt betrayed by the education community, which he believes exploited the government's intention toward extravagance everywhere in Canada except in Quebec. Therefore, I would very much like to receive your recommendations as soon as possible. If they exist only in English, would it still be possible to distribute them to us? These are specific recommendations.

As you know, I am often very critical of the way we shared the study of the copyright review between two committees. My colleague Mr. Breton had the brilliant idea of asking you what was going on. This lack of synchronization of the two visions is unfortunate. It creates delays and is extremely confusing.

So I would like you to send us your recommendations, and I would like to ask you this. In your opinion, since education is fundamentally a provincial responsibility, did the federal government not interfere here in an issue that did not fall within its jurisdiction by considering it appropriate to secure savings at the expense of creators? Don't you think the provinces should be motivated to get more involved and ensure that the fair rights of creators and authors are respected?

• (1140)

[English]

**Mr. Glenn Rollans:** Thanks for the question.

First of all, I think our goal is to be on the same page and to have the industry committee and this committee making the same recommendations. My remarks were somewhat different today from those made at the industry committee, but that's because of this committee's focus on compensation in particular.

I'm not as certain that there was a jurisdictional intention, or a cross-jurisdictional intention, in the changes that were made in the Copyright Act, as that it was a misstep. I think there were unintended consequences to the inclusion of education as a purpose for fair dealing. I know that we have a job to do in representing that position to the provinces, and our members are active across the country, including Nunavut, in making that representation.

I think the Government of Canada has important tools that it can use in its good offices, in its funding to post-secondary education and in its signals to the education sector about where it will go with this.

**Mr. Pierre Nantel:** This is where I need to step in, because there are about 30 seconds left.

**Mr. Glenn Rollans:** I'm sorry.

**Mr. Pierre Nantel:** No, no. It's okay. I thank you. It's all super-important.

In terms of the reality, the biggest lobby we hear from, on this education exception, is the universities. Could we make a deal and make it almost solely Canadian authors for K-12 and open up the valves for universities?

**Mr. Glenn Rollans:** I think the universities find value in the work we do that's uniquely Canadian. Any support that's available in good offices would go to the benefit of our members of the Canadian-owned sector. The contributions we make are unique. They're not being made by the international sector.

**Mr. Pierre Nantel:** What about K-12?

**Mr. Glenn Rollans:** Yes, it's for K-12 as well. Again, any signal from the government that it understands our problem—that we're bleeding in real time and that we need some redress on this—would be welcome. So far, from preconsultations until now, we have not had that signal.

**The Chair:** Thank you.

We will now go to Mr. Long, please.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Thank you, Madam Chair.

Thank you to our witnesses this morning.

Allow me to digress briefly to another industry, or a sport, I guess.

I have a son who was a motocrosser, and he travelled the country. Motocrossers provided entertainment. They inspired youth. They attracted thousands and thousands of people to these events. They were all starving. They slept on couches. They were bumming meals. In fact, they actually had to pay to participate in these events. Spectators would go to the events and pay to watch them. It was absolutely bizarre. That changed in motocross when corporations across Canada got more involved. Corporations saw the value of getting more involved.

With respect to you, Ms. Jackson, number one, I commend RBC for what you do across the country. Certainly the emerging artists program is wonderful. RBC is clearly a leader.

Can you touch on how important it is for large corporations across Canada to be involved, to help? The words “starving artist” take a whole new meaning the more I learn on this committee. What further role, and what bigger role, if you will, can corporations play? When did RBC actually recognize that?

**Ms. Corrie Jackson:** In terms of the emerging artists program, that need to support young artists was established in 1999, due to quite a bit of research in the field.

Given your story, though, I think there are a lot of similarities to what an emerging artist's experience is today. I have counterparts at many of the other financial institutions, as well, who are actively collecting. More and more, I'm seeing other corporate sponsors understanding, from a collection perspective, what it means to collect work to make sure that artists are paid, to support them directly.

• (1145)

**Mr. Wayne Long:** I'll just jump in, if you don't mind.

Is it a cultural thing? Whether it's for creators of any form of art... Why don't bigger corporations across the country recognize the importance of a strong arts and culture sector?

**Ms. Corrie Jackson:** I do feel that there is an increasing amount of support, especially around prizing. They understand that there is an audience that is going to go to events and is going to want to see the work that young artists are doing, and there is engagement.

I do think, from what you're asking, that it has been limited, and there's definitely space for more—

**Mr. Wayne Long:** What can we do, as a federal government, to help bring that along?

**Ms. Corrie Jackson:** From my perspective, it's more the understanding of what the actual impact is of the work that corporations do on what the primary market economy looks like. We acquire work, and we support artists that way, but there isn't really a broad understanding—at least in any research I've found—that can give a corporation a sense of what that impact looks like.

I would definitely make the recommendation that there be time and effort spent in understanding what that Canadian market looks like broadly, so that we can track and understand impact.

**Mr. Wayne Long:** Do you have any input as to how the Copyright Act can be improved to help emerging artists? Do you have any recommendations on that?

**Ms. Corrie Jackson:** In terms of emerging artists, I think it's about making sure that they have the resources to understand that the Copyright Act affects them.

A lot of young artists I speak to don't even know about CARFAC, which is an organization that is there to support them. A lot of artists coming out of school haven't heard of it.

I think it's about putting resources toward making sure that young artists understand what is already in place, so that you can get the feedback to grow that support.

**Mr. Wayne Long:** Okay.

Did my colleague Mr. Boissonnault want to jump in?

**Mr. Randy Boissonnault (Edmonton Centre, Lib.):** I'll ask questions. I have lots.

**Mr. Wayne Long:** Yes, go ahead.

**Mr. Randy Boissonnault:** Thanks.

[*Translation*]

Thank you, Madam Chair.

[*English*]

For full transparency, Glenn is a constituent. I've heard this before, in triplicate, and I love it.

We're in the digital age, and I'm going to ask a provocative question, Glenn and Kate.

Are books obsolete, and why do we even need to worry about compensating authors at all?

**Ms. Kate Edwards (Executive Director, Association of Canadian Publishers):** The answer to the first part of your question is no. Books play a central role in our culture, in global culture. Readership studies show that Canadians are reading at rates comparable to more than 20 years ago, which is good news from our perspective, given the number of media that are competing for people's time, and that is even more true of younger Canadians.

There's interesting research from BookNet Canada, which we're happy to provide to the committee, on those statistics around Canadians age 18 to 34 and their engagement with books and why they're important. The work that our members do, as independent Canadian publishers.... They are often publishing first-time writers, books that are specific to a region or a specific piece of Canadian society or history. Those are not books that are going to be published by other publishers, internationally, as Glenn said earlier.

Those are the touch points in our national debate. They are central to democracy. They are central to our Canadian identity. I could go on and on, but I'll stop there.

**Mr. Randy Boissonnault:** I'm going to pause you there because I have only a minute left.

I'll start with Glenn and hopefully you'll have more to say in the next round.

With 80% less revenue, how do publishers survive, or do they just go out of business?

**Mr. Glenn Rollans:** The numbers from my company were down in licensing revenue, about 86% of where we were in 2012. You survive by finding ways to do more with less, but there are sacrifices. We have less production that we can do in Canada, for example. We need to use services that are based outside Canada to keep our costs under control.

We do fewer titles; we take fewer risks on important titles. Our company did a book this past year with Greg Younging, an important indigenous author, called *Elements of Indigenous Style*. That book was possible for us this year. It might not be possible for us in the future to do a similar book.

• (1150)

**Mr. Randy Boissonnault:** I hope to come back—

Is that it? Aren't there 10 more seconds on my clock?

**The Chair:** No, you're over time.

**Mr. Randy Boissonnault:** Think export for the next round.

**The Chair:** We're going to go to Mr. Blaney now.

[Translation]

**Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC):** I will continue on the issue of the substantial loss of revenue suffered by Canadian publishers.

You spoke very eloquently about this loss of revenue caused by what you called the “unintended consequences” of copyright reform.

More recently, you talked about a decision that disappointed you yesterday. Could you explain to the committee how we could remedy this situation which, as you said, is getting worse and worse? How does yesterday's decision prevent this situation from being corrected or resolved?

[English]

**Mr. Glenn Rollans:** Thanks for the question.

To clarify, the information from yesterday is that solutions that we hoped to see in a government bill were not in the bill. The solution we're looking for is an increase in statutory damages. If copyright infringers know that they will face quick and reasonably severe

penalties for infringement, they will be much more likely to avoid that and to enter into licences that cover off any grey areas. It's those licensing revenues that disappeared, and with that disappearance a large free zone for copying was created, which is very difficult to compete with. I can't compete with free.

[Translation]

**Hon. Steven Blaney:** So you don't have the impression that there will be penalties for offenders. On that subject, rest assured that you can count on our cooperation.

I'll now turn to you, Ms. Jackson. Our committee is also doing a study on the repatriation of indigenous cultural property. First, I would like to know whether you have any art collections of works from indigenous communities. Since 1929, the Royal Bank has certainly had to purchase indigenous works for its collection.

Second, have any indigenous communities ever wanted to have these works back that you have in your possession?

[English]

**Ms. Corrie Jackson:** I haven't had the experience of any interest in works being returned, but we have been collecting works since 1929 from communities across Canada and actively supporting Cape Dorset's work as well. There are many corporations that have reflected that as well outside of just RBC.

[Translation]

**Hon. Steven Blaney:** So the Royal Bank has acquired several indigenous works for its collection. Could you tell us about that? There are paintings, and I think there are sculptures. What other indigenous cultural property is in your collection?

[English]

**Ms. Corrie Jackson:** There have been sculptures. Definitely, in the 1950s and 1960s, there were a number of important Inuit sculptures that were acquired by my predecessor, Beverly Parker. Since then, we've continued to acquire sculpture, but also a lot of drawings, printings and works on paper.

[Translation]

**Hon. Steven Blaney:** If I've understood correctly, nearly 90% of your collection is on display. Is that the case?

[English]

**Ms. Corrie Jackson:** It's more than 90%; it's 98%.

**Hon. Steven Blaney:** That's impressive.

[Translation]

Thank you.

Mr. Huffman, I'll now turn to you. Have you ever had artists say that they have sold a work, but that it is very important and that they would like to have it back?

[English]

**The Chair:** You have one minute for that answer.

**Mr. William Huffman:** Not at all. In fact, for most of our artists, this is a job for them. This is how they make their income. We're in the process of educating our artists, even at this late date in Cape Dorset's history, about how important their work is as cultural expression. They see it as employment, so often we have artists whose sole income comes from making art, whether it's carving, printmaking or drawing. Every Tuesday and Thursday, we give the artist a payment, and the artist buys groceries and diapers and pays the rent. We are now just trying to educate our artists in terms of how important what they do is.

• (1155)

[Translation]

**Hon. Steven Blaney:** So what we're talking about here is the importance of contributing to the spread of Inuit culture and its influence, through an exchange where everyone wins. That's excellent, and I thank you.

Thank you, Madam Chair.

**The Chair:** We'll now go back to Mr. Boissonnault.

**Mr. Randy Boissonnault:** Thank you, Madam Chair.

[English]

I have lots, and I have five minutes.

Here's a quick question. How do we best compensate artists when their work is resold? Are there any quick ideas on that, Glenn or Kate?

**Mr. Glenn Rollans:** Well, we support the author's resale right. We think it's an important addition to the related rights to copyright.

**Mr. Randy Boissonnault:** Okay. I want to talk about corporations and philanthropists in this space. It's great. They were announcing all these literary prizes on CBC last week, and one of the disc jockeys, if you will, said that maybe we have too many prizes for the market we have. I think that's absurd, but here's what's perverse: having all these prizes from corporations and philanthropists, yet artists struggle to be discovered because we have fewer and fewer publishing houses.

Today, *The Red Word* by Sarah Henstra is the literary award winner for the Governor General's awards, and she struggled to get the book published because it deals with the really raw subject of sexual assault on a campus. There's the award-winning book for the Governor General's literary prize, and it almost didn't get published because we don't have enough publishers prepared to take a risk. That's an issue.

Glenn, my question is this. I understand that fair dealing has turned out to be not very fair at all. I won't use the word "betrayal", but some of your colleagues have. What I did hear was a serious backsliding of the intent of the educational industry in this nature. What does this mean for what I would call not just specialized, but important regional content in the educational space?

I'm an openly gay, francophone MP from the west who also has indigenous heritage. I want to see those stories told. What does the lack of publishers mean, and what does this framework mean, for LGBTQ2, indigenous, francophone, regional perspectives in the west, in the Atlantic, or in the north? Are we just going to see the U.

S. perspective, the European perspective, the Ontario-centric perspective? Am I going to learn awesome things about Quebec

[Translation]

but in western Canada

[English]

instead of learning from

[Translation]

the French-speaking community in western Canada?

[English]

**Mr. Glenn Rollans:** The shortest answer I can give is that my previous company, Les Éditions Duval, or Duval House Publishing, in Edmonton, was a specialist publisher in French-language resources for schools outside of Quebec to support their constitutional right to education in French. It was Canada's largest publisher of indigenous-language resources and indigenous health resources. It's impossible to have a company like Les Éditions Duval in the current economic situation under the Copyright Act.

**Mr. Randy Boissonnault:** That is a real shame. As a francophone westerner and as somebody who is here in Parliament representing minority groups, I think that's a shame.

**Mr. Glenn Rollans:** I agree. It's a heartache for me.

**Mr. Randy Boissonnault:** Where are the perspectives coming from, then? Are we getting educational materials from the U.S., from Europe, from Ontario? Who's able to publish in this world?

**Mr. Glenn Rollans:** I have great sympathy for teachers. I think teachers will resource their classrooms by any means at their disposal. At the most expensive, educational resource purchasing was less than 1% of educational budgets before this change. The wholesale move to this copying regime has meant that teachers and their schools and systems are, more and more, looking to open-access resources that have to be supported by money from somewhere, or they're looking to resources cobbled together by teachers from whatever they can find from available sources, often digital sources.

**Mr. Randy Boissonnault:** Thank you.

We have this framework. If our side—and I mean us at Heritage—is not able to tilt the scales to more fairness and balance, is export an answer? And if that's the case, should we be supporting Canadian publishers to go to the Frankfurt Book Fair to sell their wares on the international market? Is that a role the Government of Canada can play?

**The Chair:** You have one minute.

**Mr. Randy Boissonnault:** Answer in one minute or less.

**Ms. Kate Edwards:** The short answer is yes. Export is incredibly important to Canadian publishers operating in this market. In terms of Canadian education and the types of books you were speaking about earlier, those regional perspectives and unique Canadian stories, those are books that.... Some will travel internationally, but in order to produce those stories for Canadians, we need a marketplace that works here at home, too.

**Mr. Randy Boissonnault:** Okay.

Mr. Huffman, could you share perspectives from the north on these issues of getting voices heard in this current framework?

• (1200)

**Mr. William Huffman:** We're the conduit, in many cases, for the artists in Dorset. As I mentioned, our organization has a broad mandate. We don't just manage copyright. This is a very small part of what we do. We are promoters; we are marketers; we are travel companions when artists are travelling internationally.

It's very remote, and the gap in understanding is immense. Not one of our artists, since the birth of Inuit art in Cape Dorset, has ever been traditionally trained. This is all mentorship through the community, intergenerational information exchange. As I mentioned, there are artists who have never travelled outside of the territory. We have a relationship with the Brooklyn Museum. You can imagine what kind of culture shock it is when I spend two weeks with an artist who has never been farther south than Ottawa.

[Translation]

**Mr. Randy Boissonnault:** Thank you.

[English]

**The Chair:** That brings us to the end of the time we have for this panel.

Building on what Mr. Boissonnault said, *The Red Word* is actually published by ECW Press, so a big shout-out to them for having taken a chance on that book.

I would like to thank all of you. It was really helpful to hear all of your perspectives. If you have other thoughts that you want to submit later, building on what you heard today, please do put in written submissions as well. Thank you.

We're going to suspend for about two minutes to change panels.

• (1200)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

**The Chair:** Let's start it again. We have another panel with us.

We have here present the Artist-Run Centres and Collectives Conference.

[Translation]

We are welcoming their representatives, Anne Bertrand and Jason Saint-Laurent.

[English]

On video conference, we have the Visual Arts Alliance, with Emmanuel Madan.

We have with us here present the Contemporary Art Galleries Association, with Émilie Grandmont-Bérubé.

[Translation]

We'll start with Mr. Madan and talk about technology.

**Mr. Emmanuel Madan (Spokesperson, Artist and Director of Independent Media Arts Alliance, Visual Arts Alliance):** Would it be possible to start with Ms. Bertrand, since the notes I've prepared will follow on what she'll say?

**The Chair:** Fine. So we'll start with Ms. Bertrand.

Go ahead, Ms. Bertrand.

**Ms. Anne Bertrand (Director, Artist-Run Centres and Collectives Conference):** Thank you very much, Madam Chair.

I would like to thank the committee members for inviting us to appear today.

My presentation will be mainly in English, with a few short paragraphs in French. I work for a national association whose members are mainly in Canada. So I work a lot in English, but I do everything in both official languages on a daily basis.

[English]

In response to the committee's mandate, the Artist-Run Centres and Collectives Conference, hereafter referred to as ARCA and represented by myself and Jason Saint-Laurent, is thankful to appear before you to address remuneration models through the unique perspective of artist-run centres, also known as ARCs—an infrastructure of 180 organizations located across Canada. ARCs provide multiple access points to the arts for both art professionals and the public.

Artist-run centres are non-profit organizations governed by artists. ARCs support the production and public presentation of new and innovative practices and are committed to paying artists the recommended minimum CARFAC fees of \$1,996 per exhibition lasting four weeks on average. In 2015-16, artist-run centres presented the work of over 4,000 Canadians—Canadian artists, I should say, but they are also Canadians—across the country in more than 900 exhibitions attended by some 1.5 million audience members.

[Translation]

A statistical study conducted in 2010 by the Observatoire de la culture et des communications of the Institut de la statistique du Québec on a sample of professional visual artists found that only one-third of artists had received royalties, for a median annual amount of about \$890. Although this source of income is important for artists, it is far from providing a living.

[English]

It is impossible to establish with certainty the amount of exhibition royalties paid by artist-run centres to artists with the current Canadian Arts Data—also known as CADAC—as there is no clear differentiation between fees and royalties in financial reporting.

Because royalties represent such a small proportion of revenues, salaries and honoraria are an important source of income for artists. Artist-run centres actively work toward providing adequate pay for curatorial and administrative staff, half of whom are also practising artists. This labour force plays a key role in integrating new generations of artists and cultural workers by bridging the gap between higher education training, professional artistic practice and cultural management.

In 2015-16, only 77 artist-run centres of the 180 received core funding from the Canada Council for the Arts, representing less than half of our members. With total revenues of over \$21 million, the median annual operating budget of these 77 centres was less than \$250,000. Approximately \$5.5 million of this revenue was paid in salaries and professional fees, representing over half of total artistic expenses. The remaining portion was dedicated to production costs, special projects, publications, professional development, outreach and education. Only 35% of the overall workforce positions were full-time, with a decrease of 2.7% since 2010, likely due to the growing freelance and part-time workforce, for which we only have anecdotal data.

Organizations systematically operate with fewer paid staff than what is needed.

Artist-run culture draws from an exceptional, highly specialized labour force. Designers, copy editors, translators, technicians—often artists themselves—are experts in the production of programming. Exhibiting artists are encouraged to give public talks and facilitate workshops along with their exhibitions. This labour, whether related to production or exhibition, provides additional revenues in the form of honoraria. Payment of these honoraria, however, can vary considerably according to organizational budgets.

• (1210)

I have a proposal. The current data, despite its gaps, suggests that current copyright-based remuneration falls short in providing artists with a living wage. Artist-run centres are currently providing additional sources of artistic income, on shoestring budgets.

In light of the above presentation, we ask the Standing Committee on Canadian Heritage to consider recommending the following to the Standing Committee on Industry, Science and Technology.

One, strike a partnership between the Department of Canadian Heritage and Statistics Canada to develop and fund new statistical tools to better gauge today's complex visual arts sector according to key indicators and monitor the evolution of the socio-economic conditions of artists and cultural workers over time with greater granularity than the Culture Satellite Account can currently provide.

Two, before developing programs for the cultural hubs infrastructure—I read it this morning on the bus and it's fantastic, actually; thank you for that work—examine the current challenges faced by the existing Canadian artist-run network, representing a cross-section of artists, curators and managers who have been making Canadian art happen locally, nationally and internationally for over 40 years.

In closing, ARCA is grateful to members of Parliament for their part in approving the doubling of the Canada Council for the Arts budget. In the first round of core funding results since the increase in 2017-18, artist-run centres received an overall increase of 30%. More increases are expected after this year's second round of applications.

Thank you.

**The Chair:** Thank you.

[*Translation*]

We'll now hear from the Visual Arts Alliance.

Go ahead, Mr. Madan.

**Mr. Emmanuel Madan:** Okay.

[*English*]

Good afternoon, everyone.

My name is Emmanuel Madan. I've been a professional artist for the last 20 years. My works have been shown in galleries and museums all over the world, as well as domestically. Since 2014, I've also been the director of the Independent Media Arts Alliance, or IMAA. IMAA is the national representative of the Canadian independent film, video, digital art and sound art sectors. Through our nearly 100 member organizations spanning 10 provinces and two territories, we serve over 16,000 independent media artists and cultural workers.

I'm not here on behalf of IMAA today, however. I've been asked to appear on behalf of the Visual Arts Alliance, a larger consortium of national arts organizations, of which IMAA is one.

The Visual Arts Alliance comprises 14 national arts service organizations, working in the domains of visual art, media arts and craft. Our 14 constituent groups represent artists, curators, art museums, artist-run centres, and art dealers. We've been in operation since November 2007, when we first convened at a national visual arts summit.

I'd like to echo and build on the statements that my colleague Anne Bertrand has just presented. The organization that Madam Bertrand leads, ARCA, is also a member of the VAA.

I've been following the proceedings of this committee and the testimony of your previous witnesses. Many have noted the immense challenges they face in the new copyright environment as a result of digital transformation and the consequent increase in mobility of content across borders.

These huge shifts are definitely not alien to me or to my own organization, as they pertain largely to audiovisual content. They deeply threaten the viability of the existing model for ensuring equitable and sustainable remuneration for creators.

What stands out for us in the Visual Arts Alliance is that for independent artists engaged in contemporary visual art and related fields, the previous model was never sustainable to begin with, even before the current pressures on the copyright regime. This is why so many contemporary artists tend to rely on a diverse range of income in order to make ends meet, as has been documented repeatedly, for example in a report by Michael Maranda, "Waging Culture", from just a few years ago.

In this mix of revenue, certainly exhibition royalties... Copyright-related royalties are part of the mix, for some artists anyway, but so are many other types of revenues related to the artist's practice, including sales of work, teaching, and other arts-related professional employment. Completing the mix, we have micro-gigs, contracts, and a myriad of part-time jobs that are not directly related to the artist's professional artistic career. That's actually my own experience, and it's the experience of many artists working throughout the field, whether they're emerging artists, mid-career, or often even established and senior artists. This precarity is of note. As I mentioned, it really predates the current disruption of the copyright environment.

We at the Visual Arts Alliance believe that the solution to the problem of remuneration for professional artists and content creators, although it's certainly affected by changes in the copyright landscape, cannot be solved exclusively through modifications to copyright legislation. Rather, a more holistic set of measures must be brought to bear in order to effectively address the ongoing systemic socio-economic precarity of this country's independent and professional artists.

• (1215)

[Translation]

At the moment, two committees are working in parallel on the revision of the Copyright Act. I understand that here at the Standing Committee on Canadian Heritage, your priority is the well-being of Canadian artists and creators. The Visual Arts Alliance is therefore confident that the holistic approach it advocates, which certainly involves, but is not limited to, revising the Copyright Act, will appeal to the members of the committee.

This is the very spirit of what Ms. Bertrand was just saying, namely that we must ensure the social and economic security of creators themselves. After all, they are the starting point for the entire creative chain and are therefore the key element of the cultural industry as a whole.

Most independent artists in visual arts, media arts and crafts have the status of self-employed workers. They manage their businesses like any other small business owner. However, given the great instability of income sources, they are subject to major fluctuations, with good years often following years of significant losses.

While the Income Tax Act sets the reasonable expectation of profit as the determining criterion for carrying on a business, it must be recognized that, for many artists, this expectation may take many years to materialize and that, when the benefit finally arrives, it does not necessarily last forever.

• (1220)

[English]

I will note here that we have been in discussions with your colleagues at the Canada Revenue Agency, particularly in the aftermath of the Steve Higgins case last spring, to the effect that the Income Tax Act be interpreted in a way that is consistent with the realities of self-employed professional artists.

Applying the existing law correctly and appropriately is therefore the first recommendation of the Visual Arts Alliance with regard to

remuneration models for artists. Tax relief in the form of income averaging, for example, would be another measure to investigate further.

The second and principal recommendation that the Visual Arts Alliance is making today to the standing committee is that you equip yourselves with the appropriate tools to measure and monitor the socio-economic conditions of working artists.

The existing mapping tools for artists' remuneration and the broader socio-economic context are incomplete. A report commissioned in 2011 by our own alliance, the Visual Arts Alliance, from Guy Bellavance of INRS, pointed out a range of gaps and blind spots, and recommended a clear path to address these gaps through a strategic foresighting process that would enable us to measure, analyze and track the evolution over the long term of a comprehensive set of data and trends.

The existing statistical tools, such as the Culture Satellite Account, are inadequate for achieving a thorough understanding of artists' remuneration and artists' socio-economic conditions. As Madame Bertrand has pointed out, even the Canadian Arts Data system, CADAC, which was initiated by public art funders across the country, does not differentiate between royalties and other forms of payment to artists.

We therefore support the recommendations stated by ARCA just now advocating for statistical tools that rise to the challenge of monitoring and analyzing the Canadian visual arts landscape, tools that would be explicitly geared toward understanding and improving the socio-economic conditions of artists and cultural workers.

We believe that PCH and Statistics Canada have a central role to play in this work, and we would advocate in the near term for the formation of a working group in which the Visual Arts Alliance could also play a role.

Thank you very much. Those are my remarks for now.

[Translation]

**The Chair:** Thank you.

We will continue with the Association des galeries d'art contemporain.

Émilie Grandmont-Bérubé, you have the floor.

**Ms. Émilie Grandmont-Bérubé (Board Member, Contemporary Art Galleries Association):** Good afternoon.

My name is Émilie Grandmont-Bérubé, and I own a contemporary art gallery in Montreal. I'll make my presentation in French, but please feel free to ask your questions in English. Perhaps it will help refresh my English a bit.

I am on the board of directors of the Association des galeries d'art contemporain, AGAC. I also served for several years on the board of directors of the Art Dealers Association of Canada, ADAC.

I am here mainly to discuss the issue of resale rights. The Canadian Artists' Representation, or CARFAC, has proposed that this resale right be included in the Copyright Act. This proposal is of great concern to us from the point of view of the art market and, above all, from the point of view of the primary market, consisting essentially of the galleries that AGAC represents.

Right off the bat, when we talk about the primary market, we are talking about the first time a work is sold, that is, when it leaves directly from the artist's studio. It is a sale from which the artist benefits. The secondary market is all the sales that follow.

Finally, resale rights are a tax on resale. The goal of this tax is to ensure that artists benefit from the added value of their works when they are sold in private galleries and auction houses.

From the outset, it is very important for us to recall the obvious role of gallery owners, who have a very privileged position in the art world in general. They are the only ones with such a long-term relationship with artists. We support them when things are going well and when things are not going well, in fact, at all stages of their careers.

There is no doubt that all gallery owners fully support the goal of helping to improve artists' incomes and socio-economic conditions. The income of gallery owners depends directly on the sale of the works of the artists they represent.

Gallery dealers, especially those in the primary market, who therefore deal directly with artists, practise a form of patronage. They believe deeply in art and artists, and they put their money where their mouth is. They personally invest their time, energy and money to defend with incredible passion the artists they represent and in whom they believe, hoping one day, perhaps, to reap the benefits of all this work.

It is a very high-risk enterprise. This is evidenced by the increasing number of galleries that have closed in recent years in Montreal, Toronto, Calgary and Vancouver. It's a little scary, actually. Galleries don't close because gallery owners no longer believe in their artists or their mission, but because the market doesn't allow them to survive.

The proposal to include resale rights in the Copyright Act may be very attractive at first sight, but it has major weaknesses that have been identified in several studies published in countries that have adopted this measure. The main weakness of this measure is that it does not benefit artists who really need it. There is no doubt about that and the figures prove it very clearly. This measure benefits established artists, the 1% of artists who have a very strong market. They are the ones who will receive royalties.

The studies published in France, the UK and Australia clearly show that resale rights, which aims to improve the situation of visual artists, misses its target and is based on the somewhat romantic idea that all works of art will be sold at a profit and that artists would deprive themselves of perhaps huge royalties. However, in reality, very few works of art sold end up on the secondary market and are even less sold at a profit.

One of the problems with the proposed resale rights measure is that it does not make any distinction. The tax would still be

applicable on the sale of a work, whether it is sold at a loss or at a profit.

•(1225)

This meagre 1% of the artists generally receive between \$50 and \$100 in royalties per year. This is clearly not what will improve their socio-economic conditions.

In France, 70% of all royalties collected were distributed to seven artists, or seven estates, because this is of great benefit to the estates of dead artists, ultimately, and not to living artists who really need it. In the United Kingdom, 80% of all royalties collected were distributed to 10 artists. Once again, we are basically talking about their estates.

As my colleagues mentioned in their presentation, the situation of artists is extremely precarious. They are scraping by and often have to take jobs in different fields. They scrape by while hoping to find their place in the community and establish themselves one day. They dream of making a living from their work and from selling their works. The sale of works is the best way to improve the socio-economic conditions of artists. It is also the most respectable, and that is their goal. However, implementing resale rights in Canada will not achieve that objective at all. On the contrary, this right weakens an already extremely precarious market.

I mentioned the lack of nuance, the fact that the resale right could apply to a work sold both at a loss and at a profit. This would make collectors more inclined to take fewer risks and move towards better known works. Once again, the emerging artists most in need of selling their works would be left out.

By reselling a work at a loss and then having to pay a royalty on the resale, we would be doubly penalized for taking a risk. We would not have made a good investment and, in addition, we would have to pay for it. According to published studies, this would harm the market for emerging artists.

Another potential perverse effect of the measure is the shift of the resale of works outside galleries and auction houses. Canada is very close to the United States. It would be very easy to sell works in the United States, by mutual agreement between individuals, and thereby avoid both taxes and the resale right. That would also result in lost revenue for galleries and, ultimately, for artists.

It has been proposed to incorporate resale rights into the Copyright Act to correct an apparent inequity between visual artists and literary, musical or film artists. Yet, the ownership of rights already applies in the visual arts in the same way as it does in other settings. Unless visual artists have surrendered their rights, they may also monetize their authorization to reproduce their works in books, magazines, films, and so forth. That's why CARFAC's role is very important in maintaining reproduction rights.



•(1230)

AGAC strongly hopes that the government will put in place measures to improve the socio-economic conditions of artists. They deserve to be able to earn a decent living, we all agree on that. However, we believe that, in order to reach all, not just some, artists, the solution lies mainly in measures that will stimulate not weaken the buyers' market. For example, instead of taxing collectors when they resell works, why not encourage them to buy more works from the primary market by giving them tax credits, for example? Why not remove the capital gains tax on the sale of a work of art or take inspiration from the United Kingdom and its Own Art program, which encourages the acquisition of works by living artists?

**The Chair:** We will now start with questions and answers.

[English]

We will be starting with Mr. Hogg, please.

**Mr. Gordie Hogg (South Surrey—White Rock, Lib.):** Thank you.

Can you inspire me with the inspiration of the U.K. that you were just talking about?

**Ms. Émilie Grandmont-Bérubé:** Do you mean Own Art in the U.K.?

**Mr. Gordie Hogg:** Yes.

[Translation]

**Ms. Émilie Grandmont-Bérubé:** I will switch back to French.

This program, which encourages the acquisition of works of art by living artists, is managed by the arts council and funded by the national lottery. It offers interest-free loans for 10 months to acquire works of art by living artists. It is an incentive. There have been some

[English]

big promotional campaigns to really promote the idea of buying work and buying art from local artists and local creators, and the results have been quite impressive.

**Mr. Gordie Hogg:** Are there other practices that we can learn about from other jurisdictions, from other parts of the world that would help us in terms of addressing this? Where are the best practices, and what are they?

**Ms. Émilie Grandmont-Bérubé:** I would say that the U.K. is among the most interesting and proactive in terms of promoting acquisition of works of art. There's the idea of tax exemption, a like-kind exchange.

•(1235)

[Translation]

If collectors sell a work of art and make a profit, and reinvest that profit in the community right away, they will not be taxed on the capital gain. The money is put back into the business right away, and that's what we need.

[English]

**Mr. Gordie Hogg:** Ms. Bertrand, you had taken a different position with respect to resale rights. Can you talk about them within the context of what we just heard?

**Ms. Anne Bertrand:** I don't believe ARCA has a position on the artist's resale right because it is not a measure that really immediately touches artists who are supported by the not-for-profit, artist-run network.

At the Visual Arts Alliance, there is no consensus currently around the artist's resale right, so this was not included in the Visual Arts Alliance presentation.

I understand that there are issues on both sides, and I commend both sides for presenting their respective positions at this committee on that issue.

**Mr. Gordie Hogg:** I asked the question previously with respect to other jurisdictions and the best practices that might be in existence there. Could each of the witnesses comment on what they see as best practices, and what we can learn from other jurisdictions?

**Ms. Anne Bertrand:** Is that specifically with regard to the artist's resale right?

**Mr. Gordie Hogg:** No, it's more broadly in terms of ownership of work.

**Ms. Anne Bertrand:** It is hard for me not to cite the artist-run centres' best practices.

I am accompanied here by my colleague Jason Saint-Laurent, who is an artist, curator and director of SAW Gallery here in Ottawa, which you may be familiar with. If we look to examples such as the SAW Gallery, we'll see that there currently are some very progressive practices in the artist-run network that put artists and their remuneration and support at the centre of all operations, including governance, production, creation and presentation.

**Mr. Gordie Hogg:** Mr. Saint-Laurent, do you have anything you would add to that with respect to your practices, and then, more globally, the practices that we might learn from?

**Mr. Jason Saint-Laurent (Artist, Artist-Run Centres and Collectives Conference):** Sure. I just returned from Sweden. In Stockholm they hold an independent, artist-run fair, which is the largest of its kind in the world, and you get prodded about your own system all the time: What is the Canada Council like for you? What is your artist-run system like?

We have an artist-run system across Canada that is the world's oldest and most expansive. Artist-run centres worked in concert with CARFAC in the early days to ensure that artists get remunerated and paid artist fees. We sort of became a model for systems around the world.

Scandinavia is now looking to Canada to model its art funding system, its artist's payment system, modelled on CARFAC and the Canada Council for the Arts. They really like the fact that we have an arts funding system here that is at arm's length from government and peer-assessed. That's not something you find in many places around the world. It's a system that is very well respected.

In terms of artist-run centres, many of us, but not all, are funded by the Canada Council. Some of us are 45 or 50 years old now. We feel that we've inspired regional museums and national institutions to start doing the same things we do, ensuring that an artist comes away from an exhibition with money in their pocket. It's often expected that artists will pay for their materials, pay for their travel, and pay for all kinds of expenses related to their exhibitions. By the time they get paid their artist's fee, the money has been spent.

So I think we've created a model for institutions across the country to ensure that artists come away from their projects with money in their pocket.

**Mr. Emmanuel Madan:** Can I add a point for Mr. Hogg?

**The Chair:** Absolutely.

**Mr. Gordie Hogg:** Please go ahead.

**Mr. Emmanuel Madan:** It's interesting that Jason just mentioned Scandinavia. I have been studying an example of a very interesting practice from Norway. The Norwegian equivalent of CARFAC has been financing for many years a system of long-term income supplements to established and senior artists. Basically, the way the system works is this. Recognizing that the public funding system does have some blind spots and some gaps, specifically with respect to practising artists who are in their senior years, they've instituted a very rigorous system for awarding stable, long-term funding to artists for five- or seven-year periods, I believe, so that they can continue with their practice at a time when perhaps their production is less attractive to the flavour-of-the-month art market.

If I'm not mistaken—

• (1240)

**The Chair:** I will have to cut you off there. I'm sorry, but we're over time.

Mr. Yurdiga, go ahead, please.

**Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC):** Thank you, Madam Chair.

Thank you to the witnesses for coming in today and informing us. I learned a lot.

Madam Bertrand, in your presentation you mentioned that one third of the artists get copyright. How important is it for these artists to get copyright? I see that two-thirds do not. Is there an advantage to having it or not?

**Ms. Anne Bertrand:** The question of copyright is directly related to intellectual property. Converting creative processes to property is something we've been doing for a long time. It's just not generating the same kind of revenue we wish it did. There's no question that exhibition fees are essential to the overall remuneration or support of artists; it's just not in amounts that are sufficient to provide a decent wage. I'm not calling into question copyright. I am merely saying that maybe we could be looking at other sources, maybe funds, to give copyright a bit of a top-up or boost.

It's probably too late to answer Mr. Hogg's question, but there are some models out there where a fund has been created that allows for organizations to access this fund to pay copyright or exhibition fees to artists. It's not something I have examined closely, but I'm sure

there are things we could look at in terms of other experiences in other countries that might provide some perspective.

**Mr. David Yurdiga:** You know the copyright process. I'm not sure what goes on. Is that an expensive venture for a lot of these artists? I assume it costs something to get a copyright.

**Ms. Anne Bertrand:** All cultural production that is fixed on a medium is protected by copyright in Canada. There is no process for having copyright. The expense might come when one is paying a collective agency. They might take a little bit of a percentage fee for managing copyright for the benefit of the artist. Other than that, there's no cost to copyright.

**Mr. David Yurdiga:** We have 180 artist-run centres. I believe you said that 77 receive core funding.

Is there a reason why the other ones do not get core funding? Do they not qualify? Why are there only 77 of them getting core funding?

**Ms. Anne Bertrand:** The short answer to this is that for the longest time there was no extra funding to admit new organizations into the fold of core funding at the Canada Council for the Arts.

A lot of these organizations are receiving funding through their municipal and provincial art councils. They just haven't been able to access the federal council yet.

**Mr. David Yurdiga:** Thank you.

My next question is for Émilie.

You mentioned something about resale rights. How far does it go down the chain? Every time a piece changes hands, do you want a fee or a tax associated with it?

**Ms. Émilie Grandmont-Bérubé:** That's the project that CARFAC has put forward. Basically, every time a work of art is resold, there is a 5% fee that would go back to the artist.

As a representative of the art market and especially the primary market, where we work really closely with the artist, I would say that we feel that this is really not a good idea for the market that we currently have here in Canada.

• (1245)

**Mr. David Yurdiga:** Tracking it would be very difficult, especially if something went into private hands and then was gifted or sold. I think that would be a big challenge in itself.

**Ms. Émilie Grandmont-Bérubé:** Tracking it would be difficult, and also finding the artist. There are a lot of administrative issues that are very costly indeed.

**Mr. David Yurdiga:** Obviously there are a lot of problems for all forms of media, whether music, visual or other arts.

What would you like this committee to know? What can we do to ensure that there is remuneration and that the creators are properly compensated?

**Ms. Émilie Grandmont-Bérubé:** It's the AGAC position that the very best way to make sure that the socio-economic conditions of the artist get better is to have a healthy art market. We don't have a very strong art market in Canada.

You are absolutely correct in saying that we make other nations very envious of the system that we have here, because we have managed to build a very strong public funding body that helps artists to create, and through the very important and recognized artist-run centres system....

We are very good at helping artists create and present their work, but we kind of forgot how to bring tools that would make people buy those works. Right now, artists have studios that are full of works that have no buyers. They have to destroy works because they just can't manage to store them anymore.

Recently, the Canada Council Art Bank had to vacate space and return works, especially large sculptures. Artists who were very happy to be part of that important collection are now stuck with artworks they sold 25 years ago, and they don't know what to do.

There is not necessarily a market for that. We talk a lot about art as an investment, but it's not a very liquid investment, let's say.

**The Chair:** Okay.

[*Translation*]

Mr. Nantel, you have seven minutes.

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

Thank you all for your presentations. They are very interesting, especially since they deal with issues that are less obvious than those that have been discussed at length, such as the lousy public performance rights that musical artists receive from streaming platforms or all the issues with which we are familiar now, since we have been conducting this study.

My first question is for you, Mr. Madan.

Could you summarize the copyright issues in digital arts? Are any royalties paid? Is there copyright theft? We know the music industry well and we know about film piracy and so on, but on your side, what is the main issue?

**Mr. Emmanuel Madan:** Digital arts actually overlap with works of art that are easy to reproduce. Any work of art built around an entirely digital medium, whether in music, film or television, suffers that fate, as we all know, and the same applies to the digital arts.

Under those circumstances, it is very difficult to protect the original version and, when it is sold or resold, to ensure that the artist or copyright owner is properly remunerated.

• (1250)

**Mr. Pierre Nantel:** I will make a comment here. All the issues of piracy on the web are therefore the same, and concern you as much as other works in other formats and from other disciplines. However, you have just mentioned the potential impact on the transaction that the artists are hoping for.

What is that transaction? To whom and how do you sell your works?

**Mr. Emmanuel Madan:** I would say that the purely digital arts market is not yet well established, so it's very difficult to know. Each artist does things in their own way. Transactions are done on a piecemeal basis.

The network I represent is made up of independent creators. Some independent creators working in the audiovisual sector have every opportunity to show their works and films on international platforms such as Netflix and so on. However, discoverability is a challenge on those major platforms. Our artists are not given a choice showcase. They are pushed to the back pages.

**Mr. Pierre Nantel:** I understand. Algorithms have that perverse effect.

Ms. Grandmont-Bérubé, you mentioned your reluctance about resale rights for the first transaction.

I completely understand you. Since I come from the record business myself, I believe that the parallels that have been drawn recently—I think even during the previous hour of the meeting—between a record producer and an emerging artist's first album are appropriate. I do believe that's precisely the role of gallery owners. Of course, far be it from me to interfere with the emergence and distribution of new talents.

However, you mentioned that, for you, the main problem is the resale right on the primary market. Different models have been presented. CARFAC has presented its model. Alexandre Taillefer, whom everyone knows, has already expressed his support for the proposal for resale rights in visual arts in the model presented by SODRAC, if I remember correctly. In any case, I am sure he has already expressed his support for one of the two formulas.

If we were to remove the resale right aspect from the primary market, the first gallery owner who offers a work for sale, would that then change everything for you?

**Ms. Émilie Grandmont-Bérubé:** Actually, resale rights are not offered at the primary level, they are offered at the first resale. What is very important is the issue of selling at a loss or at a profit. The resale right, if it is to be applied, is from...

The models differ. For example, in California—the only American state that has included resale rights in its legislation—resale rights only apply to living artists. I'm sorry, let me try again; they only apply to works that are sold for more than \$1,000, and only when the work is sold at a higher price than the one at which it was purchased, after taking inflation into account.

**Mr. Pierre Nantel:** I am very pleased with the clarifications you are making because, based on your initial remarks, it was a bad idea and it was all a communist plot.

**Ms. Émilie Grandmont-Bérubé:** I don't think it's about communism.

From the outset, this is a measure that has an extremely negative impact on the market.

**Mr. Pierre Nantel:** Would that be a negative impact of 5% ?

**Ms. Émilie Grandmont-Bérubé:** In reality, it is 5% more. However, the impact on a fragile market like Canada's is much more serious. That's quite significant, to be honest.

**Mr. Pierre Nantel:** It's not very politically correct of me, but I can't help raising my eyebrows when I hear that.

Unfortunately, the reality is that very few people around this table buy art, even though we all have good salaries of about \$160,000 a year. Very few of us buy works of art.

For the time being, there is an ecosystem of creative artists that we must value—I see that Ms. Bertrand wants to comment. They are creators who want to achieve their potential and create works of art.

Right now, institutions and wealthy people interested in the visual arts are the ones who buy works. I therefore find it hard to believe that a 5% penalty, which could ensure the sustainability of the career of a living artist, such as Ms. Pootoogook, is drastic. She is a perfect example of what I am talking about.

I know there are social dimensions related to First Nations, but the reality is that some artists have lived in poverty all their lives and, after their death, their works have been sold for huge amounts of money compared to the initial prices they may have received. There's a direct parallel to music.

I would like you to answer, and I would also like to hear Ms. Bertrand's point of view.

• (1255)

**The Chair:** Unfortunately, we don't have enough time.

**Mr. Pierre Nantel:** How unfortunate!

**The Chair:** We'll continue with Mr. Boissonnault for five minutes.

**Mr. Randy Boissonnault:** Thank you, Madam Chair.

I invite my colleague and friend Mr. Nantel to do his research. After coming out of the closet, I had, for seven years, a partner who was a visual artist. So I buy works of art. The walls of my house are covered with works that I paid for. I think you have to surround yourself with art.

Ms. Grandmont-Bérubé, the worst thing you can do to artists is tell them how talented they are and how beautiful their works are, and leave the gallery without buying anything. That's an insult.

[English]

Either say nothing or talk about the weather, but don't say how beautiful their art is and walk away without buying anything.

[Translation]

I only have five minutes.

**The Chair:** You have four left.

**Mr. Randy Boissonnault:** Okay.

I would like Mr. Madan, from the Visual Arts Alliance, and Ms. Bertrand to tell me about the link between better data and better income for artists.

This is the first time we have heard that this committee must partner with Statistics Canada, or with Statistics Canada and the government, to collect better socio-economic data in order to put more money into the hands of artists.

[English]

I need that in one minute or less. What's the link?

**Ms. Anne Bertrand:** We need to make a case for the visual arts as an integrated system that operates with many parts and that recognizes the complexities of today's figure of the artist and his or her remuneration. Without that, it's really hard for us to make a case because there's no agreement on whether the system is actually improving, decreasing, losing or gaining.

The Visual Arts Alliance has been asking Canadian Heritage for data since I started at ARCA in 2012. We have a very good study by Guy Bellavance of the INRS. It gives us the whole action plan to produce this data.

**Mr. Randy Boissonnault:** All governments, whether they be Conservative, Liberal or another stripe, sometimes use the data argument as a defensive strategy because they don't want to move: "If you get better data, then maybe we can do something, but without the data we can't do anything. Our hands are tied."

My advice to you is to hook your wagon to minority communities. We know that minority communities are overrepresented in the arts community. People of colour, LGBTQ2, indigenous, women, francophones in the west, anglophones in Quebec—find the minority communities that we know are overrepresented among artists and make sure that this is also a way to get their data story told, through the data.

[Translation]

This will give you a very strong argument.

[English]

Is that part of your plan?

**Ms. Anne Bertrand:** I believe you're saying that they're under-represented—

**Mr. Randy Boissonnault:** No, no. We know that minority communities are well represented in the artistic community, because in many cases it's what they choose to do to survive, because of discrimination and other.... If you can work with the visual artists community and make sure that the intersectionality is there,

[Translation]

I think your argument will be better.

[English]

**Ms. Anne Bertrand:** Artist-run centres have been representing cultural communities in minority situations since the beginning. AGAVF—L'Association des groupes en arts visuels francophones—is a member of the Visual Arts Alliance, and we have indigenous artist-run centres. We have had indigenous artist-run centres since the 1990s, if not earlier.

**Mr. Randy Boissonnault:** It's just a piece of advice that there is strength in numbers.

Monsieur Madan, you made a very interesting argument that you wanted the CRA to apply the rules better. Could you include that in your submission? What do you mean, and do you have examples of when the rules have not been applied, defavourizing your members? That would be helpful for us to understand.

• (1300)

**Mr. Emmanuel Madan:** Yes.

**Mr. Randy Boissonnault:** Can you give us an example of how not applying the rules properly has affected your members?

**Mr. Emmanuel Madan:** Sure. Because of particular procedural-level stuff that happens at the CRA at the moment, artists are disproportionately targeted for reassessments because by default they are not recognized by CRA as self-employed. The minute they declare any revenue as self-employed income, because they are business people and this is the appropriate way for them to declare it, the CRA tends to have a problem with that.

That starts a chain reaction, which often leads to artists.... They run their businesses by themselves. They don't have an accounting department. They are often simply not equipped to respond to the requests. They wind up paying the amount, even though by law they are not liable for it.

**Mr. Randy Boissonnault:** I appreciate that. We have to pause you there.

**The Chair:** Mr. Blaney wanted one minute to ask a question. That clock is a bit ahead of time, so I'm going to give him one minute.

[*Translation*]

**Hon. Steven Blaney:** Thank you, Madam Chair.

My thanks to the witnesses. I very much appreciated their remarks.

What we are realizing is that there are two avenues. You would like to see studies. If you wish, you can respond in writing to my comments.

Mr. Madan and Ms. Bertrand, you expressed the wish that we collect statistical data to support artists. However, they produce works, and those works create wealth.

Does the government have to support artists or put in place measures that will create value for the works, which in turn will support the artists? That is the point I wanted to make. I would appreciate your comments on that.

I have 10 seconds left.

Perhaps the statistical study should take into account these incomes, where they come from and how they can be increased. It's the chicken and the egg.

I took 56 seconds.

Thank you, Madam Chair.

**The Chair:** You can provide your answers in writing. In fact, you can always provide more information in writing.

My thanks to all the witnesses. It was really interesting.

[*English*]

That will bring this meeting to an end.

Thank you.

The meeting is adjourned.

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