

April 18th, 2011

Writer's Union

1. Fair Copyright

A foundational principle of copyright is that it exists to ensure that creators are compensated when their works are used.

Questions about Fair Copyright

- **Would your party propose a Bill to modernize copyright that is founded on creators being compensated for the use of their works? Specifically, would you remove the over-broad exceptions that appeared in Bill C-32 (such as "fair dealing for education") which would result in the sanctioned expropriation of writers' property and income?**

The Green Party believes Bill C-32 is a significant improvement on its predecessor Bill C-61, but needs more work. We believe that the educational exceptions disrespects creators, and threatens their livelihoods. The Green Party will work with the Writers' Union of Canada and other stakeholders to sharpen the definitions around "educational uses" so that those who create materials are paid fairly for them.

How would you ensure that the Copyright Act protects creators' existing and future revenue streams in a digital economy?

The Green Party of Canada strongly supports artists' rights to guaranteed fair compensation through fair patent and copyright laws. At the same time, we consider the digital lock provision in Bill C-32 to be excessively restrictive in that it will not allow students and journalists to properly create and conduct research. Just the right balance will give them this ability in a manner consistent with a thriving information commons, fair dealing principles, and moral rights. We are committed to working with with both creators and consumers to ensure that this balance is found.

2. Fair Taxation for Artists

Copyright-Income Deduction: In recent years, Parliament has considered Private Members Bills calling for Copyright-Income Deduction for writers and other artists. Although the first such Bill was general in tone and lacked specifics, it nonetheless captured the spirit of the inequity writers face and the general principles of what might help correct it. This deduction has been used in Quebec for several years, where it not only corrects the tax penalty implicit in the Income Tax Act but also works to encourage, rather than penalize those who try to make a living from their creations. In Quebec, the provision applies to writers, artists, filmmakers, and composers: any artist who produces copyright material that generates income. The Copyright-Income Deduction effectively



removes fluctuations from creators' incomes since, although most creators cobble together a living from a variety of sources, it is the royalties earned on copyright material that create the wild income fluctuations. The deduction has proven easy to administer. It requires almost no calculation and fits easily within the existing framework of the Income Tax form. There are many precedents already on the form, such as the "Deduction for employment income earned outside Canada," or the "Deduction for employees of certain international organizations like the United Nations."

Canada has a long history of giving special consideration to enterprise that furthers the national interest: for instance, scientific research and experimental development. Likewise, the contribution made by Members of Parliament is appropriately recognized through a tax exempt allowance. The Copyright-Income Deduction would function in the same way, providing an incentive to those who create the nation's cultural products. The cost to the Government would be miniscule and the return to the economy would be dramatic. Setting a reasonable upper limit of income " and only that income derived from the artistic endeavour" would ensure that only those writers and artists with low incomes would be able to derive benefit from the deduction.

Writers' creativity provides the raw materials for the entire cultural sector that receives a variety of subsidies and incentives at the production and dissemination levels. We are merely seeking equitable treatment.

Tax Exemption for Subsistence Grants: These are grants administered by the Canada Council for the Arts that provide minimal stipends for artists to live for several months while they create their cultural product, hence their name, "subsistence." We believe these grants should be tax-exempt.

People otherwise employed on a full-time basis are ineligible to apply for these grants. Only self-employed creators may apply. Given that the maximum value of these grants is only \$25,000 for up to a year's work, the overall tax revenue they produce is minimal, but taxation's impact on the recipient can be severe.

Taxing grants such as these undermines the principle of survival that inspired their creation.

Questions about Fair Taxation for Artists

- **Would your party introduce a Copyright-Income Deduction for creators, modeled on that used in the province of Quebec? If so, when?**

The arts and culture sector makes an enormous contribution to Canada's economy and to Canadian's well-being. The Green Party of Canada is committed to extending income tax relief and incentives to artists and creators alike, much like the very successful models established by Ireland and the city of Berlin. Moreover The Green Party is committed to removing the GST on arts and culture products and services, while shifting the burden to unworthy activities like burning fossil fuels.

In addition, a Green Government will work to implement reforms to the Canada Revenue Act that reflect the spirit of the Copyright-Income Deduction for creators. We support allowing arts and culture workers to benefit from a tax averaging plan that accounts for the extreme



fluctuations in annual income which are part-and-parcel of the business.

Would your party exempt from taxation subsistence grants for creators administered by the Canada Council for the Arts? If so, when?

The Green Party is committed to extending income tax relief and incentives to artists and exempting subsistence grants might well be part of the package. Our non-regressive tax shift will assist all low-income artists and, indeed, all low-income Canadians.

However what we must address is the abject poverty many creators are forced to live in. A Green Government will launch negotiations with the provinces and other stakeholders to implement the centerpiece and foundation of our poverty eradication strategy - the "Guaranteed Livable Income"(GLI). Under our system, Canadians will receive regular payments without regard to a needs test. Payment levels will be set regionally at subsistence levels that are above the poverty line. No means testing, no surveillance and no follow-up will free up large sections of budgets to address other serious problems like mental health and addiction. This would reduce the dependence on sometimes fickle subsistence grants for creators and would allow them to access a steady, guaranteed income.

3. Investment in the Arts

Funding for the arts is not only essential to the health of the cultural sector but also represents an excellent return on investment but opportunities are currently being lost. While Canada Council has had funding increased it has not kept pace with the increasing number of applications from arts organizations from individual artists. As a result, thousands of eligible arts organizations and artists are declined support resulting in the loss of enormous creative potential for Canada.

Canada's not-for-profit arts organizations and artists are the backbone of the \$46 billion cultural sector in Canada. However, current federal contributions represent less than 15% to the revenues of a typical Canadian arts organization. Earned revenue and private donations (corporate and individual) generally account for at least 75% of an arts organization's budget, greatly outstripping public investment. In fact, Canada's contribution to the arts lags far behind most of its European counterparts both in terms of per capita spending and spending as a percentage of GDP.

Globally, artists play a crucial role in our country's foreign policy, a key objective of which is "the promotion of Canadian cultural abroad." It was therefore troubling that, in March 2009 \$4.7m in funding was cut for the Prom-Art programs. This program was administered by the Department of Foreign Affairs and International Trade and assisted artists with travel costs when promoting Canadian culture abroad. Without those funds our cultural growth is stunted on the global stage.

Because the evolving digital and knowledge economy has at its core the work of creators investment in arts and culture will be critical in fostering economic development. In addition, while 2011 is the 25th anniversary of the establishment of the Public Lending Right (PLR) (which distributes annual payments to Canadian authors in recognition of the presence of their books in Canadian public libraries) funding for PLR is woefully lagging for traditional printed books and has not even been initiated for e-books. At the time of PLR's creation, the Government agreed to periodically inject increased funding



into the program to ensure its success long into the future. Unfortunately this has not happened and the "hit rate" has declined dramatically. The current hit rate of \$33.92 is 15% behind the 1988 rate of \$40 and less than half of the \$67.49 it would be today if \$40 in 1988 had kept pace with inflation.

Questions about Investment in the Arts

- **Would you invest in the not-for-profit arts sector by increasing the allocation to the Canada Council for the Arts and the department of Canadian Heritage, among others?**

Yes.

If so, by how much and in what time frame?

The Green Party recognizes that Canada's arts and culture sector is under-funded compared to other government-supported sectors and that it will take years of effort to undue the imbalance. We have a comprehensive plan that provides a wide swath of new support mechanisms for the arts and culture section. This will include the creation a new tax-shifting schedule that will provide tax incentives and direct rebates to individuals and businesses in the arts and culture sector. Moreover we will provide increased tax breaks for Canadians who donate to registered charities that focus on the development of arts and culture in Canada. We will also establish a set percentage of the federal budget to be used to increase and stabilize base funding for community arts programs and facilities across Canada. These measures will strengthen and develop Canada's capacity to foster local artistic talent throughout our country.

At the national level, we are committed to increasing funding to all of Canada's arts and culture organizations including the Canada Council for the Arts, Telefilm Canada and Canadian Heritage.

Furthermore, a Green Government will stabilize base funding for the CBC by providing it with 450 million dollars in new funding over the next three years. Our ultimate goal is to achieve funding increases that are commensurate with increases in support over the years for other sectors such as transport, energy and health care.

- **Would your party return funding to the Prom-Art program? If so, when? If not, what would your party propose to do for the development of foreign markets for Canadian cultural products?**

Yes. Canadians take pride in our vibrant arts and culture community and are eager to showcase Canadian culture for the rest of the world. Eroding Canada's capacity for cultural diplomacy is simply bad foreign policy. We think PromArt and Trade Routes filled an important diplomatic and foreign affairs function by helping build cultural bridges for Canada and would restore their funding as soon as was feasible.

- **Would your party return the Public Lending Right Commission's hit rate to the original \$40 and commit to indexing it to inflation going forward? Would you push for PLR compensation to cover ebooks as well as print books?**

With new technological developments changing the way that creators make a living, it is important to find a fair way to ensure that they are compensated for their work. Libraries, both in



the physical and digital worlds, are an integral part of the lives for many Canadians and should be protected. However this cannot come at the expense of authors. The Green Party of Canada is committed to working with creators and the public at large to ensure that while creative content remains accessible, creators are still provided their due.

What investments does your party propose to make in art and culture as a component of a National Strategy for the Knowledge/Digital Economy?

The Green Party understands that the Knowledge/Digital Economy relies upon the creative inputs of a thriving arts and culture sector. As was previously stated, we are committed to increasing funding to all of Canada's arts and culture organizations including the Canada Council for the Arts, Telefilm Canada and Canadian Heritage. Furthermore, a Green Government will stabilize base funding for the CBC by providing it with 450 million dollars in new funding over the next three years.

