

SUBMISSION PRESENTED BY THE SOCIÉTÉ DE DÉVELOPPEMENT DES PÉRIODIQUES CULTURELS QUÉBÉCOIS (SODEP) TO THE STANDING COMMITTEE ON FINANCE

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SODEP submission to the Standing Committee on Finance

The Société de développement des périodiques culturels québécois (SODEP) is pleased to present this submission to the Standing Committee on Finance, as part of the pre-budget consultation process, and to provide its recommendations to the Committee.

SODEP AND ITS MEMBERS

Established in 1978, SODEP is the oldest association defending and promoting cultural magazines in the world. For over 35 years, SODEP has represented publishers to government, the media and other professional associations. SODEP currently has 47 members, who reach tens of thousands of Canadian readers.

Specialized, independent and credible, the cultural publications represented by SODEP have earned a reputation for excellence and are often seen as the essential reference in their discipline (visual arts, cinema, theatre, literature, history, etc.).

In addition to their publishing activities, these cultural magazines participate in many cultural and academic events in cooperation with the various players in their field (organizations, artists, teachers, etc.).

A members' directory is available online at sodep.qc.ca.

SUMMARY

Given the current global context, it is no surprise that a responsible government would seek to balance its budget and work to stimulate the economy. However, magazines promote sales, as has been demonstrated by a number of studies published by Magazine Canada. 27% of readers will consider purchasing a product advertised in their magazine, while 14% go on to buy the product advertised.¹ Although there is no specific study of this type for cultural magazines – which write about, recommend and review cultural products – it may be argued that such publications still play a key role among consumers of cultural products in Canada.

By contributing to the emergence and development of the disciplines they explore, and by increasing awareness and recognition of artists and of Canadian heritage, cultural magazines participate in the cultural education of Canadians. By supporting a cultural periodical, the government promotes this effort while helping Canadian artists and their work become better

¹ Magazine Canada. *Put Magazines to Work for You 2013*, p. 45

known.

Funding the distribution and commercialization of French-language Canadian cultural periodicals enables them to compete against French-language European periodicals. For example, we believe it is better for Canadians to consult a Quebec literary magazine that discusses Canadian books rather than read a French literary magazine that reviews no Canadian books.

Furthermore, by supporting French-language Canadian cultural periodicals, the government is also protecting a range of specialized jobs (publishers, editors, authors, proofreaders, graphic designers, printers, etc.)

The Department of Canadian Heritage aims to promote “an environment in which all Canadians take full advantage of dynamic cultural experiences, celebrating our history and heritage, and participating in building creative communities.” Unfortunately, since the overhaul of the Canadian Periodical Fund (CPF) in 2010, the Department has been using criteria which we believe are unfair and which contradict its own funding guidelines for magazines. The requirement to sell 5,000 copies annually to gain access to CPF’s Aid to Publishers component is prejudicial both to French-language periodicals operating in an English-language North American market and to short-run specialized periodicals such as the magazines we represent.

Therefore, SODEP would like to make the following recommendations:

Recommendation 1: Recognize the distinct character of French-language Canadian periodicals and stimulate the market by offering publishers appropriate operating aid that will enable French-language Canadian periodicals to remain competitive.

Recommendation 2: Recognize the distinct character of short-run Canadian cultural periodicals by offering them operating aid under the Canadian Periodical Fund based on quality rather than the number of copies sold annually. This could be accomplished by allocating a part of the budget of the Aid to Publishers component to support short-run Canadian cultural periodicals.

GENERAL STATEMENT

On April 1, 2010, Heritage Canada created the Canadian Periodical Fund (CPF) to replace the Publications Assistance Program (PAP) and the Canada Magazine Fund (CMF). In 2009-2010, Heritage Canada provided support to 77% of SODEP member journals. Since the creation of the CPF, this figure has fallen to 22%.

SODEP would like to set out the history of this unfortunate development for the Committee on Finance. The following account is taken from a letter sent last May to Shelly Glover, Minister of Canadian Heritage, and forwarded to all Quebec MPs.

From the implementation of the CPF and the Aid to Publishers component, SODEP has strongly expressed its disagreement to Department officials in the hope that someone somewhere would understand the program’s unfair aspects. The difference in size alone between the French-

language and English-language markets should be enough for any reasonable person to see the unfairness of the “5,000 copies sold annually” eligibility criterion. Given the absence of any positive response, we canvassed our members for their views on the program. In answer to the question “Does the Aid to Publishers component of the Canadian Periodical Fund (CPF) meet your expectations?” 15% of publishers answered yes while 65% answered no. Below are some of their comments:

- This program shows that quantity trumps quality, which contradicts Heritage Canada’s own mandate.

- This program is designed solely for those journals with sales well above the average for cultural journals. It supports general-interest publications that usually don’t need these grants whereas cultural journals need them very much indeed.

- This program represents the beginning of the end for a number of cultural journals – the more specialized a journal is, the more it appeals to a limited readership, the greater the chance it will disappear. In short, this means that culture, heritage in the true meaning of the term, will disappear, to the benefit of periodicals that are often superficial and sterile, contributing nothing real to society.

- Since we are not eligible for this new program, we are deprived of operating aid, which seriously weakens not only our journal but all cultural magazines, while also affecting working conditions at these journals. This is an attack on French-language cultural periodicals, which necessarily have smaller print runs than the English-language journals distributed in Canada and the United States. There is a risk that some specialized journals will become more general in order to increase readership, and this may, in turn, lead to the disappearance of a more in-depth discourse and analysis.

Over the years, Department officials have argued that journals not eligible for the Aid to Publishers component could always apply under the Business Innovation component, which is open to everyone. However, the problem with this component is that the money can only be used for one-time projects. In its first years of operation (2010-2012), very few SODEP journals (between 3 and 5) obtained a Business Innovation grant, and 81% of the members we surveyed had no wish to apply under this CPF component. This clearly shows that the Business Innovation component is not an option suited to the real situation of cultural journals.

At the end of March 2013, in an email addressed to Véronique Desjardins, Head of Project Administration and our interlocutor for another SODEP-Heritage Canada meeting, we returned to the territorial argument: “Given that Quebec is the primary sales territory for Quebec journals, the threshold should be lowered to 1,250 (25% of 5,000, a level proportional to the population of Quebec in Canada). If Heritage Canada does not consider this figure to be completely fair, we request that the threshold for Quebec journals be set at 2,500 copies sold annually, which matches the threshold for an official language minority periodical. The magazines we represent are published in French, which is a minority language in Canada. This should be an easy adjustment for Heritage Canada to make since many other publications benefit from this threshold.”

However, on April 10, 2013, SODEP left Ottawa empty-handed.

Clearly, the exclusion of many SODEP member journals from the CPF Aid to Publishers component is very worrying. There is, however, another reality which reflects Heritage Canada's lack of concern with respect to Quebec cultural periodicals: the steady decline since 2010 of grants awarded to the dozen or so of our members eligible for Aid to Publishers. In 2010-2011, the amount awarded to twelve journals totalled \$202,591. Four years later, the total was \$121,232.

This situation could be easily rectified by creating a specifically dedicated envelope for short-run cultural journals. While Heritage Canada, under the CPF Aid to Publishers component, awarded enormous grants to mass circulation magazines in 2013-2014 (\$1.5 M to *7 Jours* and \$1 M each to *Coup de pouce* and *La Semaine*, to name but a few), the Department gave a mere \$121,232 to 10 Quebec cultural journals. Cultural periodicals should never be compared with commercial magazines. With an envelope comprising just one third of the annual maximum available to a commercial magazine, the Department could, at a stroke, return to the 77% or higher level of the support our members previously enjoyed.

CONCLUSION

The Canadian newspaper and magazine sector needs government support to remain competitive with foreign publications. Our written and cultural heritage must be safeguarded. While it may be commendable to promote publications that "Canadians want to read," it is debatable whether sales figures should be the only measure of this interest.

The Canadian Periodical Fund claims to abide by the following core principles: support **small** and mid-size periodicals over large periodicals; provide [...] the financial support they need to produce and distribute **high-quality** Canadian editorial content for Canadian readers; and ensure Canadians have access to **diverse Canadian editorial content** of printed magazines, printed non-daily newspapers and digital periodicals.

SODEP is clearly in favour of these core principles since it represents short-run periodicals which offer a range of high-quality editorial content. However, last year Heritage Canada granted *Allô Vedettes* \$202,174, or nearly twice the amount granted to 10 of our member cultural magazines. Are we to understand that, in the opinion of the officials at Heritage Canada, *Allô Vedettes* is a small periodical in need of encouragement, and that the quality of its content warrants using Canadian tax dollars to support it? By allocating as little as 2% to 5% of the Aid to Publishers \$55 M envelope to Canadian cultural periodicals, Heritage Canada would remain true to its own core principles, show greater fairness and be better able to meet budget priorities.