



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 030 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, October 20, 2009

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Chair

Mr. Gary Schellenberger

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•(1105)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Good morning, everyone. I'd like to call this meeting to order.

This is meeting number 30 of the Standing Committee on Canadian Heritage. Pursuant to Standing Order 108(2), we are studying cuts to the Canadian musical diversity program.

This morning, for the first hour, we have the three witnesses as individuals: Gary Cristall, musician; Jesse Zubot, musician; and Nilan Perera, musician. Welcome, gentlemen.

We'll start with Mr. Cristall, if he'd like to make a short presentation. Then we'll go to Mr. Zubot and then to Mr. Perera. Thank you.

Mr. Gary Cristall (Gary Cristall Artist Management, As an Individual): I will try to keep this short. Frankly, I could have sent what I had to say, but flying from Vancouver here and back in a day gives you an opportunity to maybe ask some questions that I can answer.

First, I'm not a musician. I live off the work of musicians. I'm an artist manager. I used to run a festival. I ran a record company, etc. I also worked for the Canada Council for six years, where I administered the sound recording program, which was the old name of the music diversity program that was cut. I know that program from having worked running a record company and a record distribution company before I came to Ottawa and making records with support from that, administering the program while I was here, and then working as an artist manager for the last ten years, since I left the employ of the Canada Council.

To be honest, I'm quite shocked that they managed to get away with it. I regarded it as a mugging, and it happened on a hot, late-summer Friday afternoon. You can tell that they were embarrassed, because they didn't announce it at the press conference in Montreal. It went out over the Internet at 4:30 on the Friday afternoon of a long weekend, which is not usually when good news comes out. What essentially the cutting of this program has done is to rob Canadians of their heritage, of the most interesting music that is being made by Canadians today. I don't want to get into—although I'm sure my associates will—the impact it has on working musicians today. It will rob them of the ability to produce good CDs. It will deny them the ability to inspire other people to hire them, touring, and one thing or the other.

My concern is a little bit different. I think this is an appropriate place to talk about it, because for me there is a wonderful phrase I have heard: that aboriginal elders think of seven generations. What impact is what you do today going to have seven generations down the line? I can tell you that in seven generations, some of the most interesting and creative work made by Canadian artists today will not be accessible to the public.

Paintings last hundreds and sometimes thousands of years. A whole variety of art is made and preserved for future generations. In terms of music, it is something that is ephemeral unless it is recorded. We listen today to recordings that were made a hundred years ago, and the format obviously has changed from cylinders to 78s, etc., but we have access to that. Because of the cut of this program, the musical creation of some of the most talented artists in this country will not exist in a hundred years. It will not exist next year. It will not exist in fifty years. In that sense, the cutting of this program has an impact that will be felt forever.

You may have access to things recorded on cell phones and people's home studios, but the kinds of good recordings that are passed on from generation to generation and form part of the cultural heritage, the artistic heritage of this country, will not exist because of what this program has done. Commercial recordings will exist, but those artists who found a different way, who've taken a different route—to use that old cliché, marched to a different drummer—are not going to be able to preserve their work. That is fundamentally going to be the impact of this program.

Regionally, I come from British Columbia, where some of you know that the arts is kind of right up there with the spotted owl these days in terms of an endangered species, with a 90% cut by the provincial government to arts funding. That aside—and it's bad enough—there was never a provincial program in British Columbia to fund sound recording. Some cities have programs: Edmonton, Toronto, Montreal, etc. Those programs do not exist in Vancouver or in any other municipality. The only way the British Columbia artists were able to acquire any kind of public funding for their recording projects was through the Canada Council or FACTOR. The commercial artists will still have access through FACTOR and MusicAction. In fact, that will be somewhat richer because of money taken away from this program. But artists who were creating interesting, dynamic, visionary work are simply not going to have any access to public support for their work. This hurts Canadian culture.

•(1110)

I think that in this town there's a building named after Marius Barbeau, the great folklorist who was responsible for preserving a great deal of Canadian culture, from aboriginal music that he recorded in the 1920s to thousands of traditional Québécois folksongs. The only album of the recordings of Marius Barbeau I'm aware of was funded by the Canada Council sound recording program. It is a double recording of religious songs and traditional songs from Quebec. I think that speaks for itself. Without that program, Marius Barbeau's work would only be accessible by people who go to the museum and listen to it on bad headphones.

There's just an enormous amount of good stuff that isn't going to be recorded. When I was at the Canada Council, for the 50th anniversary of the United Nations we put out a four-CD set of great Canadian music, funded by the Canada Council, that was distributed all over the world. Almost all of that music came from recordings that had been made through the support of the sound recording program. For the 60th anniversary of the United Nations, that is not going to be possible. There will be a cut date of 2009. Anything after that is simply going to be funded by the artists themselves, or by the bank of mom and dad, and will be done at inferior studios or whatever. Frankly, I think this is a crime against art and culture.

It not only hurts artists directly in terms of their ability to get their work out there, but I think it robs future generations of Canadians of the ability to listen to some of the most creative and visionary artists of our times recorded in decent circumstances. That is its fundamental impact. That's why you should do something about it, because I believe that this committee, to some degree, is the guardian of the national interest when it comes to culture and heritage.

We're here, I'm certainly here, to ring an alarm bell and say that for a few dollars—and \$1.4 million is not a lot of money in the context of the kind of money spent by this government—the folks at Canadian Heritage made a bad decision. They made a decision to rob the individual, independent, visionary artist and give the money to the music industry. It's not that the music industry doesn't need or deserve funding, but this is the wrong place to get it. I think that's the real core of this. It is the wrong decision. It should be corrected.

Thank you.

The Chair: We'll have Mr. Zubot, please.

Mr. Jesse Zubot (Musician, Owner of Drip Audio, As an Individual): I've worked a great deal within the contemporary commercial music industry, and I now spend most of my time composing, performing, and promoting creative forms of music. I'm a two-time Juno Award-winning musician, multi Western Canadian Music Award-winning musician, and three-time recipient for violinist of the year at Canada's National Jazz Awards.

I've always been a musician interested in progression and in developing new forms within the musical spectrum. I do not sit back and work within a specific musical genre, as many contemporary commercial artists do. I do not rely on a proven product to support my living. I'm constantly searching for more, and I believe there are many musical forms that have not yet been heard. I first directly benefited from the specialized music sound recording grant in the year 2000 as a young developing musician with a release of a

recording named *Zubot & Dawson: Tractor Parts*. It was funded by the specialized music grant, and it ended up being nominated for a Juno Award. This opened up opportunities for us in many ways. At the end of the year after the release of this recording, we ended up performing at every folk and jazz festival in the country.

The album garnered international press by publications such as *Acoustic Guitar Magazine*, which said that it was the best thing to happen to acoustic music since David Grisman and Tony Rice put together their groundbreaking quintet 20 years ago. That Canada Council-funded recording was brought to the attention of a renowned U.S. producer, Lee Townsend, known for his work with jazz recording legends. Lee Townsend produced our third recording, and it ended up winning a Juno Award. Without the funding from the specialized music sound recording grant, there's a very good chance that none of this would have happened for us.

When it comes to FACTOR, FACTOR helps out artists who sell a certain amount of recordings. Unfortunately, in order to get funding from FACTOR, you have to sell a lot of recordings. Creative musicians do not sell that many recordings at the beginning of their careers. In recent years, the specialized music sound recording grant has become essential to me in a different way. I have become a record producer, and I run a record label named Drip Audio. I've released 23 recordings of underground musicians stemming from the Vancouver creative music scene that are geared toward improvisational music. These recordings have garnered international press from publications such as the *The New York Times* and the jazz bible, *DownBeat*.

Drip Audio artists have performed at some of the most prestigious creative music festivals in the world, including the Moers Festival in Germany; Mulhouse Festival, in Mulhouse, France; festivals in Portugal, and all over. The music from Drip Audio receives extensive radio airplay from BBC 6 Music, CBC Radio 2 *The Signal* and *Espace Musique*, and countless radio stations. CBC Arts Online has called Drip Audio one of the most original musical operations in the country. Without the support of the Canada Council, none of these would have happened.

Another avenue for musicians like me that I can grab onto is being a session musician. The Canada Council recording grant enables me to rely on a certain income every year, which would not exist without this grant.

•(1115)

One of the recent recordings I worked on was for an Inuit throat singer named Tanya Tagaq. She has become somewhat of an international sensation, working with iconic Icelandic singer Björk. The Kronos Quartet's David Harrington has called her the Jimmy Hendrix of Inuit throat singers. This past summer I performed music from the Canada-Council-supported recording *Auk/Blood*, by Tanya Tagaq. We performed this music at grand performances and concert series in downtown Los Angeles, and at the Lincoln Centre and the Smithsonian's National Museum of the American Indian in New York. Next month we will present this music at the London International Festival of Exploratory Music. Her album received mention in such important publications as *The Village Voice*, *The Los Angeles Times*, *San Francisco Weekly*, *Time Out New York*, and many others. Without the support from the Canada Council specialized music recording grant, none of this would have happened.

I'll try to wrap this up.

The specialized music grant makes it feasible for musicians such as me to make recordings without feeling confined to sell, sell, sell. This grant enables you to concentrate on the creation of music rather than having the pressure of constantly controlling and guiding your vision into something that will be accepted commercially. It enables musicians to keep searching for new sounds and ultimately to create new genres. It makes being an artistic musician a reality.

Music is like medicine; it needs to exist on this planet. It is everywhere and all around us. Music needs to continue to grow and develop, much like science. We need to let it be free from control of the corporate world for it to stay alive. This recording grant enabled that to be a reality.

Thanks.

•(1120)

The Chair: Thank you.

Mr. Perera, please.

Mr. Nilan Perera (Musician, As an Individual): First of all, I would like to thank the committee for asking me to be a witness at these hearings.

My presentation will be in two parts. One is my own and the other is a letter that was penned by Nick Fraser, who's probably one of the finest musicians this country has produced. He was asked to be a witness, but he couldn't be, as he was at a recording session. The points he made are extremely good.

Again, my name is Nilan Perera. I've been a musician and composer in new creative music and for modern dance for the past 25 years. I've been involved in many projects and ensembles and have toured nationally and internationally. I'm also currently on the board of directors of the Association of Improvising Musicians Toronto. It's an organization that's been running for about four years.

The cuts to the Canada Council for the Arts grants for specialized music recording and specialized music distribution puzzled me greatly when I first heard of them. After I found out more, I became upset and decided to start an online petition. I've since gathered over

5,800 signatures on that petition, which I will submit to the committee at a later date. I don't have it with me right now.

I've applied to this program a few times over the years and for the most part have been unsuccessful. I have been involved in other projects that have gotten support from this program, but the possibility of getting a CD made has given me and my colleagues across the country a significant incentive to continue to create focused work and consider the possibilities of a viable career in music.

I've also sat on a few Canada Council and Ontario Arts Council juries and have been impressed by the fairness and rigour of the process. I have walked away feeling very good about how things were conducted and the work that had been approved.

These programs are the primary tools for the production and distribution of original Canadian art music in Canada. There is simply no other program that addresses the basic function of supporting the creation of a hard copy of work that can then be launched by distributors into the world. This is the basic cutting edge of marketing the Canadian art music brand, as well as the means to access work for our creative composers and musicians. It is also the primary production exponent in Canada of the current living research and development of sound as music that the mainstream and not-so-mainstream pop artists mine for new forms and sounds.

These cuts are the same as cutting research and development at the university and research institutional levels and giving the money to the producers of the goods that had their basis and inception in research and development by those same institutions. What I don't understand is the rationale of cutting off a very small, very efficient, and highly successful program of approximately \$2 million that gives out a few grants, generally in the \$6,000 to \$10,000 range, but giving money to a massively funded program whose worth is over than \$13 million. It's kind of like cutting the food fund for the orphans to pay for the toothpicks of the millionaires.

I wondered why and how this happened and I wondered why the recipient of these funds, which is FACTOR, I believe, could not have accessed the money from other sources. After all, the recording industry is profit driven and I'm sure they would have considered it a good investment to provide such a comparatively small amount of cash to do the work that FACTOR wants to do.

Support for these programs is vitally important to the creation of the Canadian music culture in Canada. This culture is being created on a daily basis by artists across Canada who need all the support they can get to create work that has originality and purity, something that can be created and nurtured by not being subjected to the whims of the commercial market.

That's my rant.

This is Nick's letter, which was addressed to Mr. Moore:

I am an artist and (as such) a small business that is affected by the current cuts to the Canada Council Specialized Music Recording program. I have been a professional musician for twenty years. I am a Juno Award winner (and two-time nominee), teach at the Faculty of Music at the University of Toronto, and have received multiple Canada Council grants for study, composition, recording and career development. All this to say that I can speak personally to the positive effects these grants can have on an artist's career. By cutting this program, you are denying small businesses their initial, base-level product that makes all of their other income possible. This action removes a key part of the infrastructure of arts dissemination in this country.

In your statement to the media, you said that the council program "was basically to fund artists who have no interest in developing any kind of commercial opportunities for their music." I can assure you that this is not the case. The artists are in fact best positioned to find commercial opportunities for their music as that is how they survive. They are the only ones with any real incentive to promote their work. I personally don't know any artists that are not interested in "commercial opportunities", because these opportunities represent our careers.

● (1125)

The businesses (artists) that this program funds are small but viable businesses that contribute greatly to the financial and cultural life of this country. For example, let's say that a group receives a \$10,000 grant to make a recording. If 1,000 copies of a CD are made and 600 of them are sold, the group ends up with a \$2,000 profit. The initial \$10,000 represents only a portion of their total budget (as laid out by Canada Council criteria) and is spent on the following...

It's spent on recording costs and paying recording studios and engineers and musicians, who are small businesses in their own right; on graphic design of the disc and paying the graphic designers and visual artists, who are small businesses in their own right; on manufacturing costs and paying the CD duplication firms, which are small businesses in their own right; and on marketing costs, such as paying publicists, buying advertising from publications, etc., etc.

Nick continues:

So the money is funnelled back into the economy (and back to the government—we all pay taxes!) by employing other small businesses, something I was under the impression this government would support in the "current economic climate," as people seem to call it.

The \$2,000 profit may not seem like a lot (and it isn't—trust me), but I assure you that it is not a simple "a/b" equation (i.e. the profit from recording sales is not the only benefit of having the recording). The product allows all of the other income for that given project to take place in the form of concert tours and performances here and abroad.

Essentially, the CDs that are made are our business cards, if you will, and quite effective ones.

Nick continues: That income can be significant. One Canada Council funded project that I was a part of has sold upwards of 5,000 copies and has allowed me to make over \$10,000 in touring income. Not only that, but the artists are what make festivals and concert series possible and these organizations employ a countless number of not only artists, but caterers, security staff, ticketing staff... etc.

It seems that these funds are being moved to support more "commercial" music ventures. What data does the government have to prove that more "commercial" ventures are in fact more successful? Having served on the jury for the Specialized Music Recordings Program, I can attest to the fact that due to the high level of competition, the grant recipients represent the "cream of the crop" of Canadian musicianship. I can't say the same for the projects that I have participated in that were of a more commercial nature (many of which were funded by FACTOR). The key here is that recordings of a more commercial nature are not guaranteed success. The recordings that are funded by FACTOR may represent activity with a higher financial ceiling, but it is no more guaranteed than the success of specialized recordings. I would bet that due to the rigorous, transparent jury system of the Canada Council (which FACTOR does not share), a higher percentage of Canada Council funded projects achieve a modest level of success than projects funded by FACTOR.

The press release states that there will be "\$900,000 for digital market development, in a fund aimed at music entrepreneurs and businesses". Let me make something clear: artists ARE music entrepreneurs, they ARE businesses, and an extremely high percentage of them are doing a damn good job of it. We work on "digital market development" because we need to in order to survive. We need more support, not more bureaucracy.

Again, that is from Nick Fraser, and that ends my presentation.

Thanks very much.

The Chair: Thank you.

We have about half an hour left for questions and answers, so I ask everyone to try to stay within the five minutes for each person for questions and answers.

We'll start off with Mr. Rodriguez, please.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Mr. Chair.

Welcome to all of you.

● (1130)

[Translation]

Thank you for being here today.

Listening you talk about your experiences, your journey and your successes, we realize that you are well grounded in the community and established members of the industry. Consequently, you should normally have been consulted on the future of these programs.

Has anyone of you been consulted on these cuts?

[English]

Mr. Jesse Zubot: No, I don't know anyone who was consulted, nobody. I don't know one person in the music industry who was consulted.

Mr. Gary Cristall: My understanding is that the decision was made by three people from the commercial music industry, which was a little bit like consulting a group of foxes on whether the chicken coop needed a fence, and the answer was predictable.

Mr. Pablo Rodriguez: All right. Thank you.

[Translation]

You have not been consulted.

During the evaluations, recipients of the various programs of the Canadian Music Fund generally expressed extreme satisfaction. The recipients are happy and the government decided nevertheless to go ahead with the cuts. Why did they do it, in your opinion?

[English]

Mr. Jesse Zubot: I think the three people who were consulted are obviously far away from anything to do with creative music or real music at all, and they were—

Mr. Pablo Rodriguez: But don't you have the impression that the government wants to get involved in the content? They want to have a say in what Canadians are going to listen to by doing this, by cutting this specific program?

Mr. Jesse Zubot: I don't really understand that.

Mr. Gary Cristall: No, I don't think so. I think basically they were lobbied by the industry because of the cuts last year in DFAIT to the Trade Routes program, etc. They said, "Why don't you take some money from the weak and the poor and give it to us, because we're successful and we'll do good things with it." I don't think it's about content; I think it's about market.

Mr. Pablo Rodriguez: I don't think that any of that money is going to the Trade Routes program.

Mr. Gary Cristall: No, but it's going to an international promotions fund at FACTOR. That's where the new money is.

Mr. Jesse Zubot: It's going to the same people who last year received \$8.5 million for their record companies. I have a list here of them all, and they are all commercial record companies. A few of them venture into artistic areas within musical creation, but from what I can see, the sole purpose of what they do is to create a product that creates income. I don't understand why they would need \$8.5 million when they're—

Mr. Pablo Rodriguez: But by doing that they're picking winners and losers.

Mr. Jesse Zubot: Well, their recordings already make money, and they don't need that money.

Mr. Pablo Rodriguez: Yes. So what's left for you? What other program can you...?

Mr. Jesse Zubot: Nothing. There's FACTOR, and basically you have to streamline your musical creation in order to fulfill their guidelines. FACTOR likes to say they don't discriminate against musical genre or creation, but as far as I'm concerned, they do drastically.

Mr. Gary Cristall: There are some provincial programs in some provinces.

Mr. Pablo Rodriguez: In Quebec there are some, yes.

Mr. Gary Cristall: Yes, in Quebec, in Manitoba, in Alberta, in Ontario, but certainly from British Columbia, no, and some other provinces also no, and those are not necessarily always specifically for sound recording. In Ontario, for instance, they have a popular music program at the Ontario Arts Council, but it's for everything.

Mr. Pablo Rodriguez: Mr. Cristall, you said, and I'm quoting you, "this is a crime against art and culture". Those are strong words.

Mr. Gary Cristall: Yes, I understand that they're strong words, but they—

Mr. Pablo Rodriguez: No, I'm with you. I don't think these programs should have been cut.

Mr. Gary Cristall: Yes. When I say it's a crime, it's because it robs the future of knowing what great artists are creating today, because they may perform this work, etc., they may create this work, but the ability to preserve it forever was something that the sound recording program provided support for, which means that in a hundred years we'll still be able to listen to these, and who knows, forever.

Many of the artists creating today who benefited from this are visionary artists. They're part of the avant-garde. I know it's an old cliché, but Van Gogh never sold any paintings. He traded two, but he was not a commercial success. I guess his work should have been destroyed because it had no value. The fact of the matter is that many

of the artists creating today are doing things that are going to influence artists in 10 years, in 20 years, etc. That is what is going to be lost, and for me, sir, that is a crime. It's robbery of the future, not only of the present, but of the future access of Canadians to great art created by Canadians for a paltry sum of money.

• (1135)

The Chair: We have to move on to Ms. Lavallée, please.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): First and foremost, I must say how honoured I am to have musicians, artists appearing before us in the flesh. Indeed, the Standing Committee on Canadian Heritage often hears from some of your representatives, from officials and politicians, but seldom do we see before us the raw material of art in Quebec and Canada. Let me assure you that what you have to say is immensely important. We listen to you and we drink in your words.

First, the cuts that were made last year to the Canadian Musical Diversity Program compound those that were made last year. Indeed, \$25 million were cut from programs that allowed artists to tour overseas, including in the areas of theatre and dance. This government does not understand that by cutting these programs they do great damage to major cultural sectors. There are almost no more theatrical tours to other parts of the world for artists outside of Quebec, and musicians who are not into pop music will be in great difficulty in the coming months.

I would first like to ask a few questions and I would like all of you to answer. How many grants have you received from the Canadian Musical Diversity Program? How often did you get any and what were the amounts?

Let us start with Mr. Zubot.

[English]

Mr. Jesse Zubot: Personally, I haven't directly received a lot of these grants. My first one was in 2000. I can't actually remember the specific amount, but I think it was around \$15,000. Because of the success of how that grant helped that particular project, I didn't need to rely on this grant as much as maybe some people do. But the thing for me is that I started a record label that is focused on promoting creative music and I am now promoting other artists.

Since 2007, in this company that I run, 75% of the recordings have been funded by this grant. Probably 30, 40, or 50 musicians have received funding from this grant. I don't know the exact amount, but it is not a lot of money. The amount of money that it has changed all these musicians' lives forever and has created music that will last, as Gary says, for the next hundred years.

These recordings will sell the same amount fifty years from now as they do today, because they're not driven by current trends or new, hip movements.

Mr. Gary Cristall: I don't personally receive these grants, but I provide management services to many artists who do. I didn't make a list, but I did look for an article I wrote for a B.C. publication that asked me about this, and in 2006-07 there were 16 recordings funded in British Columbia, for a total of \$164,000. The following year, 2007-08, there were 26 grants awarded to B.C. artists, with a total value of \$253,900. So we're talking about grants in the range of \$10,000 to \$15,000.

What I think is interesting is the diversity, just from British Columbia, in some of these projects. Traditional songs of Haida Gwaii, the Haida people, are not going to get funded by FACTOR, and they're not going to become what we call "chart chompers" on any commercial play. There's the world music of the Orchid Ensemble, an Asian group; very far-out contemporary classical compositions by the New Orchestra Workshop; jazz by a woman named Jodi Proznick, who's very, very good; and music by Alex Cuba, who is becoming a commercial success and is now working with Nelly Furtado.

So the range of this is enormous, from people who are recording their traditions, in the case of the Haida Gwaii singers, to people who have commercial aspirations. It's wrong to say this is for non-commercial artists. It is right to say—and we defined this when I wrote some of the guidelines for the program while I was at the Canada Council—it is music that is driven by creativity, not by commercial intent.

Now, against all odds, somehow, music driven by creativity and not by commercial intent sometimes becomes commercially viable. That's neither here nor there. The question is the intent of the artist, and that's why it deserves public funding, and those are some of the numbers in terms of grants that have been given to artists in B.C.

• (1140)

Mr. Nilan Perera: I think I've had that once or twice, but I haven't applied that many times. I've been on about ten CDs of people who have applied and have been successful. As I said before, a lot of my work is to conduct sound design with modern dance and theatre, but I have been a practising musician for that long, and this is what I do. I'm in research and development. I create music with people, cutting-edge music using new ideas, and we are the place that most pop musicians listen to in order to get their ideas. I'll be quite simple about it, because I know people in the field. I know pop musicians. They're friends of mine, and when they're not playing pop music, which a lot of them consider work, they're listening to the music from the field of music I create in, the avant garde or instrumental music, just because that's where new sounds are created.

Also, I don't feel the government understands the value of marketing the Canadian brand this way, because there are multi-level ways you can approach the world in terms of what Canada is. We have world-class artists and musicians. You have one sitting over there. Jesse's an amazing player. We're known internationally. And we're not known internationally because the government is really out there helping us; it's because we are doing it ourselves. Therefore, we're very good at it, so you should give us more money.

The Chair: Mr. Angus, please.

Mr. Charlie Angus (Timmins—James Bay, NDP): I thank you gentlemen for being here this morning.

I think we're having a really important discussion, and I want to say at the outset that I'm not looking to offend anybody, whether in FACTOR or in commercial music. Some of my friends.... I'm noticing people have slipped me information as to who's getting money, and I know many of them, and I don't have a problem with that. I think the issue we need to look at is the role FACTOR plays, the role the Canada Council plays in this whole pseudo battle about how to create success.

I've applied for FACTOR grants. I've known people who have sat on FACTOR juries. FACTOR is a private industry function. It represents whatever the Canadian music industry thinks is really hot. And we know when you go to a jury they say they've got to fund these guys, they're huge, they're going to be big. How many of those acts, after their one record tanks, are never heard from again? But this is how the record industry succeeds, and there's nothing wrong with that. So when I see the minister saying that the envelope they were looking for was basically to fund artists who have no interest in developing any kinds of commercial opportunities for their music, it gives me an impression the minister thinks you guys are all just a bunch of welfare bums.

I would like to ask you, Mr. Zubot, Drip Audio, you're getting played on BBC, Radio 3, Radio 2. *The Village Voice* is writing about your artists, and *The New York Times* is too. We're looking at artists like Jane Bunnett, the Mighty Popo, Alex Cuba. These are artists of international renown. How do you compare artists like that and what you're doing with the ability of FACTOR to evaluate such emerging artists through its commercial industry?

• (1145)

Mr. Jesse Zubot: I think some of the artists you just mentioned, the people who break through from the ground up and gain success.... A few of the artists on the label I run who have gained some success internationally at this point could potentially apply to FACTOR and potentially get some funding, but they would have to do it in a way where they would almost bring down what they do to a level where it would seem more commercial than it actually is.

So I think the potential from FACTOR is there on a very small level. You have to play the game, but still do what they want to do. For me to do what I want to do.... I still make recordings, but unfortunately I've been so busy promoting other people's music that I haven't thought about my own lately. But for me to make a recording and have it be what I really want it to be, I would have a hard time getting that money from FACTOR.

Mr. Charlie Angus: Mr. Cristall, you helped run this program, but prior to that you ran the Vancouver Folk Music Festival, which was probably one of the premier festivals in North America for breaking new acts—great Canadian acts and international acts. I look at the kind of commercial success that these artists enjoyed. They were not absolutely obscure; they had really good markets. But if I drove across Canada from one end to the other and listened to commercial radio, I would probably never hear a single one of those artists on FM radio.

I'm looking at who provided the minister with his expert advice on, as you say, taking part in this commercial mugging. And I see that they relied on the general manager of the CHUM group, the vice-president of Astral Media Radio, and then some guy from Boston. Those were the three experts.

You know your artists. You know the kind of clientele you've been promoting. Would any of them ever have radio play by the CHUM group?

Mr. Gary Cristall: No, I don't think so. Jesse dealt a little bit....

The first time I worked with Rita MacNeil, we drew 40 people. It was a long time ago. The last time I worked with her, we drew 12,500 people. She didn't need a Canada Council grant when we were drawing 12,500 people. She certainly did when we were drawing 40 people. And it was that kind of support that allowed her to grow.

She is an exceptional case. There are a few people who come from the margins and then become commercial successes. It's absolutely wonderful. Every artist I manage would love to be an international commercial success sensation. They would love to sell millions of records. They would love to fill stadiums. The problem is, they are not prepared to compromise their artistic ideas to do that. They want people to come to where they're at artistically. That's the role of groups like the Canada Council, whereas FACTOR is there to support people who are prepared to make whatever accommodation is necessary to get played on CHUM FM.

The short answer to your question—and I apologize for digressing, but not really—is fundamentally, no. Commercial radio plays a very small percentage of the music made in this country. I have no idea what percentage, but if it was 3%, I would be very surprised. Most artists are never going to be played on those radio stations unless it's at three o'clock in the morning when they're not being monitored by BBM. Basically, they'll find some kid to put on whatever he wants.

Mr. Charlie Angus: The question, then....

The Chair: Make it a very short question, because you're over time already.

Mr. Charlie Angus: As my colleague said earlier, this will have a major impact on the development of new music in Canada, yet Mr. Zubot said that he wasn't aware of anybody being consulted. And we see that the expert panel consisted of radio stations that wouldn't play you guys if you were the last people on the planet. Why do you think the government relied on such barren, commercially boring stations to decide the future of a program like a Canada Council program?

• (1150)

Mr. Gary Cristall: I think they wanted to kill the program. They wanted to take the money. They wanted to give it to FACTOR, partially because there had been some cuts in international marketing that they wanted to restore. Essentially, they picked a panel that would give them the decision they wanted, which is not unusual in government, I've been given to understand. And they got what they wanted. But they certainly did not consult the beneficiaries of the program. That, of course, would have been one-sided.

The Chair: Okay, we'll switch now to Mr. Del Mastro, please.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you, Mr. Chair, and thank you to our witnesses for appearing today.

As with any program, any time the government makes decisions on how the program is going to run there are going to be those who support it and those who don't. That's the strength of a democracy. There are people on both sides of an issue. There's no question that on this issue there are going to be plenty of witnesses who come forward to indicate this was a good decision that the government made. Obviously there's no malice in the decision the government makes. We're tasked with getting the most out of government spending that we can.

When we announced this \$138-million, five-year extension of the Canada music fund, we were looking to get the most out of it that we could. As you know, prior to announcing it there was a lot of uncertainty in the Canadian music industry because the fund was going to twilight in March of 2010. We've actually pushed it out a long ways and said that for five years there will be certainty in the Canadian music fund and in the Canadian music industry that is supported by the fund.

As you'd expect, I did some research before you came. I know Mr. Perera received a very small amount of money from the CMD but the rest of you have not. That's not uncommon. The Canada Council has a fairly significant amount of money: \$9 million for specialized music funding. The CMD is only 5% of what it was doing. There is \$30 million overall for music. As you can see, it's a very small part of what they're doing. I wasn't surprised that none of you had actually received money from it, because it was a small part of what they're doing.

I want to ask you about this point on music 10 to 20 years from now, because we want to get to a new media study. I think that things have changed quite a bit. I think the way we're going to record, produce, create, is changing, and I think it's changing very rapidly. I think the minister's inclination to put some money behind new media, the digital kind of transformation that's occurring, and the international component has to do with us trying to look forward.

I know this is a U.S. example, but I was watching television, and there was a fellow named Adam Young who has a band called Owl City. He's the only person in it. He was producing music in his bedroom on his computer, and he now has a hit song called "Fireflies". It was all stuff that he played on his computer and created with no real intention to be a commercial star. It was put on YouTube, and it then got popular.

Is it possible that we're actually looking forward? Would you say it's possible that maybe 10 to 20 years from now the effect of the change will be that we actually looked forward and saw where the change was coming, bearing in mind that most of the support for the Canada music fund and most of the support from the Canada Council never had anything to do with the CMD?

Mr. Cristall.

Mr. Gary Cristall: If I could predict what was going to be happening in the music industry in 10 to 20 years with any accuracy, I'd be a lot more wealthy than I am today. Nobody in the music industry understands what is going to happen, except for one thing. We know that artists are going to be creating music, recording music, and they are going to be disseminating the recordings of that music. That we know for sure. Whatever format it's going to be in and how it's going to be disseminated is one thing.

We also know that mostly it is not going to be recorded in people's bedrooms on their computer, although there are certainly histories of that. I go back to an American woman I worked with, Michelle Shocked, whose first record became a hit on a Sony Walkman at a folk festival in Texas. Fair enough, but most artists need to go into studios. That is where the work is done, and that isn't going to change. If that is going to change, you're going to find that many FACTOR affiliates are going to go out of business.

In terms of the Canada Council, the Canada Council has a big budget, but there is no money for sound recording. That's what we're here to say; we're not here to say that all kinds of great things are not going to be funded in terms of commissioning, touring, performance.

This was not a Canada Council program. It was a Heritage Canada program administered by Canada Council. That's why it hurts, and that's why frankly I think you made a mistake by cutting the wrong program. You should have found the money somewhere else.

It's really all I can say, except that if you think you can predict the future, we should have a long conversation about setting up a consulting company.

• (1155)

Mr. Dean Del Mastro: Very good.

Do I have any more time?

The Chair: No.

Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Thank you.

Mr. Cristall, in your submission you talked about the program itself. It was a program that gave grants as opposed to loans. Could you provide more detail about that? You also talked about peer groups. I don't feel there are enough programs that rely on peer groups for the awarding of grants or contributions. Can you comment on that?

Mr. Gary Cristall: First, FACTOR technically does not give grants to make records; they give grants for other things. They give loans. Those loans are forgivable—I think you get three in a lifetime. You're supposed to pay them back in CD sales, at a buck a sale. Some people do, some don't. At the higher level, you'll find that FACTOR essentially is a bank that loans money for free to big labels for popular artists who get the money from FACTOR and pay it back every time. But it's interest-free. If I could access interest-free money, I'd be very interested.

Mr. Scott Simms: It's a wonderful thing, no doubt about it, but the grants are what interest me.

Mr. Gary Cristall: The Canada Council gave grants under this program. They gave money that was not expected to be paid back. It was up to 60% of the cost of the project based on the percentage of Canadian content, which was often 100%. I hope that's clear. It was free money that did not need to be paid back and it gave the artists the licence to do what they did.

As to peer review, the decisions were made by three, four, or five people drawn from the milieu represented by the artists. We had what we called a pod system, which meant that when we looked at contemporary classical composition we would have contemporary classical artists, composers, managers, and symphony administrators from across the country. The same thing for folk. We would have people from that milieu, and on down the line. The decisions were made by people who had a great deal of knowledge about the specific genre of music that was being performed. We would listen, we would talk, there would be bloody battles in the room, and in the end the decisions were based more or less on the number of applications in each genre and the money available.

Mr. Scott Simms: It must be a difficult situation. A bloody brawl in the room, and perhaps you're putting it mildly. Do you find that we're drifting away from the previous funding models?

Mr. Gary Cristall: That's not the case at the Canada Council. The Canada Council still operates on peer review. Not to beat up on FACTOR too much—I've been on their juries—but they use a three-jury process, so it's relatively opaque. At the Canada Council, at the end of the meeting the next year they release the list of peers, so you know who did you in or who was generous to you. It allows you to assess the credibility of the program and ask who was on the jury. As Mr. Angus pointed out, the three people who made the decision about this program had nothing to do with the kind of music they were determining the fate of. At the Canada Council, it's the opposite. At FACTOR it's somewhere in between.

Mr. Scott Simms: In that kind of model, we're drifting more towards the administrative decisions involved in disseminating the money, as opposed to the artists disseminating the money. Then it becomes a question of which artist, but at least it's the artist.

Mr. Zubot, you talked about how as a musician you make a living through certain revenue streams from wherever you can get them. I'm not asking you what you make; I'm just asking what portion of your revenue you get from these programs. You said you're also a studio musician, and I'm assuming that would be from other sources, maybe CBC or the like. But when it comes to these specific programs, what percentage of your annual revenue are we looking at?

• (1200)

Mr. Jesse Zubot: The money in my pocket that I make from this for session recordings is probably 5% to 10% of what I make in a year. I'm just guessing; I'm not sure.

There's an important point I would like to make about the new digital forms of media. You don't need any money to infiltrate the recording industry in digital form. With my company, I can call a person in San Francisco who distributes all of my music worldwide on the Internet. All I have to do is send him one CD and within a month it's available everywhere, and they even do marketing. Giving money to this new area doesn't make any sense to me at all.

Mr. Scott Simms: So you're more interested in the money up front to produce, in other words, the CD.

Mr. Jesse Zubot: If you don't have any money to make the music, there is no music to promote.

The Chair: We have to call this morning's round over.

Folks, I thank you very much for making the long journey from B. C. to be here this morning. Thank you for being so very candid with us. We appreciate that. Thank you.

We will pause for five minutes.

- _____ (Pause) _____
-
- (1205)

The Chair: We will reconvene for the second part of our meeting today. Pursuant to Standing Order 108(2), we are studying cuts to the Canadian musical diversity program.

We welcome for this session Erick Dorion, Andrea Menard, and Bill Garrett, speaking as individuals.

If you can, please try to keep your introductions to ten minutes. I'm going to try to put our questioning down to maybe four minutes for questions and answers, so that we can get a little more diversity.

Mr. Angus.

Mr. Charlie Angus: Sorry, Mr. Chair. You know I never disagree with you, but—

The Chair: But you are now.

Mr. Charlie Angus: Yes. There is a first for everything.

I'd really oppose going down to four minutes—

The Chair: Okay, then I will enforce the five-minute rule. I'm the chair. I let it go a little longer the last time.

Mr. Charlie Angus: I have no problem with your being a tough taskmaster, Mr. Chair, but we need our five minutes.

Thank you.

The Chair: Okay. I will be tough.

Mr. Dorion, please.

[*Translation*]

Mr. Erick Dorion (Musician, As an Individual): Good afternoon. Over the next 10 minutes, I will be talking only about facts and will use no stylistic devices whatsoever.

My name is Erick Dorion, I am 34 years old and I live in Quebec City. I am an artist and I have been earning a livelihood through my art for six years now. I am an audio artist, a musician. I am also an audio commissioner and an installation artist. My work has been

presented in Belgium, France, Spain, Germany, Italy, England, Mexico, Cuba, Australia, the United States, Japan and at Canada's major festivals. I lived in an artists' retreat for two months in Spain last spring and a month in Mexico in November. My career is beginning to be well established. I am quite happy about that.

I will now share with you my life journey, which will give you an idea of the reason why I undertook all of these activities. In 1999, I decided to turn my pastime, which was to create, into a profession. In 2002, something quite special happened. I was able to obtain a grant for specialized sound recording and I recorded some pieces in a professional studio. The recordings were done professionally and were presented to a company that accepted to produce the record. It was a small release of just 1,000 records.

This however allowed me the benefit of critiques in more than 15 countries, of making myself known and of participating in major festivals. This first record was financed by the Canada Council for the Arts that provided me with a grant for specialized sound recording. The grant was for roughly \$4,500. I did not take a cent of this money; the entire amount was spent on production. I was easily able to live on these \$4,500 for four years, because I was invited throughout the world and I was able to secure some contracts.

Over time, these contracts allowed me to perform and to make myself known. All of a sudden, my career began to develop and thrive. In 2004, I produced a second album. It too benefited from a grant for specialized sound recording. I was given close to the same amount of money. This time, an Australian radio station heard my record. It then recommended it to two festivals. I was thus invited to two very important festivals in Australia. I was offered a plane ticket. I was able to live in Australia for three weeks, all expenses paid, and I also was given an appearance fee. All of that was a direct result of the fact that I had sent a record to that radio station, a record that was recorded and produced professionally. I went on to be invited to France and all over the place. That gives you a brief outline of my professional journey.

Recently, I was awarded a grant for the recording and production of a double CD as well as of an Audio Surround DVD, as commissioner for an organization in Quebec called Avatar. I am not talking just about a CD, but also an audio DVD. Perhaps that in five or six years' time, other recording formats will be used. What matters is not the release itself, but rather the recording and the way it is distributed. Audio art means just that. It is an art form in which one really works on the sound quality. It is therefore very important to have a grant for specialized sound recording because it is the quality of the sound that matters, be it on vinyl or on cassette.

I would now like to relay to you a few other facts involving the artists who work in my creative field. In 1998, a Toronto artist, Michael Snow, who is a world-renowned multi-field artist, earned the Governor General's Award. A few years ago, he was able to record a triple album of his work at the piano, a first in the career of this artist who has been practising art for 60 years. He was produced by Ohm Editions.

- (1210)

He too was given a grant for specialized sound recording.

At the other extreme of the spectrum, last year, Nicolas Bernier, who is 34 years old, received a grant for his recording entitled *Les arbres*. This album was recognized by the very prestigious Ars Electronica Awards, in Austria. All of a sudden, sales of his album went from 10 or 12 to 500 units, and this in the course of but a few weeks. This is obviously a very important festival. None of that would have been possible without the grant.

This grant provides artists working in parallel or lesser known fields the opportunity to reach a broader public, or at least an international audience. It also provides young artists the opportunity to show what they can do. A young artist can be given money in order to produce a quality recording that can then be presented to record companies, which is very important.

In my case, my first CD is still generating income, ten years later.

Thank you.

• (1215)

[English]

The Chair: We'll move now to Ms. Menard.

Ms. Andrea Menard (Artist, As an Individual): Hello. My name is Andrea Menard.

I am a Métis and a Saskatchewan actress and singer, and probably none of you have heard me on the radio, unfortunately, unless you listen to the CBC, but I am a success. I am a person who has followed my heart, right from my own ideas. The Canada Council grant for specialized music was the focal point and the beginning of my recording career, and in many ways my career in general.

My first CD as a Métis woman, *The Velvet Devil*, was the music from a one-woman show. It's jazz and traditional, so where on earth would I have gone for a play for native traditional chanting and jazz all on one album? There are not many places I could have gone. I went to the Canada Council because there was a place I could go. I have been funded by others—by the Saskatchewan Arts Board and by FACTOR—but Canada Council was my focal point, and it was the trigger for other funding.

I am a success. You may not have heard me on the radio, but I am a success because of that CD. I have three CDs to my name. I was able to take that CD and trigger my music, to trigger my play into going around the country and being made into a film, and it started because I had a CD in my hand. A mere \$18,700 from the specialized music grant triggered that. It started it. It's a mere pittance, but it made my career. It allowed me to be able to hand a physical copy to whoever else needed it wherever I needed to go. Maybe now I could have e-mailed it, but back then, in 2000, I didn't. I had a physical copy that could take my work to the world.

From that very first CD, I was nominated for a Western Canadian Music Award. I was nominated for a Canadian Aboriginal Music Award, or several of them, and I was nominated for an Indian Summer Music Award. These are also award ceremonies that mainstream music, CHUM music, probably has never even heard of. These are big in my community, but even within my community, if we were to look at the categories of music, and even in the aboriginal category, I sometimes don't even fit within my own category.

Again, specialized music is what I, the artist, come from, and what is in my heart that I want to get across. As an aboriginal person, I'm Métis. I'm a jazz artist; in aboriginal country, that's a weirdo. That does not fit. What's that? What's this music? Those are my own relatives going, "What is this music?" I am specialized even within the aboriginal world, and I don't quite fit in the jazz world either. I don't fit anywhere, but my heart and my music are important to the landscape of Canadian music. It is missing my voice. If there's not a place where I can go for funding, you are missing a very important voice.

Again, I am lucky. I am a success. You may not have heard me on the radio, but someday maybe you will. I have a plan to get my music out there. I have commercial intent. I'm not just doing it because I'm an artistic artsy-fartsy; I have plans. This is my job. This is my purpose.

Even within my own world, I have to come.... I can't put a native flute in just because I'm native, because somebody else on a panel says, "Well, that's not native enough" or I'm jazz. Well, you're right, and I don't play an instrument. I'm not that great—I'm no Jesse Zubot—but I sing in a way that would classify me as jazz. I have an original voice and there has to be a place I can go. I am a success now because FACTOR has recognized my work, but that's because I had a place to go to first. I became established: "Oh, she's successful; she got money from the Canada Council". That's a stamp of approval.

• (1220)

I am a visible role model and I am one of the lucky ones. I sing in English. I don't sing in Cree. I have a voice that reaches across both cultures, that reaches across both languages. I have French, Cree, and Michif on my albums. I am going with what I want to create, and it's important that that always stays the same. I never ever want to create a song for the mainstream radio. Yes, maybe I'd make some money doing it, but I don't know how, and I won't. I have a voice that is unique and it needs to be allowed to be the voice it is. It needs to be left alone to create what I can. But I also need to be funded.

So where can someone in the middle of Saskatchewan, a girl from the bush as I like to call it.... I need a focal point, and with this grant gone, that's a crime. It is a shame, because I would have never gone to FACTOR first. This was the focal point. This was the grant that I knew I had a chance with, because it allowed my weirdness to be seen—because I'm weird, but beautifully weird. All of us artists who are being funded in this category are weird and wonderful and important. But because of that very first one, I have received \$18,000 from this grant and it made my career. That's enough to have helped me move forward, and \$1.4 million makes a lot of \$18,000 grants. And for people with their first time going somewhere, who have never done a grant before, who have no idea where to go, that gives them a focal point. And \$18,000 spread to many people is absolutely valuable, and it should never have been cut.

Thank you.

The Chair: Now we go to Mr. Garrett, please.

Mr. Bill Garrett (Musician, Borealis Recording Company Ltd.): Thank you. Good afternoon.

I'm going to read a bit of prepared material just because there are some thoughts that I don't want to miss. I'm also an artist and a producer, but I am also a partner in a record label, an independent Canadian record label. Perhaps I can throw some light on another side of this argument for not eliminating diversity programs from the council. I will speak mainly to the specialized music program.

Our label, Borealis Records, was founded in 1996 to fill a void that existed in the Canadian recording business, namely, a company that would manufacture and distribute an all-Canadian catalogue of folk roots artists. At that point there was no such company, despite a growing number of musicians and songwriters. They were doing their best to eke out a living by playing and recording their music. Our goal is twofold. It was and is twofold. It's to give these musicians an outlet for their recordings, while at the same time negotiating fair artist contracts that allow the creators of this music to own and maintain their own music. In other words, we don't take publishing like many record labels do.

Above and beyond our contractual obligations to tour, we're also active in helping our artists find other kinds of representations, such as agents, managers, overseas contacts, etc. To date, we have some 50 artists and approximately 100 recordings in the catalogue.

I'd just like to point this out because we set out to work this way in the mid-1990s, and we've been a bit of a model for some other companies that have come along—not to toot our horn, but that's the reality.

The artist provides us with a finished master recording for an agreed-upon term, usually five years. We manufacture and distribute the recording through worldwide distributors, both physical and digital—i.e., iTunes or Amazon.com, as well as bricks-and-mortar record stores around the world. We send promotional copies to some 900 media outlets in Canada, the U.S., the U.K., Europe, Japan, Australia, and New Zealand. We promote and buy advertisements in support of our recordings in the above-named territories and provide tour support with publicity and more advertisements in local areas where our acts are gigging.

Unlike most record labels, we do not take a piece of the artist's publishing royalties. We feel these royalties belong to the artist or the creator. We're able to make these arrangements work for us due to the fact that we don't underwrite the cost of recordings. In other words, we don't pay for the studio, the musicians, etc. We license a finished product from an artist or a group.

Depending on an arrangement, depending on the number of musicians, depending on the recording facility, as these people will be able to easily tell you, recordings can go anywhere from \$10,000 to \$15,000 to \$20,000 to \$25,000 for a folk-roots style of recording. If we were to take those costs on as a company, we would have been out of business ten years ago, easily. It just wouldn't have worked.

The music under the folk-roots umbrella is pretty wide-ranging and diverse. There's an age-old argument: what is folk music? I wouldn't even try to begin to tell you what it is. The music in our catalogues is anything from traditional fiddle tunes from Newfoundland, Cape Breton, and Quebec, to singer-songwriters across the country, to Balkan music, etc. It's a pretty wide scope of music.

The one thing I want to say about folk and roots music is that in one way or another the music represents diverse cultural traditions across the country. They're not formulaic love ditties that you hear on pop radio, and that's why we're not on pop radio. That's why none of us here are on pop radio. It's because we don't compose pop music, which is for the most part formulaic. There are formulas for putting it together. There's a way to make it sound like the last Britney Spears album, and maybe you'll have a chance of getting on CHUM, or whatever the station is these days.

It's not disposable music, I think that's what's so important to point out here. That's what is understood by the Canada Council; they're not dealing with disposable music.

• (1225)

The specialized music sound recording program does not have criteria that say this music has to appeal to a mass audience. Instead, the music is judged on its inherent artistic merits, a realistic budget, and the ability of the production team to complete a professional product. And finally, persons known and respected in their individual fields of music carry out the judging. I'm sure you heard all of this from Gary Cristall before I was here.

To us, by moving the funding for specialized music to FACTOR and MUSICACTION, I feel there is a great risk of the criteria changing to more reflect the needs of the large commercial media companies and the pop music business. Both FACTOR and MUSICACTION are, after all, largely funded by private broadcast interests. That's okay, but that's what they are. I have taken part in FACTOR juries, and it is stated implicitly that we should take into account the ability of the project to be commercially viable. This is understandable, as the FACTOR program is considered a loan, and it's not an outright grant. Therefore they are operating on a loan system, where they like to see a dollar back from each recording sold, and therefore are working within a market system, etc.

And please understand, I don't hate pop music. I love a lot of pop music. However, today it is not the same business model that gave us Gordon Lightfoot, Joni Mitchell, or Neil Young. Today, the pop music business is essentially run by accountants and not by artists and repertoire people. It's basically run as a nuts-and-bolts widget business. The possibility of challenging new music being produced by these conglomerates is pretty small.

The Canadian sound recording industry is dominated by the four multinational record companies, which control anywhere from 80% to 90% of the Canadian music market. These are the companies that feed commercial radio. On the other hand, Canadian-controlled firms release about 90% of Canadian-content recordings, while foreign-controlled companies release about 10% of Canadian content. I think that's an important step for everybody to understand.

According to the Department of Canadian Heritage, the three main objectives of the Canadian sound recording policy are:

To enhance Canadians' access to a diverse range of Canadian music choices through existing and emerging media;

To increase the opportunities available for Canadian music artists and cultural entrepreneurs to make a significant and lasting contribution to Canadian cultural expression; and

To ensure that Canadian music artists and entrepreneurs have the skills, know-how and tools to succeed in a global and digital environment.

Certainly I do not see where the first two of these objectives will be easily met by moving this program to FACTOR and MUSICACTION. I submit that a diverse range of Canadian voices and stories and the ability to make a lasting contribution to Canadian cultural expression by artists, whether by themselves or through companies such as ours, will be severely eroded with the loss of this program at the council.

In the end, I think it is a choice between supporting our cultural identity through music or adding funds to commercial interests with only the bottom line in mind. That's the scary part to me.

So in closing, I would just say that the next time you reach into your wallet and pull out a \$20 bill, you might read on the back these words from Gabrielle Roy: "Could we ever know each other in the slightest without the arts?"

Thanks.

• (1230)

The Chair: Thank you.

The first question, Mr. Rodriguez, and we'll be sticking to five minutes.

Mr. Pablo Rodriguez: Yes, I'll just take a minute, Mr. Chair, because I spoke before. Ms. Dhalla will follow me.

[*Translation*]

I would simply like to put to the three of you the same question I asked a little earlier. Given what you have told us, we should be congratulating and encouraging you and not cutting your funding.

Mr. Cristall stated a little while ago:

[*English*]

"It's a crime against arts and culture".

[*Translation*]

Ms. Menard said:

[*English*]

"...this grant gone, that's a crime. It is a shame."

[*Translation*]

Virtually everyone who benefits from the program could make such comments. Were you consulted, in one way or another, with regard to these budget cuts?

Mr. Erick Dorion: No, not at all. In fact, the people in my field of endeavour — and most probably the others as well — reacted with complete disbelief. We failed to understand why such a small amount of money would be cut. As small as it is, this amount of

money delivers major results for many Canadian artists. It was therefore completely incomprehensible that it be cut.

The first question that everyone asked was the following: if such small amounts, that are so important, are being cut, what is going to happen with the larger amounts?

Mr. Pablo Rodriguez: I would invite you to respond briefly.

[*English*]

Mr. Bill Garrett: No, not at all, and I was frankly sort of surprised that neither I nor anybody I knew had been consulted. When I saw some of the list of consultations, which I finally figured out, a lot of the outside consultations were with large media companies. Yes, it was quite a surprise, and given that I've been on the juries—I've been on the jury at Canada Council twice, and I received a grant once a long time ago—it was surprising that we weren't consulted.

Ms. Andrea Menard: No. Absolutely, I had no idea, and the only reason why I found out in the way I did was because one artist at the Western Canadian Music Awards, who was receiving an award, took the time to actually say, "Thank you for the award, and this album, which was actually funded by the specialized music grant, was just cut today." A collective shock went through the room. So we found out because that person took the stage and told us.

• (1235)

Mr. Pablo Rodriguez: Thank you.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): I just want to build upon what my colleague was saying.

First of all, thank you to all of you for coming today, and especially to Andrea for your great story. I think you're definitely an inspiration to a lot of young aspiring artists, especially women, across the country. So keep up the great work.

The Department of Canadian Heritage in 2007 conducted an independent evaluation of individuals, both of various components and individuals who were former recipients. Were any of you consulted at all in this particular independent evaluation?

It states that 86.7% of CMD recipients believe that the program actually enhanced their career. I believe that's what Andrea has stated. They also stated that 98.9% of CMF recipients stated that the federal government should continue to fund the CMF. Were you consulted at any point in time in terms of this particular evaluation?

Ms. Andrea Menard: I'm not sure. Not in the last while. I feel like I participated in something, but I have no idea if it was the Canada Council.

Ms. Ruby Dhalla: It is ironic, because the percentage of people appreciating.... As you were echoing today that it was actually a launch pad for your career, 86.7% also agreed with you, and then the program was cut. So there seems to be a discrepancy between what people are telling members and what actually happened.

Was there any consultation that took place at all?

[*Translation*]

Mr. Erick Dorion: I was indeed consulted in 2007.

[English]

Ms. Ruby Dhalla: In 2007. So you were very surprised, given the response that 86.7% of people...

Andrea, can you tell me what the impact has been? I know you heard of it being cut on stage at the music awards. What else have you heard from artists within the community at the grassroots level?

Ms. Andrea Menard: Shock, grumbling, and fear. Where else can we go? Where can people like me go? As I said, I'm from a community of traditional music. You know, someone with a hand drum is not going to make it on CHUM radio. So, fear.

Ms. Ruby Dhalla: Have they been given any other alternatives?

Ms. Andrea Menard: Even within Saskatchewan, which had very—

The Chair: Can you make it very short, please? Five minutes is up, so be very short.

Ms. Andrea Menard: Funding has changed even within the province. I know they still have aboriginal categories, but for a jazz aboriginal category, there are not many.

The Chair: Madame Lavallée.

[Translation]

Mrs. Carole Lavallée: I would like to begin by making a brief comment for the benefit of Ms. Menard.

You will perhaps be happy to hear that in Quebec there is a group called La Bottine Souriante that performs traditional quebecois music. These last few years, it has gone a little bit “jazzier“. It is very popular and the music does get played on commercial radio, even though it is not a daily occurrence. Over the past 30 years, the group has sold a lot of records, perhaps 20, at least 10 in any event. I am certain it is no longer eligible for this program. That might encourage you for things to come.

You have all of course answered the question as to whether or not you have ever received grants — especially Mr. Dorion and you, Mr. Garrett. If I understood correctly, you explained that these grants had launched your careers and opened the door to the success you experienced later on.

What would have happened if you had not received the grant? What solutions should the government adopt right away?

Mr. Erick Dorion: In my case, it is obvious that without these grants, there would never have been good quality records or recordings. It will perhaps take me another ten years before I am really well known in my field.

We are talking about the minuscule amount of \$1.4 million. Why could this amount not be given to the Canada Council for the Arts, why could the funding provided to the Canada Council for the Arts not be increased by a measly \$2 million? These \$2 million could be directly injected into music. Music agents could then develop a specialized sound recording program that would fall under the control of the Canada Council for the Arts. In this way, there would no longer be cuts coming magically from the outside.

• (1240)

Mrs. Carole Lavallée: Thank you.

Mr. Garrett.

[English]

Mr. Bill Garrett: Well, I'm old enough to remember the days before the Canada Council, and if it were eliminated now, I suspect a lot of our artists would be looking for benefactors of some sort or other. They would have to go looking for Molson's, some private corporation, or perhaps to some endowment of some sort or other. Certainly they could apply to FACTOR or MUSICACTION, but as we pointed out before, those programs are a little more commercially pointed.

So it's a very good question. They would probably be very hard pressed, as Erick just said, to be able to buy a good studio. They would be doing it on their Mac laptop at home with their own gear, which may or may not work.

[Translation]

Mrs. Carole Lavallée: Do you really believe that private enterprise would involve itself in financially supporting artists who make non commercial music?

Mr. Erick Dorion: For my part, no.

[English]

Mr. Bill Garrett: Well, not many. Not many, no.

[Translation]

Mrs. Carole Lavallée: Not many, but there would be some players. Do you really believe that?

[English]

Mr. Bill Garrett: Well, McAuslin's Brewery in Montreal supports artists. There are some. I don't want to say there are none. There are some.

[Translation]

Mrs. Carole Lavallée: Ms. Menard.

[English]

Ms. Andrea Menard: If I had not been given that grant, I would not have a CD that fell into the hands of John Kim Bell, who worked at the National Aboriginal Achievement Foundation, who put me on his awards show. It would not have been somehow slipped to the Premier of Saskatchewan, who got me in front of the Queen and Prince Charles and more royalty than you could imagine. That particular CD made me become the Métis pin-up girl of Saskatchewan, you know, and our government, the government, when they needed to look good, they called Andrea. And because of that CD, they could find me.

I am not represented by a label. I am not distributed by a label. I am self-generated and I'm still struggling on my own, and because of something physical.... That's changing, but back in 2000 that CD was essential and it still is. The music itself is essential. If the music wasn't viable, they wouldn't have called. But it was absolutely essential in getting me to the places that put me in the public eye, because radio sure didn't do it.

The Chair: Thank you very much.

We'll move on now to Mr. Angus, please.

Mr. Charlie Angus: Thank you.

I want to thank all presenters for really hammering home the point that the role of this fund is contrary to the minister's assertion when he said it was a fund that existed for people who had "no interest in developing any kind of commercial opportunities". I'm seeing from what you're saying that it's a clear jump-off point.

Then we have the issue of consultation. Now, I've read the summative evaluation of the Canada music fund, and there certainly was consultation. What surprised me was the direction they took out of that, of taking the money and giving it to FACTOR, because I didn't really see that recommendation anywhere in there. The summative evaluation was done in October 2007. It's available on the Heritage Canada website. On page 155, they identify the expert panel that made the recommendations. It includes Rob Braide, vice-president of CHOM FM, which is Astral Media; David Kusek, Berklee Media, from Boston, Massachusetts; Pierre Rodrigue, from Astral Media Radio, Montreal.

So two of the three represent Astral Media in one media market. Do any of you work with them on a regular basis? Do you know why they would have such a primary role, 66% of the evaluation advice being given by two men representing the same company in the same city?

Mr. Bill Garrett: I certainly don't, but I find there's an interesting connection between Astral Media Radio and the people who fund FACTOR—because there is a connection. Maybe it's just a coincidence.

• (1245)

Mr. Charlie Angus: And what would that connection be?

Mr. Bill Garrett: Well, FACTOR is partially funded by the private broadcasters in this country, and Astral Media is one of those private broadcasters that fund FACTOR.

Mr. Charlie Angus: Oh, that's interesting.

I was also wondering because I was looking into it and Astral Media's presence on the Hill is being represented by Geoff Norquay, who was Stephen Harper's director of communications. I was wondering why someone who was so closely tied to the Prime Minister is representing Astral Media, and then we see two out of the three reviewers who are being asked for their views on the current state of the Canadian music industry and for their suggestions on ways to improve the Canada Music Fund, including alternatives in light of the current environment.

It seems to be a pretty incestuous little group there. Were you surprised that, of this expert panel, two people would be from the same company and that we wouldn't have any other voices there?

Mr. Bill Garrett: No.

Mr. Charlie Angus: You should be.

Mr. Bill Garrett: I want to be, but I guess I'm not. I guess I'm too old and cynical.

The music business in this country is a small group of people. The other people who provided input into the study were CIRPA, or the Canadian Independent Record Production Association, of which I'm a member; and FACTOR.

I think probably the commercial side of this argument was pretty much loaded from the get-go. I have no proof, but that's the appearance that one has.

Mr. Charlie Angus: Thank you very much.

The Chair: Mr. Bruinooge, please.

Mr. Rod Bruinooge (Winnipeg South, CPC): Thank you, Mr. Chair.

I appreciate all the testimony from the witnesses today. You'll have to forgive me if I tend to spend most of my time inquiring about Ms. Menard. I'm actually from Manitoba and Métis, so I am a bit of a fan, I guess you could say. But I'll attempt to accomplish some business as well, so my questions won't all be softballs.

First, in relation to your play, *The Velvet Devil*, could you tell me a bit about the impetus for wanting to produce the play and how that all started?

Ms. Andrea Menard: I was haunted by a character. The character is a young Métis woman from 1930s Batoche who hears jazz on the radio for the first time and discovers that she's connected to the outside world. Dreaming beyond her community, dreaming beyond her family, she wants to connect.

It was a story that came through me, songs first, and I had no idea that it was going to become a play. I'd never written a song before; I'd never written a play before. It was something that came from deep inside me that had to be written.

Mr. Rod Bruinooge: When the play first broke, how big an event was this in Saskatchewan?

Ms. Andrea Menard: In my world, it changed my life. I can't speak for the province, but it was my launching. *The Velvet Devil* was something that put me on the map.

Mr. Rod Bruinooge: And did the play go across the country?

Ms. Andrea Menard: Oh, yes. It started at the Globe Theatre in Regina, and it came here to Ottawa to the National Arts Centre. It became a radio play for CBC, and then it became a made-for-television movie for CBC television's *Opening Night*, which has also been cut. Then it went on another cross-country tour.

Mr. Rod Bruinooge: I know your play was very successful. Being an aboriginal artist myself, I look back to some of the things that got me started. Typically they were events that one poured a lot of effort into, which clearly you did with your play.

I would just go back to your earlier statements, your claim that this grant was essentially the most important thing. You and your play really were destined for greatness before you got the grant, so I want you to give me more testimony on how you think the grant was the most essential part.

• (1250)

Ms. Andrea Menard: A play is not recorded. It is something in Regina. If you had showed up to my play, it would have changed your life, let's say. But if you lived in Winnipeg and didn't see my play in Regina, you would not have been able to be affected by it. The only reason *The Velvet Devil* went out there was that something could be passed around. When you record a play, it's archived only. You cannot record a play. It cannot be passed from person to person. You can talk about it, but you can't pass it.

A CD, which absolutely.... I'm a person from the bush. I had no idea what a mechanical royalty was. I had no idea about ownership of a play. I had no idea what a grant was. I had some work to do. And I went looking at how to bring my music to the world, how to bring *The Velvet Devil*, this idea, out there to the world. How do I do that? The music did it. The CD did it.

You didn't see the play in Winnipeg. The only reason it got here to the NAC was probably because I had a CD to back it up. People said, "Oh, I like her. Now let's have a look. I like the CD cover. I like this. Let's have a listen. Let's have a look." The CD was essential, absolutely essential.

Mr. Rod Bruinooge: You're saying that you wouldn't have achieved success without the grant.

Ms. Andrea Menard: Honestly, the very first budget terrified me. I had no idea what it cost. I had no idea that doing it, paying musicians and their union fees, all of that, which musicians are worthy of being paid.... I had no idea how much it cost.

My first budget, when I was just making my own little thing, was \$15,000. And I cried every time it had to go up by \$5,000. It ended up costing \$67,000.

What was your question? I lost my train of thought.

Mr. Rod Bruinooge: My question is more linked to how the existing fund we have, which is well over \$9 million for the specialized music fund.... I'm making the argument that you would be able to access it.

Ms. Andrea Menard: Oh, right. I remember.

It was the fact that it was a grant. I was terrified of that amount of money. I'd never dealt with that kind of money before. Knowing that I might never sell a CD, I had no idea how I would pay something back. It was a grant. It was something I could actually count on. It was a place I could go.

The Chair: Ms. Dhalla.

Ms. Ruby Dhalla: I have no questions.

The Chair: Go ahead, Roger.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): It is my turn.

Thank you very much, Mr. Chairman. A great big thank you.

I was quite dismayed by what I heard today from the six people who came to speak with us. I have the very distinct impression that the removal of this program is to a certain extent, for those who benefited from it, a death knoll for their future.

I am convinced that if we only support what is being done today and what is profitable and popular today, nothing new will be produced, and future creativity will be threatened.

History is full of cases like that, everywhere: Marconi, Wernher von Braun, these are all people who works were costed out properly. We talked this morning about the fact that Van Gogh never sold a thing while he was alive and yet, today, this artist's works are the most expensive in the world.

The Eiffel Tower, the construction of which was decried by everyone at the time, is today the symbol of France. The Cirque du

Soleil, that received a \$1 million grant — a grant awarded to a clown by René Lévesque, at the time, for a completely crazy affair — is today the greatest circus in the world.

If what is new and is not immediately profitable is cut, these are the types of things that will not come about. What is your thinking on this more specifically?

Mr. Erick Dorion: There are things that are patently obvious. Before becoming Madonna, Madonna had to work at home. Before becoming Guy Laliberté, Guy Laliberté had to work at home. Before becoming Robert Lepage, Robert Lepage had to create — creation is not aimed at the general public, it is a work of experimentation. The principle of mass music or mass art does not bother me strictly speaking, because everyone benefits from it at some point or another, but before producing anything that might appeal to the "masses", there is an experimentation stage.

Personally, like some other artists, I feel like I am constantly in experimentation mode, without any desire to have a commercial career, but I must have this right, just as some artists are also entitled to start with experimentation and to move towards the kind of thing that the majority of people want. Therefore, in cutting this grant, you are cutting off two possibilities, namely that of the artist who begins by experimenting and then moves towards a broader audience or the masses, or that of the masses that become more and more interested by this type of experimentation. Therefore, you are cutting that and you are also cutting support to the artist who will continue to do experimentation for the rest of his or her life. To my mind, this is very serious.

I said earlier that I would only discuss facts. I am trying, in fact, to think in terms of the future. This is something that is very important and that could be very dangerous.

● (1255)

[*English*]

Mr. Bill Garrett: The exploratory artist is extremely important, and this is certainly one of the areas that the council helps out big time. As for the other thing it can help out, I'll go back to my world of expertise, folk music, and give you a little example.

I was in Newfoundland about seven years ago producing an album for two traditional musicians from Newfoundland. They brought in a 70-year-old accordion player who blew me away. I'm a musician, and I've heard a lot of really good musicians, but this guy was incredible. He had never been recorded in his life, and everybody in St John's knew who he was. Outside of there, nobody knew who he was.

I wrote a letter to the Canada Council to say there's this fabulous musician in St John's, Newfoundland; he's 70 years old and carries a wealth of tradition with him—songs from all around the island. I told them I would like to be given a grant so we could record this guy. It wasn't a lot of money; I think it was \$9,000 or something like that. We got the grant, and today, because of his CD, he's able to play at festivals in Winnipeg, the States, Quebec, etc. Before that nobody knew who he was. The man is a pure Canadian cultural treasure.

The Chair: Thank you.

We'll move to Mr. Del Mastro for five minutes.

Mr. Dean Del Mastro: Thank you, Mr. Chair.

I thank you, witnesses, for your dedication to what you do and for making Canada more culturally diverse. I think your contribution to the Canadian arts and culture scene is significant, and we appreciate it.

I guess I'm surprised by the tone of some of the comments. I was at the Canadian Country Music Awards at the end of August, and Heather Ostertag, who is a director of FACTOR, received a lifetime achievement award for her dedication to artists. We've seen a bit of a bashing session on FACTOR in our first two panels.

I think FACTOR does good work, and I'm proud of a lot of the investments they make. The \$138 million we put into the Canada Music Fund, which is an extension and expansion of the program, and the extra \$31 million annually, from \$150 million to \$181 million that we put in the Canada Council for the Arts, allows them to expand their specialized music funding, which so many of you have spoken about passionately, to now \$9 million.

Perhaps what we're seeing is a knee-jerk reaction without an understanding of where things are going. I don't think what you're suggesting may happen is going to happen. I would suggest it's not happening or will not happen. What we've done is simplified and pointed the program.

We're going to hear a lot of witnesses. I said earlier that, not unlike other industries, there's no one view within the music industry as to what's going to make the Canadian music industry stronger, and we will hear divergent views.

I would suggest that all of you take a look at what the government has done. We have put an awful lot of money behind it and ultimately made substantial commitments with the investments we've made in the Canada Council and FACTOR. I look forward to hearing from FACTOR, because I want them to defend their record.

I'm sure you mean no offence, but I don't believe any music is disposable. I don't think there's any kind of music I don't like. I believe some of the biggest pop band acts will transcend generations, much like the Beatles, who are unquestionably a pop act. Their music will be around for hundreds of years. I think it's difficult to say what's disposable and what is not.

I want to thank each of you for your testimony here today.

● (1300)

The Chair: Our time is up.

I thank our witnesses for being candid.

The meeting is adjourned.

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