



LIBRARY of PARLIAMENT  
BIBLIOTHÈQUE du PARLEMENT

## BACKGROUND PAPER



# ***Federal Government Policy on Arts and Culture***

**Publication No. 2008-41-E**  
***Revised 1 September 2010***

**Michael Dewing**

Social Affairs Division  
Parliamentary Information and Research Service

## ***Federal Government Policy on Arts and Culture*** **(Background Paper)**

HTML and PDF versions of this publication are available on IntraParl (the parliamentary intranet) and on the Parliament of Canada website.

In the electronic versions, a number of the endnote entries contain hyperlinks to referenced resources.

*Ce document est également publié en français.*

Library of Parliament ***Background Papers*** present and analyze various aspects of current issues in an objective, impartial manner. They are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

# CONTENTS

1	INTRODUCTION.....	1
2	BRIEF HISTORY OF FEDERAL GOVERNMENT INVOLVEMENT IN ARTS AND CULTURE .....	1
2.1	First Cultural Institutions .....	1
2.2	The Aird Commission and the Creation of the CBC .....	1
2.3	The Massey Commission and the Creation of the Canada Council for the Arts.....	2
2.4	Cultural Changes in the 1960s and 1970s.....	2
2.5	Developments in the 1980s and 1990s.....	3
2.6	Developments since 2000.....	5
3	CURRENT PRIORITIES AND FUTURE CHALLENGES.....	6
3.1	Current Priorities .....	6
3.2	Future Challenges.....	6
4	CONCLUSION .....	7



# FEDERAL GOVERNMENT POLICY ON ARTS AND CULTURE

---

## 1 INTRODUCTION

In response to external challenges and to meet domestic needs, the federal government has supported Canadian arts and culture by encouraging artistic and cultural creation, production, distribution, consumption and preservation. To achieve these ends, the government has established departmental programs, museums and arm's-length agencies, disbursed grants and transfers, and enacted regulations. This paper examines the history of federal arts and culture policy,<sup>1</sup> and the current priorities and future challenges facing policy makers.

## 2 BRIEF HISTORY OF FEDERAL GOVERNMENT INVOLVEMENT IN ARTS AND CULTURE

### 2.1 FIRST CULTURAL INSTITUTIONS

Although Canada's early federal governments were not concerned with arts and culture policy as such, the first federal cultural institution was established in 1872, when the Public Archives of Canada (now part of Library and Archives Canada) was created. The first federal museum, the National Gallery of Canada, was established in 1880. The first *Copyright Act* was enacted by Parliament in 1921 and came into force in 1924.

### 2.2 THE AIRD COMMISSION AND THE CREATION OF THE CBC

During the 1920s, the development of radio broadcasting introduced a new element into Canada's cultural landscape and spurred the federal government to develop associated policies. At first, the government took a laissez-faire approach, but the rapid growth of American radio networks soon forced it to reconsider, and in 1928 it set up the Royal Commission on Radio Broadcasting, headed by Sir John Aird. The Aird Commission recommended some form of public ownership in Canadian broadcasting, and the government opted for a mixed system of local, private radio and national, public radio. The public component came into existence in 1932, when the Canadian Radio Broadcasting Corporation was created. Four years later, it became the Canadian Broadcasting Corporation (CBC).

Radio also had an impact on the Canadian magazine industry, as many advertisers shifted to the new medium. In 1931, the government of Richard Bennett responded to publishers' demands and imposed a tax on American magazines. A number of American magazines reacted by printing in Canada, but this lasted only until the government of William Lyon Mackenzie King repealed the tax in 1936.

In the film industry, meanwhile, in 1918 the federal government established the Canadian Government Motion Picture Bureau to produce films aimed at encouraging immigration, foreign investment and tourism. Commercial theatre chains came under the control of American interests during the 1920s and 1930s. The government

launched an investigation under the *Federal Combines Investigation Act*, but legal action against one of the chains failed. In 1939, the government set up the National Film Board to produce documentaries. It absorbed the Canadian Government Motion Picture Bureau and eventually branched out into animation and dramatic films.

### **2.3 THE MASSEY COMMISSION AND THE CREATION OF THE CANADA COUNCIL FOR THE ARTS**

During the Second World War, when totalitarian regimes such as those in Nazi Germany and Soviet Russia used cultural instruments as a way of controlling their societies, Canadian arts groups called for the government to support arts and culture as a way of protecting democracy. After the war, the government established the Royal Commission on National Development in the Arts, Letters and Sciences, headed by the Right Honourable Vincent Massey, to examine national arts and culture institutions. The Massey Commission noted that challenges included “vast distances, a scattered population, our youth as a nation, easy dependence on a huge and generous neighbour.”<sup>2</sup>

In its 1951 final report, the Massey Commission said that Canada’s arts and culture institutions suffered from “lack of nourishment” and recommended strengthening “those permanent instruments which give meaning to our unity and make us conscious of the best in our national life.”<sup>3</sup> The commission’s most important results were the founding of the National Library in 1953 and the establishment of the Canada Council for the Arts in 1957. The latter is an arm’s-length Crown corporation which provides grants and services to professional Canadian artists and arts organizations, awards prizes and fellowships, and runs the Art Bank. Its creation raised jurisdictional issues, particularly in Quebec, where federal cultural institutions were seen by many as interfering in the province’s role to protect its own culture.

Further royal commissions and studies followed in the wake of the Massey Commission. The Royal Commission on Broadcasting, which reported in 1957, recommended that the CBC’s broadcasting and regulatory functions be separated. In 1958, *The Broadcasting Act* created the Board of Broadcast Governors (BBG) as a regulatory body and instituted restrictions on foreign ownership in broadcasting. In 1959, the BBG introduced quotas for Canadian content. The Royal Commission on Publications, which reported in 1961, looked at the magazine industry. These studies tended to promote the idea that the government should have a role in fostering Canadian culture through the creation of institutions, funding and regulation. In 1963, the Secretary of State assumed responsibility for culture and cultural agencies.

### **2.4 CULTURAL CHANGES IN THE 1960s AND 1970s**

The celebration of Canada’s centennial in 1967, combined with the excitement surrounding Montréal’s Expo 67, led to an increase in government spending on culture. Also in 1967, the government created the Canadian Film Development Corporation (now Telefilm Canada) to support the Canadian feature film industry. In 1969, the National Arts Centre was inaugurated.

In 1968, a new *Broadcasting Act* created the Canadian Radio Television Commission (now the Canadian Radio-television and Telecommunications Commission, or CRTC) to replace the BBG. The CRTC was made responsible for ensuring that ownership of broadcasting remained in Canadian hands. In 1971, it introduced Canadian content requirements for broadcasting.

During the late 1960s and early 1970s, the state of Canada's cultural duality was examined by the Royal Commission on Bilingualism and Biculturalism. In addition to recommending measures to improve the representation of Francophones in the economy and government, it recognized that many Canadians were of neither British nor French descent. The commission recommended these people be integrated into Canadian society, rather than assimilated.

During the late 1960s, the last racial restrictions on immigration were removed, leading to a rise in the number of non-European immigrants. Indeed, since 1971 the majority of immigrants have been of non-European ancestry, making Canada one of the most ethnically diverse countries in the world. Coincidentally, in 1971 the government of Pierre Trudeau announced a policy of multiculturalism in a bilingual framework. In 1972, a Multiculturalism Directorate was established within the Department of the Secretary of State. In 1982, with the adoption of the *Canadian Charter of Rights and Freedoms*, Canada's multicultural nature was recognized in the Constitution.<sup>4</sup>

## 2.5 DEVELOPMENTS IN THE 1980S AND 1990S

By the early 1980s, the arts and culture policies put in place during the previous three decades had made a significant impact on the Canadian cultural landscape. Between 1971 and 1981, the arts labour force increased from some 156,000 to about 273,000 – a 74% increase compared to a 39% increase in the total workforce. The audience for performing arts companies nearly doubled from about 5 million in 1972 to over 9 million in 1983. Federal government spending on culture increased from \$400 million in 1972 to \$1.8 billion in 1987.<sup>5</sup> Protecting Canadian cultural sovereignty continued to be an important goal of government policy, but other concerns were also being addressed, such as integrating new Canadians, promoting diversity, and supporting Canadian cultural industries.

In 1980, responsibility for cultural affairs was transferred from the Department of the Secretary of State to the Department of Communications. That same year, Canada signed the United Nations Educational, Scientific and Cultural Organization (UNESCO) Recommendation concerning the Status of the Artist, which deals with artists' rights of association and working conditions.

Another round of cultural studies took place in the 1980s and 1990s, including the Royal Commission on Newspapers, the Federal Cultural Policy Review Committee, the Task Force on Broadcasting Policy, the Task Force on the Status of the Artist, and the Task Force on the National Museums of Canada. Out of these came federal legislation on the status of the artist and establishment of the four national museums as independent Crown corporations.<sup>6</sup> In 1987, the government of Brian Mulroney

issued a policy paper entitled *Vital Links: Canadian Cultural Industries*. It noted that culture in Canada had become active and assertive, but that Canadian cultural industries continued to face challenges in linking creators with their audiences.

During this period, Canada entered into a free trade agreement with the United States (in 1988), which was enlarged to include Mexico (in 1994). The North American Free Trade Agreement includes provisions that allow Canada to support its domestic cultural industries, subject to certain limits. The limits of such protection became apparent in 1997, when the World Trade Organization ruled against measures to promote the Canadian magazine industry.<sup>7</sup> Meanwhile, rapid developments in technology – such as digital media and the Internet – introduced new challenges for Canadian cultural policy. This led to new government action, such as the reform of the *Copyright Act* in 1988 and 1997.

In 1990, the government of Jean Chrétien established the Cultural Industries Development Fund to provide funding for entrepreneurs working in book and magazine publishing, sound recording, film and video production, and multimedia. In 1993, responsibility for cultural affairs was shifted from the Department of Communications to the new Department of Canadian Heritage, along with responsibility for multiculturalism and Parks Canada (now the Parks Canada Agency). In 1995, the *Status of the Artist Act*, which Parliament had adopted in 1992, came into force. It established a framework for professional relations between independent professional artists and producers working in fields under federal jurisdiction. In addition, it created the Canadian Artists and Producers Professional Relations Tribunal to administer those relations.

In 1995, the government also identified cultural affairs as a pillar of Canadian foreign policy.<sup>8</sup> The same year, however, the government instituted spending reductions across the government. Heritage and culture programs were reduced from \$2.9 billion in fiscal year 1994–95 to \$2.2 billion in 1997–98. This represented a 23.3% reduction, compared to an 18.9% reduction in overall government spending.<sup>9</sup> The CBC's budget (which stood at \$1.2 billion in 1990) was reduced by about \$414 million, or 34.5%.<sup>10</sup>

In 1996, the government created the Canada Television and Cable Production Fund (soon renamed the Canadian Television Fund), a private–public partnership between the Government of Canada and the cable and satellite TV industry. In 1998, the government established the Canada New Media Fund to encourage the development of interactive digital content.

In 1999, the House of Commons Standing Committee on Canadian Heritage released a report entitled *A Sense of Place, A Sense of Being*, which called for a continued and enhanced federal role in support of culture. The government agreed with most of the committee's recommendations and set out an overall framework, the goal of which was to “ensure that Canadians have Canadian choices and to connect Canadians to the wide-ranging Canadian experience” through wide-ranging content, creativity, innovation, and capacity building.<sup>11</sup>



## 2.6 DEVELOPMENTS SINCE 2000

In 2001, the government of Jean Chrétien announced a cultural policy entitled “Tomorrow Starts Today,” which was intended to foster arts and culture, maximize Canadians’ access to it, and develop partnerships. In February 2005, responsibility for the Parks Canada Agency was transferred from the Minister of Canadian Heritage to the Minister of the Environment. In April 2005, there was a shift in priorities when the government of Paul Martin issued a foreign policy statement that made no mention of cultural affairs as a pillar of Canadian foreign policy.

In October 2005, UNESCO adopted the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. It recognizes that cultural goods and services have both a social and an economic nature and reaffirms the rights of states to promote the diversity of their cultural expressions. The convention had been sponsored by Canada and France, with the support of the Government of Quebec, but opposed by the United States. Canada was the first country to accept the convention, and it came into force in March 2007.<sup>12</sup>

In its October 2007 Speech from the Throne, the government of Stephen Harper committed to improving the protection of cultural and intellectual property rights in Canada, including through copyright reform. In its 2008 budget, the government announced that the Department of Canadian Heritage had identified programs that had achieved their original goals, and that savings would be redirected toward other Canadian Heritage programs, including programs for the Olympic Games. The programs affected included Trade Routes – a trade development program designed for the artistic and cultural sector – as well as the Department of Foreign Affairs and International Trade’s grant program for promoting Canadian culture abroad. The reallocations totalled some \$45 million.

In October 2008, responsibility for multiculturalism was transferred from the Department of Canadian Heritage to the Department of Citizenship and Immigration.

In response to the global recession that began in 2008, the government’s February 2009 budget provided funding to support culture and the arts as part of Canada’s Economic Action Plan. The budget committed \$335 million for cultural infrastructure, awards, arts training, newspapers and magazines, the Canadian Television Fund, and the Canada New Media Fund.<sup>13</sup> In June 2009, the government renewed arts funding for the next five years.<sup>14</sup>

In April 2010, the Canadian Television Fund was combined with the Canada New Media Fund to form the Canada Media Fund. The move was prompted by the convergence of broadcasting and digital media.

### 3 CURRENT PRIORITIES AND FUTURE CHALLENGES

#### 3.1 CURRENT PRIORITIES

Within the federal government, responsibility for cultural policy lies with the Department of Canadian Heritage. The Cultural Affairs Sector is responsible for a range of programs and policies.<sup>15</sup> The department also houses five departmental agencies – including the Canadian Radio-television and Telecommunications Commission and Library and Archives Canada – and nine Crown corporations – including the CBC, the Canada Council for the Arts, and the National Arts Centre.

While the federal cultural policy continues to follow the general goals that have evolved over time – to “encourage Canadian cultural expression – in all its diversity – and ... ensure Canadians have access to their own cultural products,”<sup>16</sup> – the Department of Canadian Heritage currently pursues three strategic outcomes. These outcomes are:

1. Canadian artistic expressions and cultural content are created and accessible at home and abroad.
2. Canadians share, express and appreciate their Canadian identity.
3. Canadians participate and excel in sport.<sup>17</sup>

With regard to the first strategic outcome – which deals specifically with the arts and culture – the Department’s current three priorities are:

1. Implement new and renewed programs and adjust policies and key legislative frameworks to better manage the transition to emerging digital technologies.
2. Promote the creation, preservation and dissemination of Canadian cultural content to domestic and international audiences.
3. Ensure that Canada’s heritage is accessible to Canadians now and in the future.<sup>18</sup>

In April 2010, Statistics Canada reported that federal government spending on culture in 2007–2008 amounted to \$3.74 billion, compared with \$3.71 billion in 2006–2007. The biggest share went to broadcasting (46%), followed by the heritage sector (27%), which includes museums, public archives, historic and nature parks, and historic sites.<sup>19</sup> Grants, contributions and transfers amounted to \$719.2 million. In comparison, provincial and territorial governments spent \$2.83 billion on culture, while municipal governments spent \$2.61 billion.<sup>20</sup>

#### 3.2 FUTURE CHALLENGES

One of the challenges for the arts and culture sector in Canada is that policy is made by many, involves a variety of objectives, and makes use of a wide range of policy tools. For its part, federal government policy supports the creation, production, distribution, consumption, and preservation of arts and culture. It uses a number of tools to pursue these objectives, including departmental programs, arm’s-length

agencies, grants and transfers, and regulations. The federal government is not the only player in the area, however – provincial, territorial, and municipal governments pursue their own objectives, as do numerous private-sector groups.

Additional policy challenges are posed by rapid demographic, technological, and economic changes. A number of demographic shifts are occurring. The Canadian population is increasingly urban – over 80% of Canadians live in urban areas. The population is aging – in 2006 a record 14% of the population was over 65 years of age, and this proportion is expected to increase to between 23% and 25% by 2036.<sup>21</sup> The Canadian population is also increasingly diverse, both ethnically and linguistically. The Aboriginal population is growing rapidly, and it is also younger than the rest of the Canadian population. Finally, certain groups – such as ethno-cultural minorities, official language minority communities, and youth at risk – face persistent challenges to social inclusion.

Practices related to technology are changing as well. In 2009 Internet usage had risen across the population: more than three quarters of people in Canada aged 18 years and over, and more than 93% of those aged 18 to 34 years, reported using the Internet.<sup>22</sup> With the increased popularity of high-speed connections, more Canadians were making use of Internet streaming and new media, downloading or watching movies or television, playing games and downloading music. The notion of “cultural products” is becoming blurred, and Canadians are not only consuming them, but also producing and distributing their own content. While more traditional technologies – print, radio, television, and cinema – continue to be popular, the environment for cultural industries is undergoing rapid change.

It has been suggested that the global recession that began in 2008 could cause problems for cultural groups as they lose income from endowment funds and sell fewer tickets to events.<sup>23</sup> Indeed, a report prepared for the Cultural Human Resources Council in November 2009 predicted that the recession would “reduce real direct value-added output of Canada’s culture sector by about \$2.2 billion in 2009.”<sup>24</sup> In addition, economic uncertainty in the American entertainment industry is felt by Canadian content production, distribution, and marketing chains. More generally, audience fragmentation and changing consumption habits are affecting advertising revenue.

Other challenges include such changes in society as new patterns of work and leisure and changing audience expectations. Within the arts community, there is increasing diversity, the number of artists is growing, and career paths are changing. Meanwhile, arts organizations are competing on the world stage.

## 4 CONCLUSION

Canadian artistic and cultural life has come a long way since the Massey Commission reported, “Good will alone can do little for a starving plant; if the cultural life of Canada is anaemic, it must be nourished, and this will cost money. This is a task for shared effort in all fields of government, federal, provincial and local.”<sup>25</sup> In 2007–2008, total spending on culture by federal, provincial and territorial, and municipal governments amounted to \$8.74 billion.<sup>26</sup> This spending has had a

significant impact. The Conference Board of Canada estimates that in 2007, the culture sector accounted for 1.1 million jobs and generated about \$46 billion in real value-added GDP (3.8% of Canada's real GDP).<sup>27</sup>

At the same time, arts and culture policy faces numerous challenges. The Canadian population is becoming increasingly diverse. Consumers are changing their habits. Internet streaming and new media threaten the ability to regulate Canadian content. The global recession has forced cultural organizations to review their funding assumptions.

Over the years, federal arts and culture policy has evolved in the face of different challenges, such as the preponderance of American cultural industries, the threat from totalitarian societies, or the need to integrate ethnic and linguistic minorities. While the general goals have remained constant – promoting Canadian cultural expression and ensuring Canadians have access to their own cultural products – the debate will continue over how best to achieve these goals in the face of current and future challenges.

---

## NOTES

1. While the *Constitution Act, 1867* assigned jurisdiction over education to the provinces and copyright to the federal government, it did not mention arts and culture specifically. As a result, culture is a shared federal-provincial-territorial responsibility. Municipalities also play a role.
2. Royal Commission on National Development in the Arts, Letters and Sciences [Royal Commission on National Development], [Report](#), 1951, p. 272.
3. Ibid., p. 274.
4. Section 27 of the Charter states: "This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians."
5. D. Paul Schafer and André Fortier, *Review of Federal Policies for the Arts in Canada (1944–1988)*, The Canadian Conference of the Arts, Ottawa, 1989, pp. 69–70.
6. The National Gallery of Canada (which includes the Canadian Museum of Contemporary Photography), the Canadian Museum of Civilization (which includes the Canadian War Museum), the Canadian Museum of Nature, and the Canada Science and Technology Museum (which includes the Canada Agriculture Museum and the Canada Aviation Museum).
7. For a more detailed explanation, see René Lemieux and Joseph Jackson, *Cultural Exemptions in Canada's Major International Trade Agreements and Investment Relationships*, Publication no. PRB 99-25E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 12 October 1999.
8. Foreign Affairs and International Trade Canada, *Canada in the World: Canadian Foreign Policy Review 1995*, "[Projecting Canadian Values and Culture](#)."
9. Department of Finance Canada, "[Getting Government Right](#)," Budget 1995 Fact Sheet No. 6.

10. Joe Chidley with Diane Turbide, "[CBC Cuts Announced](#)," *Maclean's Magazine*, 30 September 1996.
11. Government of Canada, *Connecting to the Canadian Experience: Diversity, Creativity and Choice*, November 1999, p. 3.
12. For a more detailed explanation, see Matthew Carnaghan, *UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions*, Publication no. PRB 05-64E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 17 February 2006.
13. Department of Finance Canada, [Budget 2009 – Budget in Brief](#).
14. Department of Canadian Heritage, "[Government of Canada Ensures Financial Stability of Cultural Sector by Renewing Arts Investments for Next Five Years](#)," News release, 26 June 2009.
15. For more detail, see Canadian Heritage, [Cultural Affairs Sector](#).
16. Ibid.
17. Department of Canadian Heritage, [2010–2011 Report on Plans and Priorities](#), p. 4.
18. Ibid., p. 9.
19. Historic and nature parks and historic sites are the responsibility of the Parks Canada Agency, which reports to the Minister of the Environment.
20. Statistics Canada, "[Government Expenditures on Culture: Data Tables, 2007/2008](#)," Catalogue no. 87F0001X, April 2010.
21. Statistics Canada, "[Population projections: Canada, the provinces and territories](#)," *The Daily*, 26 May 2010.
22. Canadian Radio-television and Telecommunications Commission, "[Communications Monitoring Report, July 2010](#)."
23. Kate Taylor, "It's Horrifying – We Have a \$900,000 Hole," *The Globe and Mail* [Toronto], 21 November 2008.
24. Conference Board of Canada, "[The Effect of the Global Economic Recession on Canada's Creative Economy in 2009](#)," Prepared for the Cultural Human Resources Council, November 2009, p. 3.
25. Royal Commission on National Development (1951), p. 272.
26. Statistics Canada (April 2010).
27. Conference Board of Canada, [Valuing Culture: Measuring and Understanding Canada's Creative Economy](#), July 2008, pp. iii–iv.