



**PRE-BUDGET CONSULTATIONS
3 AUGUST 2012**

A. Economic Recovery and Growth

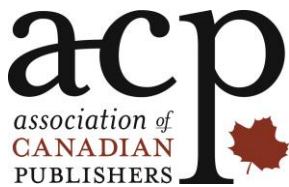
Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

- Maintain investment in the cultural industries
- Promote advanced reading skills

The cultural industries are a key economic driver in Canada, accounting for \$46 billion or 3.8% of Canada's GDP and more jobs than the forestry and insurance sectors combined.

To ensure the ongoing stability of cultural industries, government must maintain its investment in the sector, including writing and publishing. Ongoing investment will serve to maximize the capacity that not only provides Canadian books and other cultural products Canadians want and need, but also brings those products to international markets, where books, along with music, have found so much success. Apart from the incalculable benefit to Canada's autonomy and recognition on the world stage, these investments have also historically provided ample economic return, not only in revenue generated but also in industrial excellence. The Canada Book Fund has supported initiatives such as the development of world-leading infrastructure for supply-chain and data management, the adoption of ebook technology for publishers of all sizes, and the advancement of new techniques in sales and marketing. This support has fostered competitiveness, encouraged innovation, and increased the stability of the Canadian book industry, all while bringing Canadian writers to the top tier of international literary stature.

The foundation of economic growth and development is education; the foundation of education is reading. Promotion of reading in disadvantaged communities is another area in which the government can take action to strengthen the Canadian economy. A skilled and educated workforce is a key component for Canada's economic growth, and advanced reading skills are an essential tool in building the kind of workforce Canada needs today. In many areas of federal jurisdiction – Aboriginal communities, Citizenship and Immigration, Corrections – well-managed programs that develop advanced reading skills can provide high-yield benefits at modest cost. Advanced reading skills, with access to appropriate reading material, improves employment prospects, strengthens communities, and helps new Canadians adapt to new workplace environments and new cultural values.



B. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

- Strengthen the policy of Canadian ownership in the book sector
- Support training programs in new technology for the book industry

Foreign-owned book-related companies operating in Canada, without exception, derive most of their revenue from the sale of books that are written, edited, designed, printed, and digitally formatted, by people in other countries. Canadian-owned firms, on the other hand, produce books that are written by Canadian authors, edited and designed by Canadian professionals, manufactured by Canadian printers and binderies, and formatted as ebooks by Canadian technicians. The ownership policy, when enforced, serves to keep the jobs of publishing, and of many ancillary industries, in this country. Every time an exception is made to the policy, the balance shifts further in favour of large-scale foreign-owned operations that provide jobs in other parts of the world.

The rising numbers of foreign firms allowed into the book sector in recent years has created almost no additional jobs in this country. At this writing, more than two years since Amazon was allowed to operate in Canada, fewer than 25 jobs have been created in this country; offices of the Canadian branch, Amazon.ca, are located in Seattle, with no Canadian employees at all. And over the ten years during which Random House was gradually allowed to take over Canada's iconic McClelland & Stewart, the staff of M&S was reduced from 50 to 15. Jobs in editorial, design, and sales were eliminated.

C. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Like other cultural industries, book publishing is actively embracing the opportunities of new technologies, providing print and ebooks to the market, and using the full range of electronic media to promote their businesses, find new audiences, and engage new markets around the world. Training staff in new technologies is a major challenge that our industry must meet in order to ensure that Canadian books remain competitive. Initiatives that provide staff training in the mastery of new technologies will support job creation and retention and also encourage innovation in the Canadian industry.

Productivity across all sectors flows from technology and innovation, and advanced reading skills are an essential component in Canada's ability to foster innovation. Programs that promote high levels of reading competence among the workforce in general, and youth in particular, will support the economic environment in which Canadian productivity can rise to the levels that international competition demands.