
Patricia W. Elliott
University of Regina

ABSTRACT

Background The rapid and near-total dismantling of federal assistance to magazines and newspapers has taken place in recent years. This has occurred behind the screen of a series of new program announcements, ostensibly designed to replace more than a century of support via Canada Post discounts to publishers.

Analysis A review of funding recipient lists reveals a 97 percent reduction in project grants since 2001, following on the heels of a 90 percent drop in the number of titles receiving distribution support since 1990. How and why did this dramatic change occur?

Conclusion and implications A close study of program history reveals that aid to Canadian periodicals presented a soft target for the globalizing trade instruments of international capital—a target poorly defended by successive national governments that had absorbed neoliberalism’s transformation of “culture” into “cultural industries.” The election of a Conservative government in 2006 merely served to accelerate a process already in motion, leaving Canadian publishers to stand alone against U.S. market domination. At the same time, new inducements to align editorial content with government objectives were introduced, accompanied by stronger direct political control over funding recommendations, as revealed by the researcher’s Access to Information requests. These trends disproportionately affected smaller non-profit magazines, many of them vocal critics of the same economic model that sought an end to substantive media development assistance in Canada.

Keywords Publishing/Print policy; Magazines; Cultural industries policy

RÉSUMÉ

Contexte Au cours des dernières années, un démantèlement rapide et presque total de l’assistance fédérale accordée aux magazines et journaux a eu lieu. Celui-ci s’est passé sous couvert d’une série de nouveaux programmes, vraisemblablement conçus pour supplanter plus d’un siècle d’appuis aux éditeurs de magazines et de journaux au moyen d’une subvention gouvernementale des frais postaux.

Patricia W. Elliott is Associate Professor of Journalism at the University of Regina. Email: patricia.elliott@uregina.ca.

Analyse L'examen de listes de publications subventionnées indique une baisse de 97 pour cent depuis 2001 dans le financement de projets, à la suite d'une baisse de 90 pour cent depuis 1990 dans le nombre de titres recevant de l'aide pour la distribution. Comment et pourquoi ces baisses dramatiques ont-elles eu lieu?

Conclusion et implications Une étude attentive de l'histoire du programme révèle que l'aide aux périodiques représentait une cible facile pour le capital international—cible mal défendue par des gouvernements nationaux successifs ayant accepté la transformation néolibérale de la « culture » en « industries culturelles ». L'élection d'un gouvernement conservateur en 2006 a accéléré un processus déjà entamé, laissant les éditeurs canadiens seuls devant le vaste marché états-unien. En même temps, le gouvernement a offert de nouvelles incitations aux éditeurs pour qu'ils alignent leurs contenus avec ses objectifs, et il a imposé un plus grand contrôle politique des recommandations pour subventions, tel que le révèlent des documents obtenus par les auteurs grâce à des demandes d'accès à l'information. Ces tendances ont eu un effet disproportionné sur les plus petits magazines à but non lucratif, dont plusieurs avaient vivement critiqué ce modèle économique consistant à mettre fin à l'aide aux périodiques canadiens.

Mots clés Édition/Politiques sur l'édition; Magazines; Politiques sur les industries culturelles

On May 6, 2009, Briarpatch publisher Shayna Stock received a heart-sinking letter: the magazine’s federal grant—which she had been assured was recommended for approval—had now been unexpectedly rejected. The proposal had undergone months of review and back-and-forth fine tuning with Canada Magazine Fund program officers to gain a positive funding recommendation, now overturned without warning (CMF correspondence files re. Briarpatch, August to November 2008). Instead of a cheque, Stock held in her hands only a vague statement that the Canada Magazine Fund seeks “measurable, tangible results” that “meet the needs of Canadians” (S. Shortliffe letter to S. Stock, May 6, 2009). Stock’s board had been counting on a $25,000 grant at a crucial moment in the magazine’s nearly 40-year history of covering Canadian and international left social movements from a critical perspective. Amounting to approximately 20 percent of Briarpatch’s planned budget for the coming year, the funds were intended to rejuvenate an aging subscriber list, boost online presence, and hire an advertising sales consultant. Anticipated measurable results included a 35 percent increase in paid subscriptions and a 20 percent increase in ad revenues (Briarpatch project funding application, 2008).

In shock, the editor of Briarpatch, Dave Mitchell, picked up the phone and called a program officer at Canadian Heritage, the department overseeing the Canada Magazine Fund (D. Mitchell, personal communication, June 12, 2012). Hearing that the decision was not related to Briarpatch’s editorial content or any particular problems with their proposed marketing plan, Mitchell and Stock applied to the CMF again in 2010, only to be overrun by a program overhaul, and then again in 2011, only to have the scenario play out almost exactly as it had in 2009. It would take an Access to Information request by this researcher some years later to determine Briarpatch’s 2009 and 2011 applications had been approved to the point of being entered into the federal
government’s database of funds to be issued, then rescinded at the eleventh hour by then-minister James Moore (Internal Canadian Heritage files: CMF request for change of fund commitment submitted to Grants and Contributions Management Information System, May 21, 2009; Canadian Heritage Grants and Contributions rejection report, July 31, 2009; GCMIS funding commitment request, December 3, 2010; Ministerial decision document, February 9, 2011). Beyond a sparely worded email from the Minister’s office, “fyi—we can consider briarpatch rejected” (S. Shortliffe to J. Lahaie-Torres, May 6, 2009), program staff were left with no words of explanation to convey. Shortliffe wrote:

Talked to her [Stock]. Very disappointed, asked if there was an appeal process, asked what more they could do in terms of measurable results (as this is their third rejection). I had to say that there is no appeal process, and that as these are judgment calls, there is no specific threshold for measurable results. (S. Shortliffe email to J. Lahaie-Torres, February 22, 2011)

Unbeknownst to its publishers at the time, Briarpatch had fallen victim to an increasingly parsimonious and politicized grant system for Canadian periodicals. The number of titles receiving Canadian Heritage project grants plummeted from 418 in 2000–2001 to 27 in 2014–2015, a 93.5 percent decrease, while total dollars disbursed dropped from $25.3 million to $790,000, a 96.9 percent decrease (Canada, Department of Canadian Heritage [DCH], 2002, 2015b). This occurred alongside a major loss in magazine and weekly newspaper distribution assistance, which over 30 years shrank from $225 million granted in 1985–1986 to $69 million in 2014–2015, a 69 percent reduction, accompanied by a 90 percent drop in the number of titles supported (Canada, DCH, 1999, 2015a; Vipond, 2011).

How and why did this dramatic change occur? This article examines the external pressures, budgetary decisions, and internal processes that led to a precipitous and, so far, irreversible decline in federal support for periodical distribution, editorial content, and business development supports, under what is today called the Canada Periodical Fund. The primary method of investigation involved data analysis of recipient lists, a review of historical literature, close study of Canadian Heritage program reports and departmental budgets, review of relevant trade agreement rulings, and analysis of internal government email and phone correspondence obtained through Access to Information requests. In addition, interviews were conducted with magazine publishers impacted by the changing landscape of federal cultural support.

The study has some notable limitations. Interviews requested with Canadian Heritage officials and/or the minister responsible during the study period were refused. As well, Canadian Heritage would not disclose lists of eligible applicants to its project funding programs, making it difficult to determine how many proposals were turned down versus funded. Although an initial request for decision documents yielded fruitful information on the first case examined, subsequent requests regarding other cases were either heavily redacted or refused. Thus, it is difficult to definitively state how widespread the practice of a minister overturning a funding recommendation was, other than to say that this occurred in two of four cases for which the researcher was able to obtain documentation of internal decision-making.
Despite these limitations, a wealth of information on the public record aided this study. A review of the public record led to an understanding that cuts to periodical funding took place within a larger context of pressure from the United States to reduce Canadian cultural subsidies, seen as unfair barriers to competition in the Canadian marketplace. Thus, the fate of periodical funding was inexorably tied to a larger global process of neoliberalism, marked by aspects such as free trade, deregulation, withdrawal of the state across multiple arenas, and the internalization and deployment of market-based thought as a defining moral compass for the public sphere (Harvey, 2010). In addition to external pressure, neoliberal doctrine was absorbed internally by successive governments and their bureaucracies, creating a political and institutional landscape ill prepared to defend and uphold cultural grants. This internalization is observed, for example, in the shift in institutional language at Canadian Heritage from “culture” to “cultural industries,” along with a shift in program emphasis. The linguistic shift marked a change in how the purpose of Canadian periodical support was envisioned; programs established to protect Canadian periodicals as national cultural resources gave way to programs focused on promoting survival in the marketplace as independent, entrepreneurial operations. The election of a highly ideological Conservative government in 2006 merely served to accelerate the process already in motion, leaving Canadian publishers to stand largely unsupported against U.S. market domination. Further, the changes disproportionately affected smaller non-profit magazines, many of them vocal critics of the same economic model that sought an end to substantive media development assistance in Canada.

Understanding this historic trajectory matters because, following a change of government in 2015, Canadian Heritage once again placed the Canada Periodical Fund under review, this time with a focus on “the creation, discovery, and export of Canadian content in the digital world” (Canada, DCH, 2016, p. 2). An emphasis on finding markets, exporting “products,” and transitioning to fluid, lower-cost digital products in many ways mimics and perpetuates an existing neoliberal framework. Therefore, it is important to closely analyze where this framework has brought Canadian periodicals thus far.

From cultural program to trade barrier

In federal policy, a Canadian periodical is majority Canadian-owned and is edited, assembled, and designed in Canada, in print or digital formats (Canada, DCH, 2017). Most countries of the modern world have at some point in their histories included media development assistance in their communications infrastructure planning, as a means to aid national communications and construct national identities. Similar to their U.S. counterparts, Canada’s colonial founders chose to institute a reduced rate for reading materials in the Post Office Act of 1849, and the inclusion of newspapers and magazines was expressly reaffirmed in the 1875 Postal Act (Canada, DCH, Corporate Review Branch, 2005). As the colonials expanded their reach, this price advantage was accepted as the cost of serving the information needs of far-flung communities, as noted in a 1948 Encyclopedia of Canada entry: “[N]ewspapers are now delivered by post at a fraction of their cost of delivery, since they are deemed to have an educational influence” (Wallace, 1948, pp. 149–150). With this basic assistance, a diversity of periodicals bloomed, including many that presented oppositional and alternative perspectives to
the colonial/nationalist project (e.g., periodicals created by pacifists, agrarian co-operators, trade unionists, Indigenous activists, artists, and academics).

Little more was requested by publishers, as observed by the 1951 Royal Commission on National Development in the Arts, Letters and Sciences, commonly referred to as the Massey Commission: “We were impressed by the fact that the Canadian periodicals neither desired nor requested any protective measures apart from an adjustment of tariff rates on paper imported from the United States for publishing purposes” (Canada, Royal Commission on National Development in the Arts, Letters and Sciences, 1951, p. 64). The reduced postal rate was financed via a federal grant to Canada Post, with the intention of ensuring the subscription price of Canadian publications would be competitive with mass-market U.S. publications, which dominated newsstand sales (Canada, Parliament, Task Force on the Canadian Magazine Industry, 1994). In addition to paid subscription magazines, until 1968 the discount covered association member newsletters (Canada, DCH, Corporate Review Branch, 2005).

With the emergence of neoliberalism in the 1980s, heralded by, among other measures, the 1987 adoption of the Canada–United States Free Trade Agreement, the ideological framing of Canada Post shifted from an arm of government policy to an independent corporation, with all the implied requirements of free-market adaptability and independence from state-sponsored policy initiatives. Within this frame, the government grant supporting cheaper rates, which was administered through the Department of Canadian Heritage, became a visible target for reduction. In 1989, the grant received a dramatic 50 percent cut, from $220 million to $110 million, an amount further reduced to $72 million with the phase-out of discounted rates for free magazines, booksellers, daily newspapers, and larger local weeklies (Canada, DCH, 1999; Dubinsky, 1996). Hand in hand with these changes, Canada Post sought to increase its profit margins by restricting the number of magazines eligible for subsidized rates (Keachie & Pittaway, 1994), via criteria changes described in greater detail later in this article.

Meanwhile, in 1993, a federal task force had been struck to provide recommendations for support of Canadian magazines. The Task Force on the Canadian Magazine Industry concluded that the postal subsidy significantly benefited Canadians by providing Canadian magazines at the same price across the country, no matter how far from the publishing centres. The final report stated:

The replacement program was to have been $110 million. ... However, the government has since announced cuts to all grants and contributions programs, including the postal subsidy. The Task Force recognizes that this is a time of fiscal concern for the government, and is not proposing that these announced cuts be revoked. It strongly urges the government, however, to recognize the importance of this program to the industry and preserve it for future years. (Canada, Parliament, Task Force on the Canadian Magazine Industry, 1994, p. 72)

By now, however, the yearlong deliberation of the task force was already a moot point, as decisions leading toward defunding the postal subsidy were already well underway. In 1996, Canadian Heritage signed a memorandum of agreement with Canada Post further reducing its grant to $473 million by 1999, with Canadian Heritage taking over
the responsibility of determining which publications were eligible (World Trade Organization, 1997).

**Gambling at the global trade table**

By the late 1990s, neoliberal discourse was widely evident in program planning documents. A 1998 Canadian Heritage priority review document, for example, borrowed from the language of economics to describe Canadian culture as a component of a “new knowledge-based economy”; the planning document noted that cultural “industries” represented 3 percent of Canada’s GDP and sustained 700,000 jobs in 1994 (Canada, DCH, 1998, p. 6). While this might seem like helpful information to put forward, framing culture as an industry was a double-edged sword, as noted in the same report:

> The United States, particularly the influential U.S. entertainment industry, and some parts of Europe perceive that Canada’s cultural policies are not motivated by the cause of culture, identity and diversity but by the protection of domestic industry in a manner inconsistent with international trade agreements. (p. 6)

Indeed, after domestic magazine postage discounts had operated relatively unquestioned for some 130 years, new global trade agreements of the late twentieth century, along with other trade protections, limited their chances of surviving into the new millennium.

In addition to there being a tariff on imported magazines, so-called split-run editions—containing primarily foreign content wrapped around advertising directed at Canadian readers—had been prohibited since 1965 (Canada, Canada Border Services Agency, 1995). In 1990, Time Warner was able to circumvent the tariffs and restrictions by electronically transferring a split-run edition of *Sports Illustrated Canada* to a Canadian printer, “thereby bypassing the tariff on imported split runs” (Shi, 2013, p. 165). Five years later, Canada responded with a new excise tax equal to 80 percent of the advertising revenue in split-run editions. Although initially successful in bringing an end to *Sports Illustrated Canada*’s loophole, the tax was swiftly challenged and defeated by a U.S. appeal to the World Trade Organization (WTO), on the grounds that it violated Article XI of the General Agreement on Tariffs and Trade (GATT) of 1994, prohibiting qualitative import restrictions (WTO, 1996).

In the same appeal memo, the U.S. challenged “the application of favourable postal rates to certain Canadian periodicals, including through actions of the Canada Post Corporation and the Department of Canadian Heritage” (WTO, 1996, p. 1). The U.S. considered the Canadian-only rates to be a violation of GATT Article III, specifically the statement that “the products of the territory of any [Member] imported into the territory of any other [Member] shall be accorded treatment no less favourable than that accorded to like products of national origin” (WTO, 1997, p. 75).

The crux of the matter was whether Canada Post was a commercial enterprise free to offer discounts to its customers as it so chose, as argued by Canada, or whether it was an arm of the government enacting discriminatory trade policy, as argued by the U.S. At the time, eligible Canadian periodicals paid a base rate (less than 100 grams) of between 10 cents and 38 cents per item, depending on distance, while international periodicals paid a flat 44 cents for delivery anywhere in Canada (WTO, 1997). Canada
Post offered further discounts to Canadian magazines that arrived at postal outlets pre-sorted and on pallets, but did not offer the same discount to international publishers (WTO, 1997). The discounts were supported by quarterly payments from Heritage Canada’s Publications Distribution Assistance Program (PDAP). As it turned out, one country’s company discount is another country’s unfair trade subsidy. In March 1997, a WTO panel ruled in favour of the U.S. position and ordered Canada to end the practice of discounted postage for domestic periodicals (WTO, 1997).

<table>
<thead>
<tr>
<th>Program</th>
<th>Year launched</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications Distribution Assistance Program (PDAP)</td>
<td>1978</td>
</tr>
<tr>
<td>Publications Assistance Program (PAP)</td>
<td>2000</td>
</tr>
<tr>
<td>Aid to Publishers (ATP)</td>
<td>2010</td>
</tr>
</tbody>
</table>

**Table 1: Postal assistance programs, 1978-2014**

**Harmonization/Disharmonization**

In response to the WTO ruling, Canada Post ended the made-in-Canada discounts. In 1999, Heritage Canada redirected the PDAP into the Publications Assistance Program (PAP), dropping the word “distribution” and instead offering grants to publishers to indirectly offset higher mailing costs, beginning in 2000–2001 (see Table 1). This administrative transfer had already been underway with the aforementioned 1996 memorandum of agreement though the end of differential postal rates had not been anticipated at the time. Under the new system, Canada Post was now expected to contribute to—rather than receive from—Heritage Canada’s grant pool, based on the assumption that Canada Post would realize increased revenues from its newly harmonized postal rates.

While the new grants were announced as a means to make up for the lost postal discounts, what followed was even more dramatic funding cuts. To compare, in 1989–1990, 8,000 publications received discounted mail rates (Canada, DCH, 1999). In 1998–1999, the final year of the PDAP, a total of 1,338 publications received assistance, a decline that can be partly attributed to the exclusion of booksellers. The program was renamed Aid to Publishers (ATP) in 2010 but the general trend of fewer publishers receiving grants continued unchecked. Only 804 publications received ATP approval in 2014–2015, 90 percent fewer than the 8,000 titles that had been receiving support at the close of the 1980s (Canada, DCH, 1999). This number included 404 paid circulation magazines and 400 rural weeklies, the only two remaining categories still eligible for assistance (Canada, DCH, 2015a).

Further, federal funds did not keep pace with the cost of mailing. While U.S. publications experienced a price cut under harmonization, as noted in Table 2, Canadian publications faced steep increases. Between 1999 and 2005, postal rates rose 27 percent, while PDAP/PAP grants rose just 4.4 percent, from $473 million to $49.4 million; the following year postal rates increased 2.9 percent while the PAP fund decreased 8 percent, to $45.5 million (Canada, DCH, 1999; Canada, DCH, Corporate Review Branch, 2005; Sison, 2005). For larger, heavier magazines, in some cases mailing costs increased more than 70 percent after rates were harmonized (Magazines Canada, 2008).
Table 2. Harmonized postal rates (in cents) for a 300-gram magazine

<table>
<thead>
<tr>
<th>Origin</th>
<th>1996</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>85</td>
<td>68</td>
</tr>
<tr>
<td>Canadian, no subsidy</td>
<td>37</td>
<td>68</td>
</tr>
<tr>
<td>Canadian, paid circulation with PAP</td>
<td>13</td>
<td>25 to 36</td>
</tr>
<tr>
<td>Canadian request circulation (complimentary copies) with PAP</td>
<td>37</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Magazines Canada (2008)

**Lost priorities**

With a rapidly depleting funding pool, the department undertook a revamp of PAP in 2003, tightening Canadian content eligibility requirements with the stated intention of targeted funding in four priority areas: rural, ethnocultural, Aboriginal, and minority official-language communities (Canada, DCH, Corporate Review Branch, 2005). However, a review conducted in 2005 found the Aboriginal and minority official-language streams had not been implemented two years after their announcement. Nonetheless, the number of culturally specific recipients rose by 17 titles, from 70 before the program announcements to 87 titles in 2003–2004. This amounted to a 24 percent increase, although absolute numbers remained small, and only one Aboriginal title was supported, *Mi’kmaq-Maliseet Nations News*, with the remainder comprising official-language and ethnocultural periodicals (Canada, DCH, 2004; Canada, DCH, Corporate Review Branch, 2005).

The fourth priority, rural periodicals, fared much better. Rural weekly newspaper recipients, already well represented, increased 39 percent, from 350 titles pre-announcement to 488 titles in 2004–2005 (Canada, DCH, Corporate Review Branch, 2005). The fact that rural weeklies enjoyed the greater benefit from program changes warrants mention. While Aboriginal and ethnocultural periodicals are primarily non-profit community endeavours, the landscape for rural weeklies is quite different. Six major corporate chains controlled over half of the country’s 1,032 rural weeklies in 2017, together owning 541 titles: TC Transcontinental with 110 newspapers; Metroland Media Group, 106; Postmedia Network, 102; Black Press, 91; Snap Newspaper Group, 72; and Glacier Media, 60 (News Media Canada, 2017). This ownership landscape has persisted throughout the PAP’s history; although the funding changes were announced as a measure to increase the diversity of recipients, the program review revealed that, for the most part, the PAP recipient list broke down into society’s “haves” and “have-nots,” noting that “18 periodicals and community newspapers accounted for 48 per cent of total Canadian Heritage PAP expenditures” in 2003–2004 while, at the low end, 258 publications received grants of less than $1,000, accounting for 0.2 percent of funds (Canada, DCH, Corporate Review Branch, 2005, p. iv).

However, it was not the wealthier titles that were questioned; instead, program reviewers pointed to 31 titles that received less than $100, based on their paid circulation numbers, stating, “[T]his raises the issue of whether it is cost-effective to support
titles whose subsidies fall below a certain threshold” (p. v). In plainer words, the reviewers questioned whether the government’s administrative costs, estimated at 2.4 cents per dollar distributed, exceeded the value received by either the government or the recipients (Canada, DCH, Corporate Review Branch, 2005). The under-$100 club primarily consisted of labour and professional newsletters, such as Labour Alert, Collective Agreement Reporter, Firefighters Employment Law News, and Dunhill Business & Employment Law News, as well as academic periodicals such as Inuit Studies and The National Journal of Constitutional Law, and one small local newspaper, the Elk Valley Miner (Canada, DCH, 2004). The review recommended flexibility for those publications that served the priority communities, for example Inuit Studies (Canada, DCH, Corporate Review Branch, 2005). However, by 2010–2011, all of these smaller recipients had disappeared from the PAP disbursement list, while the position of Canada’s largest profit-making media corporations remained comparatively secure (Canada, DCH, 2011).

**The tightening squeeze**

The squeeze on small-market and niche-market magazines tightened further with the loss of Canada Post’s contribution to PAP and subsequent measures by Canadian Heritage to make up for the lost funds, described in this section. In 2008, a Canada Post strategic review effectively ended Canada’s centuries-old tie to cultural dissemination for the public good, by stating that Canada Post “does not have the mandate to support Canadian culture by subsidizing Canadian postal rates for Canadian publications” (Canada Post Corporation, 2008, p. 50). The committee recommended ending the corporation’s PAP contribution by March 2009, eliminating one-quarter of the program’s total budget. Canadian Heritage responded by further tightening grant eligibility, adding extra vigilance to its requirement that 80 percent of content be authored by Canadian citizens or permanent residents as recognized under the Immigration Act. International news stories condensed or adapted by Canadians would be counted as Canadian only if the author of the original reports was also Canadian (Canada, DCH, 2009). This new policy directly impacted magazines connected to international social movements and organizations.

One publication to feel the bite was Prairie Messenger, a progressive Saskatchewan-based Catholic newspaper that learned in 2009 that its $99,000 subsidy would be eliminated in 2010. Canadian Heritage ruled that a review of the paper’s last issue of 2008 found less than 80 percent of the content could be declared “Canadian,” making the Messenger ineligible for future support (Gyapong, 2009). Editor Peter Novesky claimed Canadian Heritage had previously recognized the internationalist perspective of Prairie Messenger, stating in a Canadian Catholic News interview:

> What disturbs me is the breach of trust from Heritage Canada. For years they have been telling us verbally that the 80 per cent Canadian content regulation doesn’t apply to us because of the nature of our papers. Now, suddenly, they are applying the rule full force and it seems we have no recourse. (cited by Gyapong, 2009, para. 11)

Magazines Canada (2008), representing Canadian publishers, questioned the premise behind increased Canadian content policing, arguing that “having information and
perspectives from other parts of the world can and does enhance Canadian perspectives” (p. 21). These sentiments were echoed by *Western Catholic Reporter* editor Glen Argan, who argued that international news coverage, no matter the author, was essential to his publication’s Canadian readership and to the Catholic mission. “We live in a globalized world today, a global village. Now we are being told our coverage has to be cut to a bare minimum. I believe Catholics need to be more informed, not less informed” (cited by Gyapong, 2009).

The next major program revamp occurred with the establishment of Aid To Publishers in 2011. PAP was retired and a new funding formula was established based on the principle that “the more copies a publication sells, the greater its funding will be,” rather than direct postal or editorial costs, with funding to be distributed according to circulation categories (Canada, DCH, 2011, September, p. 1). Individual grants of between $434,000 and $1.5 million were available to magazines with more than 1 million paid subscribers; at the low end of the scale, $3,000 to $30,000 was available for magazines in the 2,500 to 25,000 subscriber category (Canada, DCH, 2011, October 29). Magazines with under 2,500 subscribers were excluded entirely from eligibility, and all recipients were required to charge at least $12 for an annual subscription (Canada, DCH, 2012, October 1). A three-year transition period was announced, beginning with $75.5 million budgeted for 2011–2012, with $70.5 million actually disbursed that year under the new rules (Canada, DCH, 2011, October 29; Canada, DCH, 2012). By the 2014–15 funding year, the amount had edged further down, to $68.8 million (Canada, DCH, 2015a).

In summary, between 1988–1989 and 2014–2015, distribution support plunged from $220 million to just under $69 million, while the number of supported publications dropped from 8,000 to 804 (Canada, DCH, 1999, 2015a). Additionally, entire swaths of the media ecology were excised from the picture, in particular smaller independent publications serving specific geographic regions and communities of interest (Harrison, 2012). It took little more than two decades to dismantle a program that had been a pillar of the Canadian mediascape for more than 100 years, and had been described by Magazines Canada as “the most successful cultural industry policy of the Government of Canada” (Magazines Canada, 2008, p. 10). In a submission to a Canadian Heritage program review, Magazines Canada (2008) raised an alarm about the future of publishing diversity:

Canadian Heritage officials, unable to control the two major variables contributing to the costs of PAP—postal rates and circulation growth of eligible magazines—are increasingly turning to outright elimination of whole categories of magazines to save program funds. Rather than developing new approaches to support Canadian-content magazines, officials' time is increasingly being spent on plans to eliminate magazine eligibility ... (p. 12)

For those magazines deemed eligible, grant amounts were becoming unpredictable due to the imposition of new sliding scales that placed caps on grants based on circulation categories. When *Prairie Messenger* fulfilled the eligibility requirements in 2012–2013, for example, its allocation of $80,068 was $18,932 less than it had been in 2009, an amount that further dropped to $60,332 by 2014–2015 (Canada, DCH, 2013, 2015). With rising distribution costs and decreased federal support, the remaining op-
tion for Canadian publishers was to increase newsstand and subscription costs to consumers. This was tempered by the need to compete on a level playing field with mass-produced U.S. publications. Canadian magazines raised their prices by 4 percent annually between 1998 and 2004, but this increase lagged behind average annual postal increases of 6 percent (Canada, DCH, Corporate Review Branch, 2006).

The new “market reality”: Bigger is better

The Canada Magazine Fund was launched in 2000 specifically in response to the signing of the U.S.-Canada Agreement on Magazines, with a mandate “to safeguard Canadian voices in a rapidly evolving marketplace” (Canada, DCH, Corporate Review Branch, 2006, p. i). To accomplish this, the fund aimed to encourage increased circulation and market-friendly business practices. The premise was that the new fund would help magazines adjust to the new market reality, a reality aptly described by Magazines Canada (2008):

> Our industry competes directly with US publishers in Canada who enjoy tremendous economic advantages in our marketplaces. The US publishers invest virtually nothing in Canadian content; they buy newsstand dominance, suck up finite Canadian advertising, and then flow the revenues south of the border. (p. 6)

The fund was launched with $45 million to disburse in its inaugural year (Canada, DCH, Corporate Review Branch, 2006). Three years later, the CMF went through a series of budget reductions, on the stated premise that U.S. competition had been successfully mitigated by the Foreign Publishers Advertising Services Act (1999) prohibiting advertising directed at Canadians in foreign publications (Canada, DCH, Corporate Review Branch, 2006; Foreign Publishers Advertising Services Act, 1999). The original budget of $45 million was reduced to $35 million in 2001–2002, and to $16 million in 2003–2004 (Canada, DCH, Corporate Review Branch, 2006).

The cuts were accompanied by program changes, which the department said were intended to shift resources to smaller magazines and priority communities, such as Indigenous, rural, and ethnic minority audiences. However, a careful review of recipient lists across the program’s funding envelopes indicates the opposite occurred. The top recipient of the Support for Editorial Content envelope, for example, was a national general-interest news magazine, *Maclean’s*, receiving a grant of $552,963, an amount nearly 10 times the average grant of $58,428. Others making up the top 10 recipients, with grants between $200,000 and $500,000, were *Chatelaine’s* English edition, *7 Jours, Canadian Business, Canadian Living, l’Actualité, Fashion, Toronto Life, Flare*, and *Canadian House & Home*, none of which could be described as smaller magazines aimed at minority communities facing media deficits (Canada, DCH, 2004).

As outlined in Table 3, the Canada Magazine Fund split its disbursements to individual magazines into three funding envelopes. The grant pools contained exclusionary criteria, described in greater detail below, that seemed ill-equipped to encompass the full diversity of Canada’s magazine world, where mass-market commercial magazines are outnumbered by small-market magazines serving a variety of communities and interests (Statistics Canada, 2005), including magazines catering to Indigenous,
ethnic, arts, and rural communities, as well as various civil society organizations and movements, such as churches, unions, environmental groups, universities, and co-operatives.

Table 3. Programs and timelines

<table>
<thead>
<tr>
<th>Program</th>
<th>Fund</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Magazine Fund</td>
<td>Support for Editorial Content (SEC)</td>
<td>2000–2010</td>
</tr>
<tr>
<td></td>
<td>Support for Arts and Literary Magazines (SALM)</td>
<td>2004–2010</td>
</tr>
<tr>
<td></td>
<td>Support for Infrastructure Development</td>
<td>2000–2003</td>
</tr>
<tr>
<td>Canada Periodical Fund</td>
<td>Business Innovations</td>
<td>2010–present</td>
</tr>
<tr>
<td></td>
<td>Collective Initiatives</td>
<td>2010–present</td>
</tr>
</tbody>
</table>

Source: Canada, Department of Canadian Heritage recipient lists, 2000–2010

The envelope titled Support for Editorial Content (SEC) was created to enhance Canadian content in both paid and free circulation magazines. A 2006 program review by Canadian Heritage indicated that the program did indeed promote an increase in feature writing, considered the high-water mark of editorial content: 68.2 percent of funding recipients reported they had increased the number of features stories, a sign the fund encouraged more in-depth coverage of topics. In comparison, 60 percent of unsuccessful applicants decreased the number of features (Canada, DCH, Corporate Review Branch, 2006). However, the reviewers instead applied page counts as the sole key performance indicator, finding “only moderate success,” with the number of editorial pages rising 8 percent in SEC’s first three years (p. 4). This cast a pall on a program that in fact appeared to generate greater quality of coverage, if not quantity.

The same program review noted large circulation magazines were the main beneficiaries, despite attempts to improve the inclusion of smaller publications. The pattern was observable from the outset, with the largest grants going to titles such as Chatelaine and Toronto Life in the program’s first year. In 2003, changes were made “to expand access for small publications” (Canada, DCH, Corporate Review Branch, 2006, p. 5). However, the new rules clearly discouraged low-budget, volunteer-assisted operations by requiring minimum editorial expenses of $9,000 per year or $1,000 per issue, and annual advertising revenues of at least $20,000. Magazines were split into Category A (2,500 to 10,000 copies per year) and Category B (more than 10,000 copies), but beyond somewhat higher editorial expense and ad sales thresholds for Category B ($30,000 and $60,000 per annum, respectively), it is difficult to discern any significant measure that favoured small magazines.

In 2004, free magazines were eliminated from the program, reducing the budget from $25 million to $10 million (Canada, DCH, Corporate Review Branch, 2006). Not
surprisingly, with these changes, the main SEC beneficiaries were ultimately large-mar-
ket commercial magazines, with circulations between 150,000 and 1 million, as well
as for-profit consumer magazines like *Canadian Yachting* and *Canadian Dog* (Canada,
DCH, Corporate Review Branch, 2006). In total, by 2008, approximately 10 percent of
grant recipients, representing the 20 largest publishing companies, were in receipt of
65 percent of SEC funds (Magazines Canada, 2008).

These events followed a general pattern of identifying sectors in need of targeted
aid, but then failing to deliver substantive programming that might provide more eq-
uitable access to funds. Similarly, a plan intended to direct funds toward arts magazines,
Support for Arts and Literary Magazines (SALM), soon foundered on eligibility barriers
and lack of funding. In response to the precarious state of a largely non-profit arts and
culture magazine sector, SALM was added to the CMF in 2003, providing a total of
$1 million to top up the roster of magazines receiving Canada Council for the Arts sup-
port. This amount did not change during the life of the program and was budgeted to
cover approximately 100 titles supported by the Council. However, because their con-
tent did not meet Canadian Heritage’s Canadian content guidelines, only 62 publica-
tions were able to access the new fund when it was launched, a situation that did not
improve in subsequent years (Canada, DCH, Corporate Review Branch, 2006; Canada

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada Council</th>
<th>SALM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–2005</td>
<td>103</td>
<td>62</td>
</tr>
<tr>
<td>2005–2006</td>
<td>103</td>
<td>57</td>
</tr>
<tr>
<td>2006–2007</td>
<td>106</td>
<td>62</td>
</tr>
<tr>
<td>2007–2008</td>
<td>106</td>
<td>57</td>
</tr>
<tr>
<td>2008–2009</td>
<td>102</td>
<td>56</td>
</tr>
<tr>
<td>2009–2010</td>
<td>104</td>
<td>60</td>
</tr>
</tbody>
</table>

Based on recipient complaints about the level of bureaucracy and restrictions asso-
ciated with the program, the review committee recommended the fund be trans-
ferred to the Canada Council. However, SALM continued to operate under Canadian
Heritage for another four years until, in 2010–2011, full responsibility was transferred
back to the Canada Council, but without the $1 million attached (Adams, 2010).

Cutting the herd

In 2003–2004, 73 percent of Canadian magazines could be classed as small, with circu-
lations of fewer than 20,000 copies and operating, on average, with two full-time em-
ployees, one part-time employee, and three volunteers. Small magazines were a growing
sector, increasing 11 percent between 1998 and 2004 (Statistics Canada, 2005). However,
the number of small magazines funded by Canadian Heritage fell by 10 percent in the
same time period (Statistics Canada, 2005). Thus a robust and important part of the
Canadian media ecology was not reflected in federal media development planning.
The funding envelope Support for Business Development for Small Magazine Publishers (SBDSMP) may be regarded as an effort to bring small magazines back into the fold of official development assistance, although such periodicals continued to be viewed as marginal, rather than as an important segment of Canadian publishing. The structure of Canadian Heritage funding suggests small, non-profit magazines were seen within a deficiency framework, to be corrected through increased circulation, profits, and marketability, akin to commercial magazines. The non-profit model, as well as editorial mandates tailored to underserved communities, may have been valued assets to the publishers, but seemed less so to the funders. Non-profits were treated as small businesses, and assistance was tailored to financial growth and expanding audiences. To this end, program funding was created to support items such as market surveys and direct mail ad campaigns, with an aim to “increase circulation, advertising revenue, operational efficiencies, and/or support for professional development” (Canada, DCH, Corporate Review Branch, 2006, p. 5). “Small” was defined as revenues of less than $500,000 and circulation between 250 and 20,000 copies. Applicants were required to have a business plan, detailed proof of circulation numbers, such as Canada Post receipts, and professionally reviewed financial statements. These requirements became an uncertain gamble of scarce money and staff time, and held the potential to lead magazines away from their readers and community-based organizing models. Rigorous documentation was demanded to demonstrate a magazine was a viable investment with an established record of profitability, an expectation that reduced funding opportunities for non-profit magazines, although such magazines comprised 30 percent to 35 percent of the Canadian market in 2008 (Magazines Canada, 2008).

The majority of successful applicants who participated in a Canadian Heritage survey did report circulation increases as a result of the fund. Fifteen respondents that received at least two years of funding in the program’s early years, representing 73 percent of total two-year recipients, reported a combined circulation increase of approximately 5,000 copies. Although these numbers were modest, 79 percent of both single-year and multi-year recipients agreed the program increased their circulation (Canada, DCH, Corporate Review Branch, 2006). However, the emphasis on circulation was questioned by some, such as John Parsons of The Malahat Review: “Circulation is the only criterion. … It’s not about cultural policy any more, it seems. Canadian Heritage is not functioning like a cultural body. The policy is bums in seats. How do you grow a culture that way?” (cited by Adams, 2010).

The emphasis on circulation can be seen in the 2009–2010 application from Canadian Dimension for $32,025 to support a marketing plan that included a direct mail appeal. Using similar campaigns in the past, the non-profit current affairs magazine had steadily increased its subscriptions from 10,920 in 2000–2001 to 13,269 in 2009–2010; however, documentary evidence suggests this increase was deemed insufficient by Canadian Heritage. Pencilled-in notes in the department’s funding history file for Canadian Dimension indicate that departmental staff added up the subscription increase as “+2,000,” then placed the figure beside the amount of funding received over 10 years (Canadian Heritage internal file, Client funding history: Dimension
Publications Inc., 2009). These rough notes were encapsulated in the letter of rejection sent to associate publisher James Patterson:

Since 2003/04, Dimension Publications, Inc. has received a total of $135,259 in funding contributions. Considering the results achieved for previous projects, and the results anticipated for the current proposal, the CMF has determined this would not constitute best use of public funds. (S. Shortcliffe, letter from Canadian Heritage to James Patterson, Dimension Publications Inc., October 29, 2009)

Patterson surmised another issue of concern may have related to neoliberal fears of a “culture of dependency”:

We applied for a direct mail [project] three times in a row ... so maybe they thought we were using it as a subsidy instead of using it to innovate. But direct mail is, like, even though it may be waning, is extremely important to sell magazines, to reach an audience. They want efficiencies on these sort of things, and it’s extremely efficient to reach an audience.
(J. Patterson, personal communication, August 7, 2012)

Indeed, the department’s list of project descriptions since 2003–2004 shows the words “direct mail” had been circled by a reviewer’s pen among Canadian Dimension’s various other project activities, in what appears to be a scan for repeated use of the same tactics (Canadian Heritage internal file, Client funding history, 2009). The upshot was that one more Canadian magazine was excluded from project-based funding. Canadian Dimension continued to receive only its PAP postal subsidy, which was determined by an objective formula based on subscription numbers.

The labour news bimonthly Our Times was another “square peg” in the new funding environment. In 2007–2008, the inclusion of volunteer board members in its submitted work plan was questioned by the fund’s program director; when a departmental project officer pointed out volunteer involvement was considered an integral component of the magazine’s function, and was listed as in-kind revenue, the project was approved (Canadian Heritage internal files, handwritten staff notes with reference to emails of February 12 and February 19, 2007). The following year, Our Times was informed that its SBDSMP application, which sought funding for circulation outreach and other marketing activities, was unlikely to succeed due to the lack of an outsourced business plan. Rather than allowing Our Times to re-submit its business plan, program staff advised the magazine to instead apply for SEC funding as a more suitable fit (Canadian Heritage internal file, L. Marleau, communication record re. Our Times, July 17, 2008).

To apply, the magazine had to invest $3,000 to obtain a review engagement report, one step above the magazine’s annual “notice to reader” financial statement, for which it paid $1,000 (L. Ukrainetz, personal communication, August 14, 2012). Once the more expensive review engagement report was submitted, a checklist filled out by departmental staff shows Our Times met all the criteria for project funding (C. Parson, SEC analysis tool: Our Times application, Canadian Heritage internal file, 2008). Nonetheless, in April 2009 Our Times received a rejection letter stating the project proposal did not “best meet the needs of Canadians,” with no further explanation offered.
(S. Shortcliffe, letter from Canadian Heritage to Liz Ukrainetz, Our Times Labour Publishing, April 22, 2009). In retrospect, publisher Liz Ukrainetz said she regretted spending time and money pursuing CMF funding, because it took resources away from the magazine’s ongoing operations (personal communication, August 14, 2012). “With no creditable guidelines within which to apply, the investment was too large a gamble,” Ukrainetz explained, stating the magazine abandoned all efforts until 2013–2014 when, following a change in federal ministers, Our Times successfully obtained a Business Innovation grant of $28,000 (Canada, DCH, Business Innovation recipient list, 2014; L. Ukrainetz, personal communication, October 17, 2014).

**Deeper cuts, greater control**

The Canada Periodical Fund was launched in 2010 as a replacement for the CMF, sending shock waves through the magazine world. The funding envelopes for small magazine business development, literary magazines, and editorial content were eliminated, replaced by a Business Innovation for Print Publications (BIPP) fund for publishers and a Collectives Initiatives fund for industry associations. Grants that had once stood at $32 million fell to $790,000 between 2014 and 2015 (Canada, DCH, 2015b). Further, new rules gave absolute discretion to the Minister of Canadian Heritage to approve or reject projects (Adams, 2010).

Similar to the experience of Briarpatch, a higher, hidden hand in decision-making is discernable in This Magazine’s failed 2012 application. This Magazine had been one of the periodicals on the SALM roster. One year after SALM’s dissolution, This submitted an application to the new Business Innovation program for $24,835 to assist online upgrades, a marketing campaign, and contracting a subscription list consultant (Canadian Heritage internal file, Business Innovation application: Print and online circulation enhancement, This Magazine, November 29, 2011). According to minutes of a Business Innovation Team Meeting on January 18, 2012, the project “This Magazine Print and Online Enhancement Initiative” was recommended for funding by the review committee, with instructions to enter the recommendation in the department log (Canadian Heritage internal file, Minutes: BIP team meeting, January 18, 2012). However, after more than two months’ silence, a March 28 letter to publisher Lisa Whittington-Hill stated:

> The Government of Canada’s ongoing objectives are to fund projects designed to deliver measurable and tangible results, to optimize available funds, and to meet the needs of Canadians. It is within this context that, on behalf of the Honourable James Moore, Minister of Canadian Heritage and Official Languages, I regret to inform you that your application has not been approved. (R. Saad, letter from Canadian Heritage to Lisa Whittington-Hill, Red Maple Foundation, March 28, 2012)

Whittington-Hill noted the letter contained no further information or advice, no avenue of appeal, and no phone number for a return call (personal communication, August 16, 2012). At this point, several left-of-centre magazine publishers and editors had begun exchanging emails about similar experiences since the Conservative Party of Canada had come to power in 2006. Lack of solid information or feedback about
how to improve funding applications, along with a noticeable cooling of conversations with program officers, had raised suspicions in Canada’s small magazine community.

If you see a list of magazines that aren’t getting funding and you see that it’s all magazines with the same sort of editorial viewpoint, then you can draw your own conclusions. … When there’s no appeal process, no reason beyond, you know, “project doesn’t meet program objectives,” then it’s very open to interpretation. (L. Whittington-Hill, personal communication, August 16, 2012)

Clarification was not forthcoming from the ministry, either then or later. The Heritage Minister of the day, James Moore, and staff declined to participate in interviews for this research. Text referring to the reason for the final adjudication was redacted from Canadian Heritage documents obtained under the Access to Information Act.

For small third-sector magazines, this scenario meant the rigours of the application process, which Whittington-Hill estimated at 30 hours of staff time, now contained the possibility of unexplained disapproval hanging over the end result, a strong disincentive for future applications. Meanwhile, a global look at the program reveals that magazines of any stripe faced longer odds under the CPF. Tables 5 and 6 and Figures 1 and 2 illustrate a dramatic decline, from a high of 553 magazine projects supported in 2001–2002 to 34 in the first year of CPF, rising again to a total of 53 magazines in 2013–2014, then dropping again the following year to 27. The dollar amount dispersed rose annually since the program’s 2010 revamp, then dropped again in the most recent available reporting year, 2014–2015, resting at 97 percent less than what it had been in 2000–2001.

Table 5. Number of supported magazines, 2000 to 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>SEC</th>
<th>SBDSMP</th>
<th>SALM</th>
<th>BI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000–2001</td>
<td>403</td>
<td>15</td>
<td></td>
<td></td>
<td>418</td>
</tr>
<tr>
<td>2001–2002</td>
<td>456</td>
<td>97</td>
<td></td>
<td></td>
<td>553</td>
</tr>
<tr>
<td>2002–2003</td>
<td>488</td>
<td>55</td>
<td></td>
<td></td>
<td>543</td>
</tr>
<tr>
<td>2003–2004</td>
<td>172</td>
<td>66</td>
<td></td>
<td></td>
<td>238</td>
</tr>
<tr>
<td>2005–2006</td>
<td>187</td>
<td>75</td>
<td>57</td>
<td></td>
<td>319</td>
</tr>
<tr>
<td>2007–2008</td>
<td>201</td>
<td>107</td>
<td>57</td>
<td></td>
<td>365</td>
</tr>
<tr>
<td>2008–2009</td>
<td>196</td>
<td>64</td>
<td>57</td>
<td></td>
<td>317</td>
</tr>
<tr>
<td>2009–2010</td>
<td>208</td>
<td>35</td>
<td>60</td>
<td></td>
<td>303</td>
</tr>
<tr>
<td>2010–2011</td>
<td></td>
<td></td>
<td></td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>2011–2012</td>
<td></td>
<td></td>
<td></td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>2012–2013</td>
<td></td>
<td></td>
<td></td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>2013–2014</td>
<td></td>
<td></td>
<td></td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>2014–2015</td>
<td></td>
<td></td>
<td></td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Department of Canadian Heritage recipient lists
Table 6. Value of support for magazines ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>SEC</th>
<th>SBDSMP</th>
<th>SALM</th>
<th>BI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000–2001</td>
<td>25.00</td>
<td>0.33</td>
<td></td>
<td></td>
<td>25.33</td>
</tr>
<tr>
<td>2001–2002</td>
<td>25.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td>27.00</td>
</tr>
<tr>
<td>2002–2003</td>
<td>25.00</td>
<td>2.20</td>
<td></td>
<td></td>
<td>27.20</td>
</tr>
<tr>
<td>2003–2004</td>
<td>10.00</td>
<td>2.00</td>
<td></td>
<td></td>
<td>12.00</td>
</tr>
<tr>
<td>2004–2005</td>
<td>10.00</td>
<td>2.00</td>
<td>1.00</td>
<td></td>
<td>13.00</td>
</tr>
<tr>
<td>2005–2006</td>
<td>10.00</td>
<td>2.50</td>
<td>1.00</td>
<td></td>
<td>13.50</td>
</tr>
<tr>
<td>2006–2007</td>
<td>10.02</td>
<td>2.30</td>
<td>1.00</td>
<td></td>
<td>13.32</td>
</tr>
<tr>
<td>2007–2008</td>
<td>9.64</td>
<td>2.01</td>
<td>1.00</td>
<td></td>
<td>12.65</td>
</tr>
<tr>
<td>2008–2009</td>
<td>9.48</td>
<td>1.73</td>
<td>1.00</td>
<td></td>
<td>12.21</td>
</tr>
<tr>
<td>2009–2010</td>
<td>9.52</td>
<td>1.06</td>
<td>1.00</td>
<td></td>
<td>11.58</td>
</tr>
<tr>
<td>2010–2011</td>
<td></td>
<td></td>
<td>0.86</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>2011–2012</td>
<td></td>
<td></td>
<td>0.90</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>2012–2013</td>
<td></td>
<td></td>
<td>0.96</td>
<td>0.96</td>
<td></td>
</tr>
<tr>
<td>2013–2014</td>
<td></td>
<td></td>
<td>1.40</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>2014–2015</td>
<td></td>
<td></td>
<td>0.79</td>
<td>0.79</td>
<td></td>
</tr>
</tbody>
</table>

Source: Department of Canadian Heritage recipient lists

Figure 1. Decline in number of magazines supported, 2000 to 2015

Figure 2. Decline in value of support to magazines, 2000 to 2015 ($ millions)
With the arrival of the CPF, large magazines were hit equally hard; program grants that previously had been in excess of $500,000 were reduced to a maximum $25,000 annually, while a cap of $1.5 million was placed on PAP/ATP and CMF funds combined, with the exception of farm magazines. Based on previous year’s funding, the anticipated losses to the top grant recipients totalled:

- Maclean’s: $1.45 million less
- Canadian Living: $1.36 million less
- Chatelaine (English only): $1.2 million less
- Reader’s Digest (English edition): $728,558 less
- Canadian House & Home: $123,492 less

(“Canada Periodical Fund,” 2010)

Offsetting this, the ATP added newsstand sales to its grant calculations for the first time, a move that would ultimately concentrate resources in the hands of bigger mainstream magazines and Québec’s French-language magazines, which typically have higher newsstand sales (Canada, DCH, 2013). The change was part of a larger move to divorce the distribution subsidy from Canada Post, which Minister James Moore said would increase freedom of choice. “They [magazine publishers] will be able to use the services of Canada Post or of any other provider. I think of alternative distribution methods, of small businesses who serve rural areas, and even of such businesses as FedEx or Purolator” (Moore, 2009).

It should be mentioned that distribution funding was never withdrawn or denied in the same manner as project funding in the case studies, as the grant is universally applied to all eligible publications based on circulation numbers, without qualification. In fact, new methods for calculating the subsidy did benefit a handful of small and mid-range publications; for example, Canadian Dimension received $17,064 under ATP in 2011–2012, compared to $5,101 in the last year of PAP funding, 2009–2010 (Canada, DCH, 2010 and 2011 recipient lists). Such increases came at a cost, however. Professional association publications, such as Canadian Medical Association Journal, and all magazines with annual circulations under 5,000, excepting LGBTQ magazines, were excluded entirely from all funding programs. The impact was immediate and dramatic. Of the 60 literary titles supported by CMF, for example, only six qualified for support under the CPF (Woods, 2010). Masthead Magazine observed: “The amounts these titles receive are small compared to large commercial titles—typically a few thousand dollars—but huge for the magazines involved, which rely on small mastheads and scant resources” (“Canada Periodical Fund,” 2010). The New Quarterly’s situation was emblematic:

For The New Quarterly, that means an increase in mailing costs of about 67%. An increase like that gives literary magazines two choices: download the exploding cost onto subscribers (which will certainly not help our circulation numbers), or absorb the cost, so that a large chunk of our subscription revenue (1/3 of the cost of some of our discounted subscriptions) is lost in mailing the issues. Either way, access to Canadian arts and literary periodicals is threatened by the CPF’s circulation cap. (Krone, 2009)
Krone (2009) noted that, according to the criteria, advertising-heavy magazines focused on U.S. celebrities and fashion would continue to be eligible to receive funds, due to their size and newsstand sales. The balance had clearly tilted in favour of periodical publishing as an industrial undertaking meant to generate economic activity. What little remained of a cultural mandate was further narrowed in 2014–2015, when the federal government waded deeper into the territory of directly influencing editorial content, stating, “Priority will be given to projects that encourage magazine readers to explore historical moments that helped define Canada … please write ‘History’ in capital letters next to the title of your project” (Canada, DCH, 2014). Although this approach may have helped advance a nationalist discourse, it presented a hurdle for magazines seeking to give expression to disenfranchised voices, and/or to produce journalism that holds power to account.

The latest Canadian Heritage program review was launched in September 2016 under a newly elected Liberal government, with a stated intention “to ensure that Canada’s culture remains strong and competitive in a global world (Ipsos Public Affairs, 2017, p. 3). Although presented as a fresh re-setting of the table, the language and chosen focus appears in many ways to be a continuation of past neoliberal framing. Titled Canadian Content in a Digital World, the focus document set out discussion guidelines around the promotion of digital platforms and the marketing and export of Canadian cultural products (Canada, DCH, 2016). This orientation echoes Harvey’s (2007) description of “neoliberalism’s intense interest in and pursuit of information technologies” that “have compressed the rising density of market transactions in both space and time” (p. 3). The consultation was led by a private contractor, Ipsos Public Affairs, and once again the degree of attention paid to smaller-scale non-market-oriented media has been drawn into question. A public statement issued by the Canadian Association of Community Television Users and Stations, for example, criticized Ipsos for convening roundtables “to which our members were not invited, overseen by an ‘expert advisory panel’ from which our sector [community media] was excluded” (CACTUS, 2017). This criticism is significant in that it signals a continuation of a tunneled vision that leaves out the full wealth and potential of Canadian media production, some intentionally low tech. Without recognizing and supporting this fullsome media landscape, we are potentially left with monopolistic and homogenizing media production that mimics U.S. competitors to survive in the digital sphere, with the sole goal of reaching the largest possible audiences.

Governments would have the public believe a much rosier picture. For decades, the true fate of Canadian periodical funding remained largely hidden behind a series of new program announcements and published recipient lists that avoid cross-program tallies and year-to-year comparisons. Only when one takes time to document disbursements and apply them to spreadsheets does the full impact emerge. In relatively short order, over a century of support for Canadian publishing has been silently and swiftly dismantled, with faint prospect of restoration. The picture that emerges can only be read as an end to support for periodicals as a significant cultural policy in Canada, no matter which government is in power. With this in mind, a conversation among Canadian readers about how we may best secure the future of Canadian periodicals is long overdue.
Notes
1. Regarding the excluded booksellers, in 2012–2013, 237 publishers accessed the Canada Book Fund Support for Publishers Program, which includes packaging and shipping as an eligible expense. However, the number of publishers receiving funds for this specific line item, and the amount received, is not publicly available, leaving the fate of book publishers vis-à-vis postal support unclear.

2. Canadian Heritage’s online recipient lists indicate 806 ATP funding records between 2014 and 2015, however this includes the top header rows (“Publication Title/Approved Funding”) of each category. The author removed the header rows from the tables, resulting in a count of 804 periodicals receiving assistance.

References


