



Report prepared by the  
Public Lending Right Commission  
2001-02

## INTRODUCTION

This report is intended to facilitate the Public Lending Right (PLR) Commission's participation in the evaluation being undertaken in 2001 by the Department of Canadian Heritage. It is the Commission's wish that the report will also provide for all readers a pertinent overview of the Public Lending Right program and its needs. The report was prepared by a sub-committee struck by the PLR Commission in December 2000 and was approved by the full PLR Commission at its 22 April 2001 Annual General Meeting.

The Public Lending Right Commission is extremely pleased that attention will be focussed on the Public Lending Right program through this evaluation, particularly in light of the very positive nature of the Standing Committee on Canadian Heritage's recommendation that generated it. The Standing Committee wrote in its June 2002 report : "The Committee recommends that the Department of Canadian Heritage initiate an evaluation of the Public Lending Right Commission with a view to improving this important source of income for Canadian authors, translators and illustrators."

The attached report discusses the Public Lending Right Commission and its program under seven main headings:

- 1) the administrative history of PLR
- 2) responsibility and governance
- 3) the legal status of public lending right in Canada
- 4) new media
- 5) impacts of the Public Lending Right program
- 6) international public lending right
- 7) funding and objectives

## **1. THE ADMINISTRATIVE HISTORY OF PLR**

### **Initial Crusade:**

Canada's crusade for PLR took many decades to achieve, from its earliest introduction in 1949 by the Canadian Authors' Association (which proved to be well ahead of its time) to its eventual successful re-introduction in the early 1970s by The Writers' Union of Canada, which had been founded precisely to fight for benefits like better publishing contracts and Public Lending Right. Its most immediate and vocal opponents were the country's librarians, who were primarily anxious about the safety of their book-buying budgets. It's a credit to Canada's librarians and writers that everybody eventually calmed down and the work of designing a made-for-Canada PLR scheme began in earnest, with more and more librarians steadily coming onboard as the years passed.

### **Canada Council for the Arts Involvement:**

Then, in 1976, the Canada Council got involved, and for the next four years, from 1976 to 1980, it funded the work of the Canada Council Payment for Public Use Committee, which did the first in-depth study and design research for a completely made-in-Canada PLR program, while The Writers' Union and other national writers' associations continued to lobby the government to adopt the principle of PLR. Committee members watched the parallel experiences of Britain's writers in their PLR crusade, which seemed to be about a decade ahead of Canada's, and it was largely the endless tugs-of-war over PLR in Britain's parliament that convinced the committee to opt for a PLR program outside of the Copyright Act.

### **Program Models:**

The next big nut to crack was the question of what kind of PLR program Canada wanted - one based on actual borrowings, as in Britain or Germany, or one based on holdings, as in Australia or New Zealand. It was fascinating to note how 15 different countries had tackled this question so differently, faced as they were with essentially the same basic facts and arguments. Committee members had no trouble understanding the arguments for a loans-based system, and they didn't disagree with its logic - that a crusade demanding recompense for the loan of a work might ideally be based on actual loans of that work. But a loans-based system has one serious down-side because, in effect, it simply duplicates the marketplace, in which the popular, well-off writers get richer and everyone else gets very little. That was the very problem that had energized Canada's writers to pursue a PLR program in the first place, and they were reluctant to reinvent that same problem themselves. In the end, they decided to opt for a holdings-based system, which gave the writers of literary genres a more equitable kick at the can, and had the added advantage of being a great deal cheaper to operate as well.

## **Success:**

While the work of designing a made-in-Canada PLR program made steady progress, the lobbying continued as well, and in 1986 the Minister of Communications, the Hon. Marcel Masse, announced the dedication of \$3 million from his department's budget for a Canadian PLR program. He called on the Canada Council, under whose administrative aegis the program was to operate, to form a PLR Commission to design and administer this program for Canada's writers.

There was, of course, much delight among Canada's writing community over the announcement (although the Quebecois writers' union (UNEQ) had hoped to administer the "francophone share" of the program itself and boycotted the plan for the first several years). But Marcel Masse had left the newly minted Commission precious little time for celebration or analysis, because his announcement had included one ominous proviso: the Commission had been promised \$3 million, yes, but only if it could get a fully-fledged PLR program up and running before the end of the year -- and that was less than four months away.

## **The Challenge:**

This left only four months to assemble a complete PLR Commission and an elected Executive (both chaired by Canadian writer and PLR crusader Andreas Schroeder); to rent and furnish office space, hire a complete staff and train them; design an entire program complete with eligibility criteria for over 5,000 Canadian authors, all of them having to be registered using software that had to be custom-designed; to create a 17,000-title database that then had to be matched up to the holdings of ten of Canada's largest libraries, using library staff that also had to be trained; then all this information had to be processed to calculate payments to the 4,400 eligible authors; 4,400 cheques had to be printed and collated; 4,400 envelopes containing those cheques and a full title report stuffed and mailed -- and it all had to be done by the end of the fiscal year or the money was forfeit.

One thing that helped enormously, of course, was the work that had already been done by the Payment for Public Use Committee -- the Commission was now able to import many of those findings, and that saved enormous amounts of work. Besides that, the Commission was very lucky in its staff. They really got into the spirit of the challenge. They worked overtime, weekends, dawn till dusk; you could come into the PLR offices at one o'clock in the morning and still find people keyboarding away. When the weather fell apart and there was some doubt whether people could make it in to work the next morning, the Commission booked a hotel room and everyone slept on beds, couches and the floor in sleeping bags, determined not to miss a day of work. They worked on the busses going home and they worked on the busses coming in, and the job finally did get done. The first cheques were mailed out that year exactly one weekend before the year ended, with nobody left in the Canada Council offices but PLR people - everybody, staff, Commission members and volunteers still frantically stuffing envelopes to meet that deadline. Everybody certainly earned their summer holidays that year.

## **2. RESPONSIBILITY AND GOVERNANCE**

### **Composition of the Commission:**

Probably one of the Commission's most radical decisions, after it had agreed on a holdings-based system and an earnings ceiling which limits any one author's annual earnings to 100 times the current hit-rate, was the decision that the program would be essentially author-run. (The PLR Commission also includes librarians, publishers, Department of Canadian Heritage and Canada Council representatives, *but writers are in the majority.*) This is a feature that is unique to the Canadian PLR program. In effect, this makes the Commission directly responsible to its clients, with all parts of the country being duly represented. The results have been quite remarkable. In a city where the administrative costs of government programmes often range from 18% to 35%, the PLR program currently is probably the most cost-effective anywhere in government, costing only about 4%. The Commission currently operates Canada's entire PLR program, serving both anglophone and francophone writers, over 12,000 in total, with a staff of only four people. And it's of enormous credit to these four people that they have never given in to the tendency of bureaucracies to mushroom, featherbed or spend indiscriminately. Canada's writers have been unanimous in their appreciation of this.

At the same time, the PLR Commission in its entirety has achieved and benefited from a remarkably harmonious partnership between Canada's writers and its librarians and publishers. Librarians and publishers now fully support PLR, and have been generous in their help with the Commission's annual sampling procedure (librarians) and their willingness to forego a share of the PLR proceeds (publishers). Librarians attended the recent third annual international PLR Conference (held in Ottawa) in considerable numbers, and firmly supported the PLR program in their brief (Canadian Library Association) to the Standing Committee on Canadian Heritage in March of last year.

As for UNEQ, it reversed its boycott in 1993 and has since been a fully supportive member of the Commission. Indeed, two of its members have served as Chairs of the Commission since that time (Nicole Brossard, André Roy).

### **PLR/Canada Council for the Arts:**

In positioning the PLR Commission under the administrative aegis of the Canada Council, Marcel Masse had availed himself of a kind of political short-cut, avoiding the need for a PLR Act or any parliamentary debate on the subject. This facilitated the speedy and efficient creation of a PLR Program, but it has, in some ways, bedevilled the Commission ever since. It wasn't long before the Canada Council became uneasy about this unique organization under its wing. Bred of a vigorous lobbying initiative and run by writers who were extremely protective of "their" program, the PLR Commission wasn't easy to tame. There was, furthermore, no good reason to tame it; it was being run as a tight ship, a model of exemplary efficiency. As time went on it found ways to decrease rather than increase its bureaucracy; its client base was extremely satisfied, it conformed in all respects to the Canada Council's (and therefore government's) financial and administrative rules and regulations, and reported without fail and as required to the Canada Council's board.

On the other hand it continued to lobby the government for its own increased funds, made its own internal administrative and staffing decisions, and paid comparatively little attention to the larger administrative issues of the Canada Council.

Yet there were many practical linkages to the Canada Council. The Commission's staff was hired through and classified by the Council's Human Resources department, and included in its benefits and pension plans. Its funding (from the cultural envelope) was funnelled to it through the Canada Council, and the Council reported on its expenditures to parliament. Its computer system was designed by and linked with the Council's Informatics department, and it was completely dependent on Council's Informatics staff to design, maintain and upgrade this system at regular intervals. Its annual cheques were issued by the Council's Finance department, and its offices were located within the Council's office building.

Yes, there have been a few problems, notably when the Canada Council wanted more direct control of the Commission. There was such an outcry from Canada's writers and journalists that the Council abandoned this initiative and allowed things to revert to the status quo.

### **Independence:**

Not surprisingly, such events have occasioned proposals (on both sides) for varying degrees of independence for the Commission, ranging from the status quo to becoming a protectorate of the Communications/Heritage ministry, to outright independence. The Commission has studied these ideas several times, and has produced a certain amount of data and statistics to predict what the political and financial effects might be.

### **A Protectorate of the Communications/Heritage Ministry:**

This suggestion has come up a number of times, but was never seriously examined, as the political stability of Heritage programs was deemed to be considerably less predictable than those of the Canada Council. Furthermore, across-the-board budget cuts are as likely within the Heritage ministry as within the Canada Council, and since staff changes within the Heritage ministry occur at far more frequent intervals, the Commission has generally gravitated to the position that this is not a realistically viable option. Therefore, no cost estimates have ever been done, and none is foreseen.

### **Free-standing Independence:**

This option has been far more seriously considered, and at several junctures, costs have been examined and rentals investigated. Recent research (for the purpose of this document) would appear to indicate that the costs of going independent would not be significantly higher than what we are currently paying the Canada Council for rent, services and equipment.

An examination of the budget of the Association for the Export of Canadian Books - an organization whose funding comes largely from Heritage Canada, which is also required to be compliant with government auditing standards, and which is similarly sized (5 staff) – spends approximately \$352,000 a year on administration. (Compare our operation at approximately \$360,000 in a normal year - but we have larger computing requirements).

Similarly, the Foundation to Assist Canadian Talent on Records, which is also required to be government compliant in its payment and budget procedures, has a staff of 8 and its operating costs are within the \$777,000 range - approximately twice the cost for twice the size of operation, plus the cost of a jury.

### **Current Situation:**

All that being said, the Commission is currently quite satisfied with its position within the Canada Council. After encountering and sorting out the several snags such as described above, our relationship has smoothed out considerably, and can now be described as decidedly amicable. After several years of separate computer operations, the Council made us a generous offer which resulted in our reconnecting to its system, and we have not had a problem since. We initiated and signed a formal Memorandum of Understanding with the Council that spells out our relationship in black and white, and sets out our mutual responsibilities. This agreement has worked very satisfactorily as well. The Council would still probably prefer that the Commission not do its own lobbying for additional funds, but it's always worked well for the Commission, and we're not at all sure we'd fare as well by formally becoming part of the Canada Council's operations.

### **Conclusion:**

After fifteen years of successful operation and much consultation, the PLR Commission has become a demonstrably efficient and effective organization. Its members cooperate fully and harmoniously with each other, and its clients have repeatedly indicated a high degree of satisfaction with the program. We spend comparatively little of our budget on administration, and have also managed to eliminate the requirement for annual re-registration to the added satisfaction of Canada's authors.

As for its position within the Canada Council, the Commission will probably always remain something of an anomaly and, our MOU notwithstanding, Council managers are bound to periodically bridle at this unusual arrangement. It means we will have to constantly explain and sell ourselves to them, and assure them that we have no intentions of upsetting the apple cart. In fact, the Council has recently asked to have a high-level voting representative on our Commission. In the past we've had lower-level Council representation, and we haven't always been sure that our message has been carried back in the most effective manner possible. In short, unless we encounter genuinely disruptive and irresolvable problems in our relationship with the Canada Council, the Commission is quite content to maintain the status quo.

### **3. THE LEGAL STATUS OF PUBLIC LENDING RIGHT IN CANADA**

The issue of the legal status of both the public lending right principle and the Public Lending Right Commission itself has been the object of passionate debate since the discussion about compensating Canadian authors for the multiple use of their books in Canadian libraries began.

Authors have argued that, in freely lending their books to the public without any kind of financial compensation, their property rights are being unfairly or, even illegally infringed upon by Canadian libraries. Publishers have claimed the same right, while librarians have always strongly opposed the recognition of such a right which does not exist in the Canadian Statutes.

As far as the legal existence of the Public Lending Right Commission is concerned, the question has always been to know whether or not the Commission and the program would be in a safer “political” situation if it were to exist through an act of Parliament, or to remain simply as a government program.

#### **The public lending right principle:**

The basic argument of the authors is that, when a library buys a copy of a book, the author receives a royalty once only, even though it is likely that many people will borrow the book or read it on the premises. Many authors feel that this is unfair. They claim that the reading public can, in essence, side-step the authors’ right to benefit from their work, by borrowing rather than buying books. Authors also argue that a property owner has monopoly rights in the control of his property and that a copyright, as a form of property, confers those same rights on its owner. Since rights are actions that only a copyright owner may exert, or authorize others to exert, anyone exercising a right without the owner’s permission is therefore violating copyright.

While less vocal, publishers have always argued that they were entitled to their share of any payment or compensation especially if such a scheme rewards not only authors but also translators and illustrators. Within the present Canadian public lending right scheme, as a gesture of good will, by taking into account insufficient funds, publishers have decided not to claim what they consider their fair share. As long as the scheme exists as a government program and not as the recognition of a lending right, they have indicated that they will not exercise this right.

Canadian librarians, through their two major organizations, the Canadian Library Association and the Association pour l’avancement des sciences et des techniques de la documentation, have been directly involved in all discussions related to the recognition of a Canadian public lending right. While always very supportive of any government program aimed at compensating authors for providing such a public service to Canadian citizens, they have always been strongly opposed to any legal recognition of a public lending right. For them, the concept of free lending libraries, as they have existed since the early 19<sup>th</sup> century, represents a sacrosanct principle, one of the foundations of the free access to information doctrine.

The librarians' position against legislation recognizing a "public lending right" rests on three arguments:

Firstly: Copyright law is based on a balance or an acceptable compromise between creator and user interests. This is why most legislation on copyright includes general exceptions to the monopoly of authors, such as the Canadian fair dealing clause (Section 29 of the Copyright act), the American fair use clause (Section 107 of 17USCA) and the "copie privée" exception in French Law (Code de propriété intellectuelle, Section L. 122-5(2)). Many national laws, such as the Canadian Copyright Act and the United States Copyright Act, also include more specific exceptions for education and cultural institutions, such as libraries.

While a creator should be treated fairly by being compensated for his/her work, an excess of protection could impose cultural, social and economic costs which could isolate the creators if their works become difficult or costly to access. Giving authors a legal right to demand financial compensation for the free lending of their books in libraries would go against the principle of the balance of interests, as sought in most national copyright legislation.

Secondly: Intellectual property rights are not "natural" rights and have to be legislatively recognized to exist. As stated by the Supreme Court of Canada (Bishop v. Stevens) "copyright law is purely statutory law which simply creates rights and obligations upon the terms and in the circumstances set out in the statute." Most national copyright legislation, including the Canadian Copyright Act, do not recognize the right of authors to exercise control over the lending of copies of their books that have been legitimately acquired. This is known in the United States as the First Sale Doctrine. According to this principle, a person who has legally acquired a copyrighted work can use that work as long as that person does not violate any exclusive right of the copyright holder. This doctrine allows individuals to share or resell books, and enables American libraries to loan books to the public. In Canada, once an author has authorized a work's publication to initially make the work available to the public, the author has no rights over the actual physical copies once they are legally acquired. This includes lending and even renting, by individuals or organizations, such as libraries.

Thirdly: Finally, librarians always maintain that authors should be careful in arguing on the loss of revenues through library loans of their work. Firstly, if a public lending right scheme is to be based on such an argument, actual loan statistics would have to be taken into account. This would require an extremely complicated and costly administrative system. Secondly, it is not necessarily the authors in greatest financial need who would benefit from such a scheme. Borrowing in libraries often reflects bookstore success. Conversely, libraries very often buy books that will not necessarily circulate a great deal, but which are considered necessary for the reading public. Libraries are often the best clients for certain kinds of books. Thirdly, because of the various reciprocity requirements of some international copyright instruments, such as the Berne Convention, a Canadian public lending right scheme based on the exercise of a right might be more beneficial to foreign authors than to Canadian authors. And finally, one cannot say for a fact that the public would buy more books were they not to have easy and free access to books in libraries.

As a result of long-standing discussions about the above considerations, the focus of public lending right in Canada has shifted in recent years. It has progressed from the demand for the recognition of a legal right inscribed in a law, to the demand that the availability of Canadian books in Canadian libraries should be considered as a public service offered by Canadian authors to Canadian citizens and, therefore, that a form of compensation be offered by the government as the representative of the Canadian public.

It is within this context that the Public Lending Right Commission tried in the early 90s to have the principle of public recognition incorporated in the proposed legislation on the status of the artist. Unfortunately, in June 1992, when the bill on the Status of the Artist received Royal Assent, it did not include a specific reference to the recognition of the public service provided by the Canadian authors, but nevertheless recognized “the importance to artists that they be compensated for the use of their works, including the public lending of them” (Section 2(e) of the Status of the Artist Act, S.C. 1992, c. 33). The wording was purposely made vague enough so that it would not grant a right, neither would it establish a principle that could be used later on.

Since many felt at that time that the government did not include the principle in the act because of the absence of unanimity among all constituencies, the Commission started to work on a systematic lobby to give the program at least some legislative foundation on which all parties would agree. Following meetings with each constituent association of the Commission, and with government officials as well, it became clear that it was not possible to come up with a consensus on a wording that would satisfy the requirements of all organizations. Basically, there was a fear that giving the program a legislative basis without specifying that it was not a legal right could permit an author to use this to request compensation from libraries if ever the government decided to stop funding the program. In addition, publishers did not want to be left out of any scheme that would recognize public lending right in legislation.

### **The Public Lending Right Commission:**

Finally, the Commission started to work on the draft of a bill which would create a Public Lending Right Commission whose mandate would be to administer a program of payments to Canadian authors for the availability of their books in Canadian libraries. But even then, unanimity was not possible, since one authors’ organization, one librarians’ organization and one publishers’ organization were not ready to support the bill as drafted, and each one for different reasons.

Since it was strongly felt by some members of the Commission that a legislative base was absolutely necessary, it was decided to rewrite the bill in very general terms so that all organizations would support it. Following meetings with legal advisors of Canadian Heritage, it was recommended that the best and the fastest way to proceed would be through an amendment to the Canada Council Act. Since this might well create a new and additional set of problems, no further action has since been taken.

#### 4. NEW MEDIA/ NON-PRINT BOOKS

The Public Lending Right Commission has kept a watching brief on the situation of new media in libraries over the past two years. The Canadian Library Association's representative on the PLR Commission, Ken Jensen, delivered a paper describing the level of new media acquisition in public libraries at the 3<sup>rd</sup> International PLR Conference organized by the PLR Commission in Ottawa in October 1999. Canada was unable to draw on the experience of its PLR counterparts around the world at this conference, as no country has yet taken the step of incorporating new media into its public lending right program.

At the present time, in most cases, titles that are available in Canadian libraries in non-print format are also available in hard copy.

Of the thirteen titles available electronically at the Richmond Public Library in BC, only two, *Growing Up Digital* and *Anil's Ghost*, are by Canadian authors. As both are fairly new titles, they are not yet registered in the PLR program. Once they are registered however, given their popularity and/or prominence on the best-seller list, it is likely that these titles will receive the maximum payment in their first year in the program. There would seem to be little justification to consider a non-print version or electronic format of the title eligible for a supplementary or additional payment, especially since the Commission at present does not make payments for soft cover versions or for other paper formats of hard cover titles, nor for books on tape or books for the blind.

Several other questions have arisen during the course of the PLR Commission's considerations of new media. They are as follows:

How does the fact that libraries pay ongoing licensing fees when they purchase non print titles impact on the concept of public lending right?

Are borrowing patterns changing significantly in that more and more people are accessing information on line instead of going to the library? Is there such a difference in the kind of material being accessed on line compared to the titles registered in PLR that there would be little crossover between the two?

Electronic books tend to the self-publishing model. (Even Stephen King self-publishes his e-books.) Given the ease of producing such work, there is a concern that the PLR program could be quickly flooded with self-published e-books. This would compound an already significant funding problem in PLR.

What about books on CD-ROM that include graphic components and add-ons which are not supplied by the traditional author? How would PLR recognize the various contributors to such materials?

Given the above concerns and questions, the Public Lending Right Commission concludes that it is too soon to move to include electronic media in the PLR program. There is a recognition, however, that it is incumbent on the PLR Commission to continue to follow closely developments in this area.

Even as libraries are experiencing these new developments in how material is received and delivered, the Public Lending Right Commission steadfastly supports the principle of free access for all to public library material.

## **5. IMPACTS OF PLR**

The impact of PLR on Canadian writers and on Canadian society is a complex dynamic, but four factors in particular can help explain it.

### **PLR and Shelf Life:**

The shelf life of a book hot off the press is often brutally short in Canadian bookstores, especially in the large chains which bring in large shipments of books and six months later return them to publishers unsold. This happens to books of all genres, including those that have been well promoted and reviewed. Books published by smaller regional presses do not often reach the bookshelves of the larger chains, and it is the smaller, independent bookstores that Canadian writers look to for a longer shelf life for their books.

The longest shelf life for a book is, of course, in our libraries, where readers who cannot afford to purchase a book can make use of it at their leisure. The public use of the book allows the reader to enjoy books by Canadian writers who are recompensed for their use through PLR. The shelf life factor is an important dynamic in maintaining and ensuring the health of Can Lit. Not only does a long shelf life allow readers to broaden their knowledge of work by Canadian writers, but it allows writers to benefit financially from the acquisition of that knowledge. A long shelf life also accommodates the cumulative dynamic involved in sustaining Can Lit. It takes years for most readers to catch up and keep up with a writer's work and it is therefore crucial that books continue to be available in order to take this factor into account. The PLR program also encourages a form of cultural cross-fertilization, making it possible for readers in the Yukon to read books written by Newfoundland writers and vice versa. This accessibility goes a long way in encouraging a diverse cultural mix in which ideas and imagination cross country are shared.

### **PLR and the Snowball Effect:**

PLR is remuneration for writers for the public use of their books and is therefore earned income. Though the income is in most cases modest and, depending on the 'hit rate', never exceeds \$4,000 annually, for many writers the payment makes it possible for them to produce more literary work and provides a bridge between a manuscript-in-progress and publication. Since its inception, the Commission has heard from hundreds of writers testifying to the fact that the PLR payment allows them to continue their work. Here are some comments received this year:

*“The support from the Public Lending Right Commission is absolutely necessary for me to continue working as a writer.”*

*“It [PLR] is a boon, an incentive that spurs me on.”*

*“This recognition of the author’s work encourages us to continue creating.”(trans.)*

*“One would be hard-pressed to find a better method of stimulating the production of literary works.”(trans.)*

Through their recognition and support of our literary culture, the Canada Council and PLR have, each in its own way, made it possible for Can Lit to grow and flourish, both at home and abroad. Since the inception of PLR, the remuneration writers have received for the use of their work has resulted in increased public awareness of writers and their books. Not surprisingly, the number of writers has dramatically increased. In 1989, 6,405 writers qualified for PLR remuneration; in 1999, 11,602 writers qualified. Accordingly, within the same time frame, the number of trade books in print in Canada increased from 28,926 to 41,078. This growth is by no means confined to Canada and has snowballed into widespread international interest in Canadian literature, which has, in turn, translated into sales abroad. The figures for export growth are striking: in 1992-93 trade book sales abroad totalled \$75 million. In 1998-99, trade book sales abroad totalled \$133 million, an increase of 85 percent.

It is not unusual for the work of a Canadian writer to be translated into a dozen or more languages. Canadian writers consistently win international awards and prizes for their work: Carol Shields, Margaret Atwood, Jane Urquhart, Michael Ondaatje, Michel Tremblay, Antonine Maillet are well known not only in Europe but in Asia, the United States and South America. In Europe alone, there are close to seventy-five Canadian Studies programs in universities.

Canadian Literature has become an industry. As recently as twenty years ago this ‘industry’ did not exist. The fact that it does speaks to our writers’ insistence on excellence in their work. But the superb quality of their work didn’t just happen. It was the result of years of hard work during which writers received remuneration for their work, thus providing a sense of security as well as the knowledge that their work was being read. The fact that this scenario was being played out across Canada went a long way to creating the diverse literature we call Can Lit.

The genesis and development of Can Lit is as varied as it is complex, and it would be misleading to suggest that there is any one reason for what on the surface may appear to be its explosive success. However, it is entirely appropriate to credit the PLR program for its share in the success of our country’s writers, both at home and abroad, for without its sturdy support, many of our writers could not have afforded to write their books and would have fallen by the wayside.

### **PLR and the Pyramid Effect:**

Even a cursory review tracing the evolution of literature (or painting or music or theatre) will make it apparent that for every Dickens, there were many more writers at work. For every Shields or Tremblay there are a dozen or more writers publishing books. The fact that some writers become better known has a great deal to do with the media, the marketplace and timing – what some call luck. This dynamic creates a pyramid of Can Lit with the most successful writers at the peak and below them other writers who enjoy varying amounts of success and so on down to the base of the pyramid that can be said to be comprised of much of the grass roots apprentice writing. The structure of the pyramid is far from static and is in constant flux. It is this dynamic flux that accounts for the exciting and surprising aspects of Can Lit. It is also the dynamic that inspires and energizes Canadian writers in their pursuit of excellence. It is this dynamic force that PLR recognizes and sustains.

### **PLR and Globalization:**

Another factor that underscores the importance of PLR, not only to writers but to all Canadians, is that this program serves as a bulwark against the homogenizing influences of globalization. The effects of globalization are being felt world-wide and, like such countries as Denmark, New Zealand and the Netherlands, Canada is fortunate in having a Public Lending Right Program to encourage and assist creative expression through the writing of books that are available to everyone through libraries free of charge. Since the PLR cornerstone was put in place fifteen years ago, it has become essential to the structure of Canadian Literature and to the multitude of voices that has become our identity.

## **6. INTERNATIONAL PUBLIC LENDING RIGHT**

Canada is part of an international PLR network that brings together, for purposes of information exchange and mutual encouragement, the sixteen countries with fully-fledged PLR programs. These countries are: Australia, Austria, Canada, Denmark, Faroe Islands, Finland, Germany, Greenland, Iceland, Israel, Mauritius, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom.

This network also provides advice to countries wishing to set up their own program. Canada hosted the third international PLR conference in October 1999 (after the UK in 1995 and Denmark in 1997) and the PLR Commission considers continued participation in international PLR affairs an important obligation to our authors and public alike. The Public Lending Right Commission will be representing Canada at the fourth international PLR conference in Australia in September 2001.

## 7. FUNDING AND OBJECTIVES

The PLR program's criteria have remained more or less constant, aside from minor adjustments for clarification and fine tuning, since the program's inception.

Titles are admitted to the program in five major categories: Fiction, Non-Fiction, Poetry, Drama and Children's literature. (Translations and illustrations earn full or partial payments in eligible books.) Books that fall under the rubric of Self-help, How-to, Cookbooks, Lists, etc, i.e., those books which do not include narratives in the strict sense of the term, are ineligible.

This harkens back to one of the original intentions of the program: to encourage the production of literary texts in order to foster Canadian culture.

However, at various times throughout its history, the Public Lending Right Commission has discussed opening up the PLR program to all authors and titles, so that self-help books, travel guides, cookbooks, etc. would become eligible. Writers of such titles have protested being excluded from the program and have argued their case individually over the years. The question has been particularly divisive in The Writers' Union of Canada, many of whose members have titles presently excluded from the program.

In the objectives below, the reference to 'all' authors indicates a universal PLR program, one which would include authors whose titles are currently not eligible for PLR.

The Commission's major objectives with regard to criteria and funding continue to be the following:

- 1) **in recognition of the Public Lending Right Commission's commitment to include all authors in the program and that these authors be remunerated at a reasonable rate for the presence of their books in Canadian libraries, the Commission urges the Department of Canadian Heritage to provide adequate funding in order to both establish and maintain a \$50 hit rate and accommodate annual author and title growth in the program;**
- 2) **subsequently, in recognition of the original mandate of the program -- that the Public Lending Right Commission was created to foster literary works as a fortification of Canadian culture -- the Public Lending Right Commission would implement a mechanism whereby literary titles shall be maintained at the \$50 hit rate.**

**PLR FUNDING SCENARIOS 2001-02 TO 2004-05**

**WITH EXISTING CRITERIA**

TO ACHIEVE A \$40 HIT RATE				TO ACHIEVE A \$50 HIT RATE			
Fiscal year	Base budget	Additional \$	Total \$	Fiscal year	Base budget	Additional \$	Total \$
2001-02	\$8,633,000	<b>\$1,472,000</b>	\$10,105,000	2001-02	\$8,633,000	<b>\$4,002,000</b>	\$12,635,000
2002-03	\$8,633,000	<b>\$1,858,000</b>	\$10,491,000	2002-03	\$8,633,000	<b>\$4,487,000</b>	\$13,120,000
2003-04	\$8,633,000	<b>\$2,309,000</b>	\$10,942,000	2003-04	\$8,633,000	<b>\$5,047,000</b>	\$13,680,000
2004-05	\$8,633,000	<b>\$2,791,000</b>	\$11,424,000	2004-05	\$8,633,000	<b>\$5,647,000</b>	\$14,280,000
<b>TOTAL \$</b>		<b>\$8,430,000</b>				<b>\$19,183,000</b>	
<b>ADDITIONAL</b>							

**WITH 'UNIVERSAL' CRITERIA**

TO ACHIEVE A \$40 HIT RATE				TO ACHIEVE A \$50 HIT RATE			
Fiscal year	Base budget	Additional \$	Total \$	Fiscal year	Base budget	Additional \$	Total \$
2001-02	\$8,633,000	<b>\$5,572,000</b>	\$14,205,000	2001-02	\$8,633,000	<b>\$ 9,119,000</b>	\$17,752,000
2002-03	\$8,633,000	<b>\$6,158,000</b>	\$14,791,000	2002-03	\$8,633,000	<b>\$ 9,859,800</b>	\$18,492,800
2003-04	\$8,633,000	<b>\$6,822,000</b>	\$15,455,000	2003-04	\$8,633,000	<b>\$10,688,400</b>	\$19,321,400
2004-05	\$8,633,000	<b>\$7,530,000</b>	\$16,163,000	2004-05	\$8,633,000	<b>\$11,570,400</b>	\$20,203,400
<b>TOTAL \$</b>		<b>\$26,082,000</b>				<b>\$41,237,600</b>	
<b>ADDITIONAL</b>							