

March 5, 2024

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance

The Honourable Pascale St-Onge, P.C., M.P.
Minister of Canadian Heritage

House of Commons
Ottawa, Ontario K1A 0A6

Dear Ministers,

In anticipation of Budget 2024-25, we are writing as a collective of music organizations in both English and French markets, representing thousands of Canadian artists, songwriters, record labels, artist managers, music publishers, live music venues, concert promoters and music industry entrepreneurs seeking to urge the Liberal government to honour its campaign promise of funding to the Canada Music Fund.

The Canada Music Fund, one of the most important investment tools for continued music sector growth, teeters on the brink of uncertainty.

To leverage the sector's growth potential, to bring stability and to respond to the need for expanded programming, music organizations from across the country have called for a permanent increase to \$60 million annually for the Canada Music Fund.

The Liberal government made a commitment in 2021, in both its election platform and mandate letter to the Heritage Minister, to **increase the Canada Music Fund to \$50 million in the 2024-25 fiscal window** and it is urgent that the government fulfill this promise now. Without even this increase, the Canadian-owned music industry will begin to suffer dire consequences. Swift action is needed to preserve the heartbeat of our music community--Canadian artists and the companies and entrepreneurs that support and invest in them.

As you know, the Foundation Assisting Canadian Talent On Recordings (FACTOR), for the English market) and Musicaction (for the Francophone market) are at the forefront of managing money from the Canada Music Fund. Prior to the pandemic, the Liberal government invested an additional \$10-million into the Canada Music Fund, which has been renewed on an annual basis. That investment is scheduled to cease at the end of this fiscal year. That alone would represent a 28% drop in the Canada Music Fund. The other source of funds for FACTOR and Musicaction is from private radio broadcasters. Those contributions are tied to revenue **which is shrinking dramatically**.

If the Canada Music Fund were to also decline simultaneously, the effects would be catastrophic.

The budgets for FACTOR and Musicaction would predictably face cuts starting April 1. This could lead to business closures, staff layoffs, and a subdued live music scene – with a ripple effect on our local economies and government revenues. Furthermore, Canadian-owned music companies and the artists they support would lose a crucial source of investment. Canada Music Fund funding has spectacular return on investment and, without it, emerging artists' voices may go unheard.

FACTOR and Musicaction play a crucial role in all our local music communities across Canada. Each year, they disburse millions across a variety of programs to support growing companies and the Canadian artists they invest in. These are not hand-outs or philanthropy. This funding serves as an investment partner to artists, songwriters, labels, managers, music publishers and service organizations, who are making their own investments in developing their market presence, employing staff, building audiences and a sustainable creator infrastructure.

For the past four decades, FACTOR and Musicaction have been major supporters of artists and music entrepreneurs who create tens of thousands of jobs across the country, pay hundreds of millions in taxes to governments and contribute to a music sector with over \$2 billion in GDP. Artists like The Weeknd, Charlotte Cardin, Jessie Reyez, Les Cowboys Fringants, Jeremy Dutcher, Blue Rodeo, Fouki, Cadence Weapon, Alanis Morissette, Patrick Watson, Tanya Tagaq, July Talk and George Canyon, have all thrived in part due to early career or ongoing financial backing of the programs and companies that supported them along the way.

The signatories to this letter represent thousands of diverse artists and music industry companies and staff working in every federal riding from coast to coast to coast. **We are calling on the government to contribute positively to the future success and growth of our music sector at home and on the global stage by keeping your promise to increase the Canada Music Fund.**

Be our champions, speak up for Canadian artists and for music's tremendous contribution to Canada's culture and to the Canadian economy.

Sincerely,



Andrew Cash
President

CIMA



Allegra Swanson
Executive Director

Music Nova Scotia



Amie Therrien
Executive Director

Music Managers Forum



Carly Klassen
Executive Director

Alberta Music



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President & CEO

Canadian Live
Music Association




Jean Surette
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Musique NB Music



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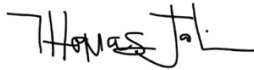
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