

April 3rd, 2020

Delivered by Email

Rt. Hon. Justin Trudeau, PC, MP
Prime Minister of Canada

Dear Prime Minister, Deputy Prime Minister, and Ministers:

As a follow up to our first open letter (March 18th, 2020), the Canadian Crafts Federation / Fédération Canadienne des métiers d'art (CCF/FMCA) calls upon the federal government to review and diffuse barriers to access for the key Emergency Relief programs currently rolling out across Canada.

On behalf of our more than 5000 individual artist members across Canada, and in solidarity with our partners at the Provincial and Territorial Craft Councils, we identify the following issues:

1. In the Canada Emergency Response Benefit (CERB), two restrictions to eligibility are causing great concern for craft artists, and other freelance/gig economy workers from the cultural sector and beyond:
 - a) The expectation to be without any employment or self-employment for at least 14 consecutive days in the initial four-week period, and
 - b) The expectation of at least \$5000 in 2019 or in the 12 months prior to the date of application.

Craft artists are professionals who run small-businesses with multiple streams of income, including the sale of goods (both in brick and mortar shops and online), fees for teaching/instruction/workshops, commissions, wholesale orders, etc. These multi-faceted streams of income have all been affected by closures and cancellations. However, some small and unpredictable income sources may remain. Craft artists are concerned that even small-scale income from one-off sales of work online will restrict them from accessing the CERB. Something as small as the single sale of a ceramic mug from a potters' online shop, a gross revenue of between 30 and 50 dollars, could result in ineligibility for the CERB at large. From fear of disqualification, many artists have shut down their online shops or refused participation in retail sales run by arts organizations to try to help the community stay active and functioning during this crisis. Furthermore, artists are concerned about accepting consignment payments from shops who have sold their work in the months prior to global quarantine, as these payments are rarely issued in the month the sale took place.

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The CCF/FCMA Recommends that the government of Canada recognise these small streams of income for artists, and make allowances for those who would otherwise be fully eligible for these emergency supports. The institution of a cap on “alternative sources of income” or the opportunity to deduct any sales/honorarium income against the government support provided would allow craft artists to continue to potentially help themselves, to keep their businesses open, and to offset the expense to the federal government wherever possible. We also echo CARFAC’s support for the exemption or deduction of copyright payments to artists, so that they may continue to benefit from these one-off and/or unpredictable sources of income.

2. The Canada Emergency Wage Subsidy (CEWS) eligibility requirement for “employers that see a drop of at least 30 percent of their revenue” compared to the same period in the previous year is a cause of great concern for non profit and charitable organizations in the arts, including the Provincial and Territorial Craft Councils.

Craft organizations, cultural organizations and non-profits at large do not always have consistent month-to-month revenues. In a single month, a core operating or major project grant may be received in a lump-sum payment to be utilized throughout the year, while revenues from special events or programs may vary greatly. Project grants have firm restrictions and are tied to specific action, and vary widely year to year. Meeting this 30% threshold demonstrated on a month by month (or even quarter by quarter) comparatives may not reflect the true need of organizations that are struggling now, and who will continue to struggle beyond the three month period of support currently identified.

The CCF/FCMA Recommends that the government of Canada work closely with non-profit and charitable organizations in the arts and other sectors in order to recognize the unique revenues and cash flow structures of these organizations. We support the Canadian Independent Federation of Small Businesses' recommendations that the requirement of proof for a 30% drop in revenue for all firms with fewer than 500 workers, and for those ordered to fully or partially shut down by provincial public health authorities. Craft arts charities and non profits typically have far fewer than 500 employees, often with less than 50, and the majority with less than 20 employees. The resources required to support these organizations with the 75% subsidy of wages will make an immense difference to keeping arts non profit workers employed, and yet are at risk of disqualification due to the incomparable nature of arts organizations to typical businesses.

We recognize that further details on both the CERB and the CEWS will be released in the very near future. It is our hope that the government will recognize these serious concerns and the barriers they create for those working in creative and freelance industries, and that they will work to make exceptions/exemptions to allow the creative sector to continue functioning, even in the face of great need for all.

We stand in solidarity with the Canada Council for the Arts, many arts and culture

groups across disciplines of music, theatre, dance, museums, etc, and with organizations focused on small businesses, gig economy workers and freelancers from all sectors - not just the cultural sector - who will be hindered by these specific restrictions.

Once more, we reiterate the closing statement of our March 18th letter: The craft sector is a significant contributor to the Canadian economy (according to Statistics Canada's 2017 Cultural Satellite Account craft contributes more than \$2.2 billion to the GDP). The sector is a logical, creative, and healthy partner in our communal efforts to rebuild from this crisis. In the new normal, the arts can play a significant role in the rebuilding of social interaction and a healthy society - but not if our artists are left financially devastated through the recovery period.

In Solidarity,



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CCF/FCMA Director

CC:

Kimberly Bent, CCF/FCMA President

Hon. Chrystia Freeland, PC, MP
Deputy Prime Minister

Hon. Jean-Yves Duclos, PC, MP
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Hon. Carla Qualtrough, PC, MP
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