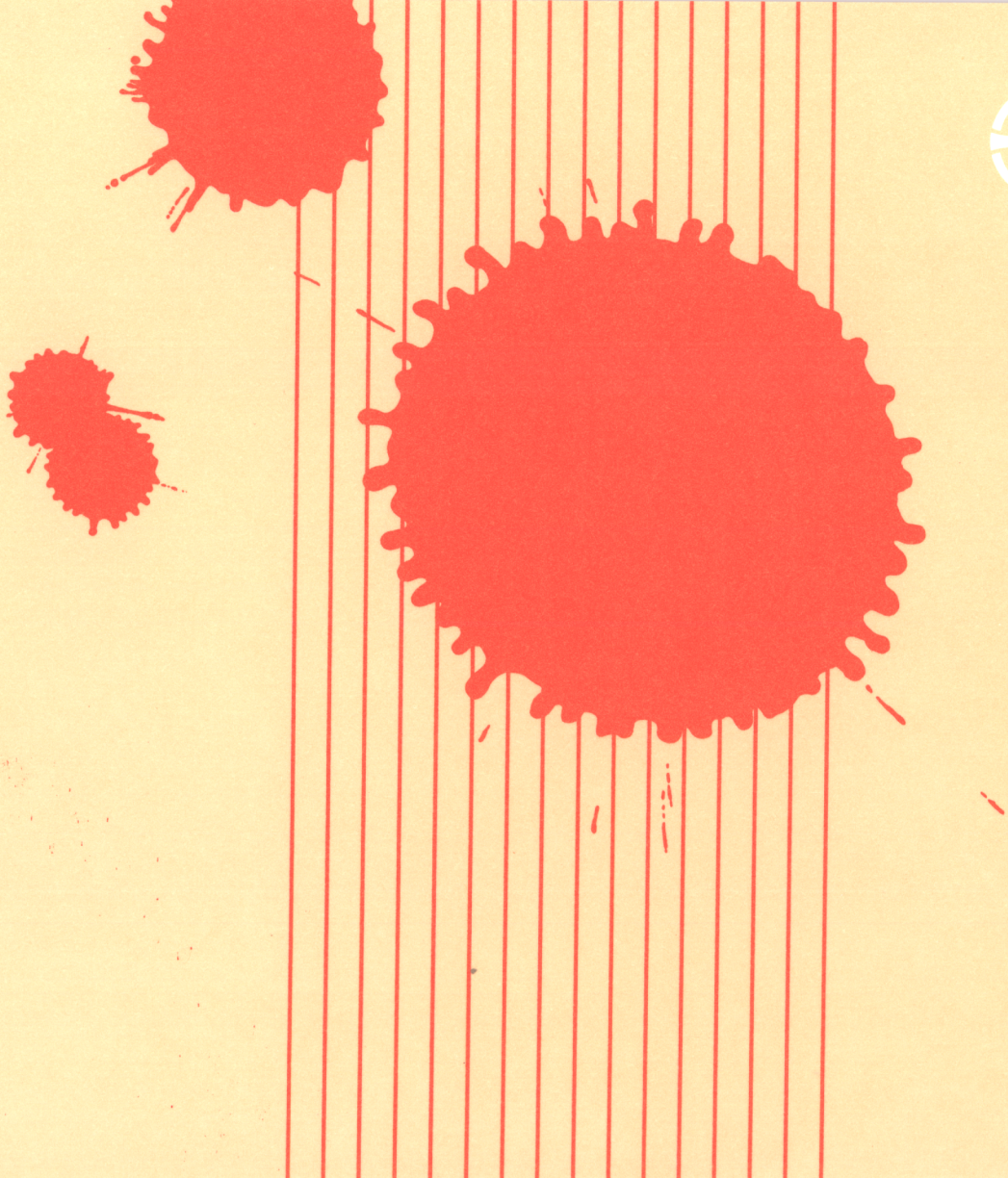
The Canada Council
25th Annual Report

1981 | 1982

1957 | 1982



Design: Eskind Waddell

The Canada Council

The Canada Council was created by an Act of Parliament in 1957. Under the terms of the Canada Council Act, its purpose is "to foster and promote the study and enjoyment of, and the production of works in, the arts." It offers a wide-ranging program of financial assistance and special services to individuals and organizations. The Council also maintains the secretariat for the Canadian Commission for Unesco and has some responsibility for promoting culture abroad.

The Council is headed by a 21-member board appointed by the Government of Canada. The board usually meets four times a year. Its decisions on policies, programs and other matters are implemented by a staff headed by a Director and an Associate Director, both appointed by the Government of Canada. The Council and its staff rely heavily on the advice and cooperation of an Advisory Arts Panel and of artists and arts-related professionals from all parts of Canada, who are consulted both individually and in juries and selection committees. The Council also works in close cooperation with federal and provincial cultural agencies and with the Bureau of International Cultural Relations of the Department of External Affairs.

The Council reports to Parliament through the Minister of Communications, and is called from time to time to appear before parliamentary committees, particularly the House of Commons Standing Committee on Communications and Culture. Its accounts are audited by the Auditor General of Canada and reported to Parliament.

Annual grants from Parliament are the Council's main source of funds. These grants are supplemented by income from a $50 million Endowment Fund established by Parliament in 1957. The Council also has received substantial amounts in private donations and bequests, usually for specific purposes.

Members

J. Mavor Moore
Chairman

Jean-Jacques Fortier
Vice-Chairman
(from 19 November 1981)

David Owen Carrigan

Gordon Dowsley

Peter R. Duffield

Gerald Fraser
(from 16 April 1981)

Nicholas Goldschmidt

Julien Hébert

Marilyn Huband
(from 9 April 1981)

William Kilbourn

Eva Kushner
(until 14 May 1981)

Sandra Lynne LeBlanc

Elizabeth McGowan

Patrick O'Flaherty
(from 4 September 1981)

Elise Paré-Tousignant
(until 17 May 1981)

Pascal Parent
(until 14 February 1982)

Christopher Pratt
(until 17 August 1981)

S. Penny Petrone
(from 14 February 1982)

Ruth Schiller

Marcel Sormany

H. Arnold Steinberg

Rita Ubriaco
(until 14 February 1982)

Executive Staff

Charles A. Lussier
Director
(until 31 December 1981)

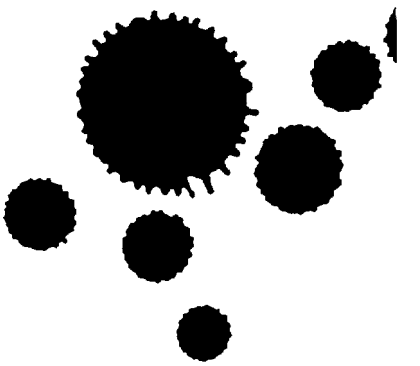
Timothy Porteous
Associate Director and Director of the Arts Division; Interim Director
(from 1 January 1982)

Claude Gauthier
Assistant Director and Treasurer

Mario Lavoie
Interim Secretary

David Peacock
Assistant Director of the Arts Division
(until 1 September 1981)

Claude Lussier
Secretary-General for the Canadian Commission for Unesco



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The Canada Council's Annual Report to Parliament includes audited financial statements and a review of the year's activities in Council programs.

A Supplement to this Annual Report, including a complete list of grants provided during the year, names of recipients and brief descriptions of each type of grant, will be published separately. It will be available later in the year from the Canada Council's Communications Service.

The Canada Council
255 Albert Street
P.O. Box 1047
Ottawa, Ontario
K1P 5V8

Viola Leger and Ed MacNamara in D.L. Coburn's ***The Gin Game*** produced at the Manitoba Theatre Centre. Photograph: Gerry Kopelow

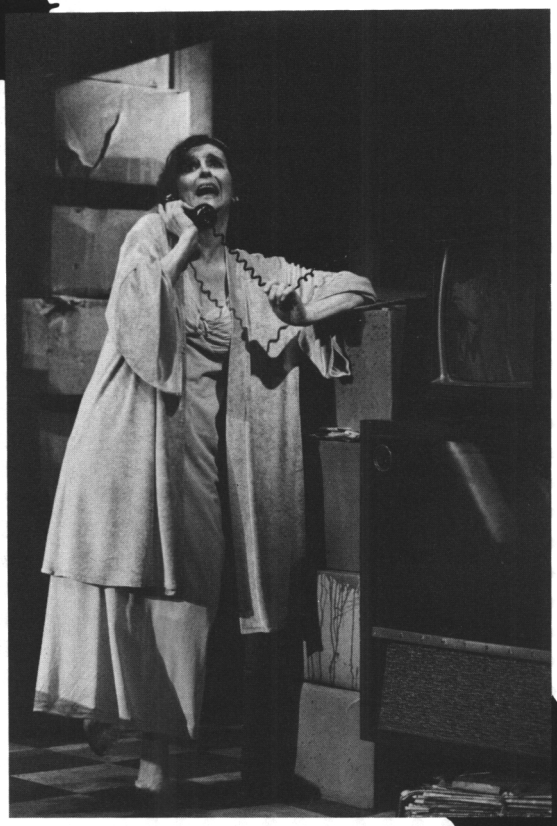
Ric Reid and Guy Laprade in Larry Zacharko's ***The Land of Magic Spell*** produced by Edmonton's northern touring company, Citadel on Wheels/Wings. Photograph: Ed Ellis

Chairman's Report

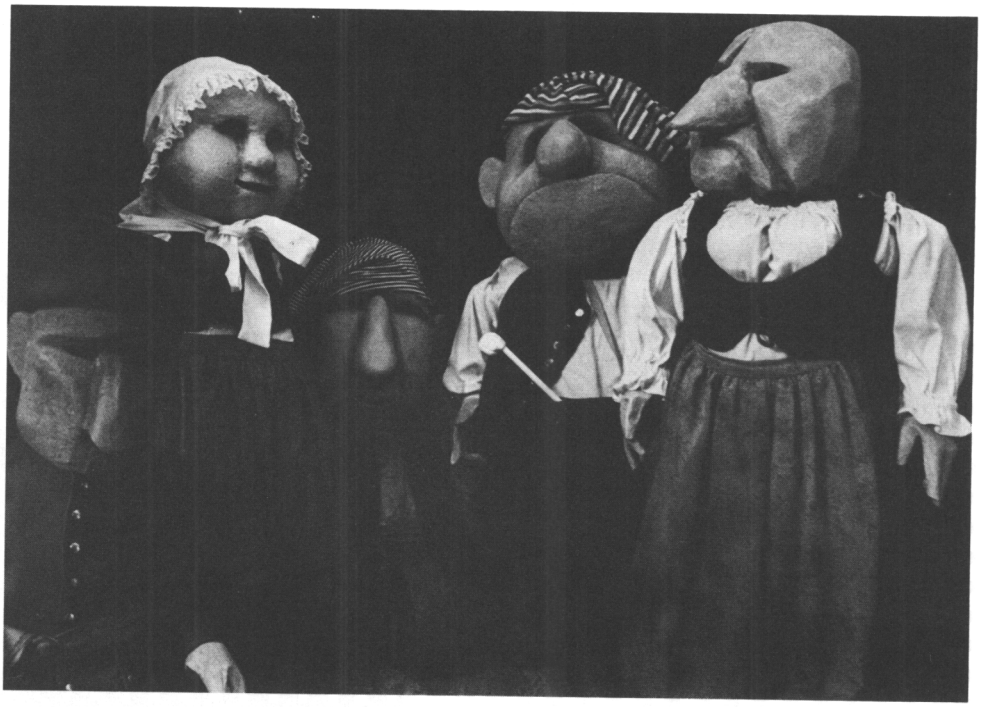
This was a year when the Canada Council reached out – to the arts community, to the Canadian public and to the world.

It was not, mind you, for the first time. But with the cross-country hearings of the Applebaum-Hébert Commission going on throughout 1981, and our own 25th anniversary coming up in 1982, it was clearly a time for the Council to renew its bonds with those it serves and to make a strong and open case for mutual aims.

Having established a more active communications service than ever before, we set out, early in the new financial year, to make the Council's principles and operations more familiar and accessible to parliamentarians, artists and public. Journalists and broadcasters were invited to visit our work places and sit in on sample meetings. Council members made speeches in their respective regions, and made themselves available – as did our peripatetic staff members – for interviews on Council policy and practice. Background papers were prepared and circulated on a number of common challenges. The entire artistic community was invited to propose a celebration of its own achievements as a way of marking the Council's forthcoming anniversary.



Hélène Loiselle in a scene from *L'effet des rayons gamma sur les vieux-garçons*, which was adapted by Michel Tremblay from an American play. The work was produced by Compagnie Jean Duceppe of Montréal. Photograph: André Panneton



Puppets in scene from *Louisbourg*, directed by Graham Whitehead and produced at Louisbourg by Mermaid Theatre, Wolfville, Nova Scotia.

Children at the Sudbury, Ontario, public library illustrate a story told by children's writer Lise Tardif during the National Book Festival which was held the week of 11-17 May 1981.

On the heels of the 1980-81 academic year (that is to say, when my lectures at York University ended), as the Council's chairman I set out on three back-to-back trips that exemplified the year of outreach to come. April found me visiting a dozen Western cities from Winnipeg to Victoria as guest of the Canadian Clubs – and while there going on radio and television and talking to the press, where feasible alongside a fellow Council member. The trip was interrupted only once: to welcome, in Montréal, the delegates to a conference of Commonwealth Arts Councils hosted by Canada. By late April, I was in Rome for the birth of the Canadian Institute for Mediterranean Studies (Rome, Athens, Cairo) and to discuss cultural exchanges with some European governments. In May, Council Director Charles Lussier and I accepted the invitation of the Chinese government to visit that country and discuss cultural policy and exchange. During the summer I was in the Atlantic provinces, and in the fall I spoke about the arts in Canada to several US bodies, including the active Center for Inter-American Studies.

What made all this more exhilarating than exhausting was the constant parade of evidence of achievement, both at home and abroad. In the short period of 25 years, the arts in Canada have grown to a stature that is recognized everywhere as tall. Undeniably, the major factor in this growth has been the talent and commitment of our artists. The financial investment required to sustain their efforts has, in world terms, been very modest. The Canada Council, nonetheless, is proud to have provided a significant share of it.

As we move into our second quarter century, we are cautiously hoping for continued steady growth in spite of current economic constraints. The bulk of this

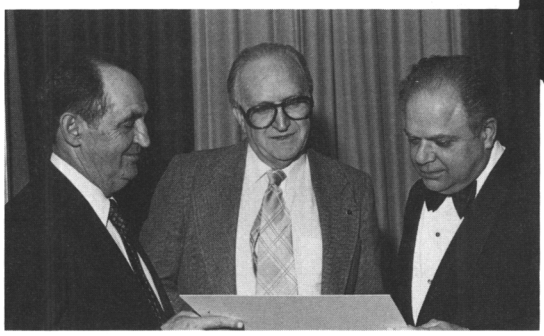
Alison MacLeod and Jill Frappier in a scene from Margaret Hollingsworth's *Ever Loving*, produced by Neptune Theatre, Halifax.

Grants and Services to the Arts, Fiscal Year 1981-82

(in thousands of dollars)	Arts Awards to Individuals	Arts Sections	Art Bank	Touring Office	Other	**Total**
Dance	$ 275	$ 5,965	$ –	$ 800	$ 79	**$ 7,119**
Explorations	–	–	–	–	1,671	**1,671**
Film, Video, Audio and Performance Art	380	2,147	–	–	82	**2,609**
Multidisciplinary and Arts Administration	239	–	–	94	99	**432**
Music	1,205	10,269	–	970	16	**12,460**
Services	–	–	27	312	–	**339**
Theatre	449	11,074	–	393	28	**11,944**
Visual Arts and Photography	2,154	3,302	620*	–	327	**6,403**
Writing and Publication	1,111	7,367	–	–	102	**8,580**
Total	**$5,813**	**$40,124**	**$647**	**$2,569**	**$2,404**	**$51,557**

**Art Bank support includes $143,000 for the Special Purchase Assistance Program for Galleries.*

Figures may not add due to rounding.



Chemist Raymond Lemieux (left), geneticist Louis Siminovitch (centre), and pathologist Feroze Ghadially examine the citation which accompanied the first Izaak Walton Killam Memorial Prize. To inaugurate the prize in 1981, the Council selected three winners, although in future years one award will be given. Photograph: David Barbour

report outlines some of the ways in which we have tried to work towards this goal in the past year; first, however, we should like to reflect briefly on two subjects that have a substantial bearing on our work: the consultations of the Federal Cultural Policy Review Committee, and the size of our budget.

The Federal Cultural Policy Review

In last year's Annual Report, we referred to the monumental task being carried out by the Federal Cultural Policy Review Committee, chaired by Louis Applebaum and Jacques Hébert, and gave an account of our own contribution to its vast information and opinion-gathering effort. After touring the country in the spring, and receiving briefs from more than 1300 individuals and arts organizations, the Committee produced a *Summary of briefs and hearings* which was submitted to the Minister of Communications in January 1982. The introduction to this 300-page document indicated that there had been "widespread agreement" on a principle to which the Council is deeply committed, i.e., that "federal cultural agencies should remain at arm's length from the federal government."

Partly as a result of these representations, we feel confident that no serious consideration now is being given by the government to the idea of curtailing the autonomy which is essential to the work of the Council. It will be remembered that the fear of such a move had been heightened in recent years by a recommendation of the Royal Commission on Financial Management and Accountability (Lambert Commission) to the effect that Crown corporations and other similar bodies be subjected to ministerial directives and to closer centralized control. The independence of the Council is nevertheless an area in which we must remain vigilant.

The report of the Applebaum-Hébert Committee is scheduled to appear late in 1982. Its recommendations are expected to open a new era in the development of comprehensive federal policies in the cultural field, and will no doubt have a major impact on the services of the cultural agencies, including the Canada Council.

The Budget

A number of briefs to the Applebaum-Hébert Committee called for an increase in the Council's annual grant from the federal government. Many arts organizations argued strongly for annual increments large enough to provide for real growth in addition to offsetting inflation. This was in line with the case that the Council has been making to the government for several years. As we were pleased to report last year, the arts community, through the Council, was given significant relief when Parliament approved a $3 million supplement to our grant for 1981-82. The Council used these funds to provide increases in operating grants to many organizations. The seven-year freeze on grants to major art galleries was lifted, and dance companies receiving operating grants were given extra money to pay their dancers more nearly adequate salaries. In addition, the Council modified a number of programs as described later in this report. Thus, all of the disciplines were able to benefit to some extent from the supplement provided by the government.

Without wishing to appear in any sense unappreciative, or insensitive to other demands on public funds, we must report that pressing needs in the arts remain and continue to increase.

In recent years there has been very rapid growth in the arts and the audiences in Canada, particularly in the east, west and north. However, the Council lacks sufficient resources to keep pace with these developments. In all parts of the country, inflation has had a devastating effect on the costs faced by arts organizations because of their high labour component, and here again the Council is unable to respond adequately. With government support, new facilities for the performing and visual arts have been opened in many Canadian centres. This is as it should be. Communities rich in arts-

Anthony Island Provincial Park, British Columbia, home of the Haida Indians for over 2,000 years, was added in 1981 to the Unesco World Heritage List, which now includes seven Canadian sites. The Island has the most significant collection of longhouse remains, totem poles and mortuary columns in the Pacific Northwest (photo right). Photographs: Tourism British Columbia

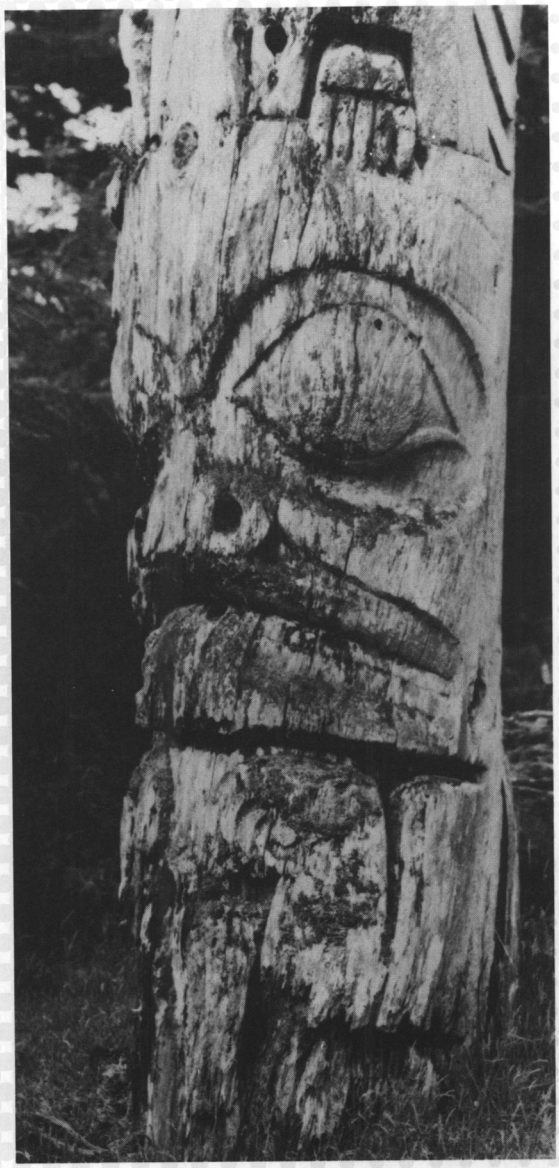
The Council maintains the secretariat for the Canadian Commission for Unesco.

related spaces attract artists and arts organizations. Audiences grow because people prefer to go to a proper theatre rather than a high school gymnasium to see a play. However, capital investments of this kind imply annual operating subsidies if attractive programs are to be offered to the public. Council is one of the agencies – indeed the only federal agency – to which they rightly expect to turn, but the cupboard is very nearly bare.

Established Programs

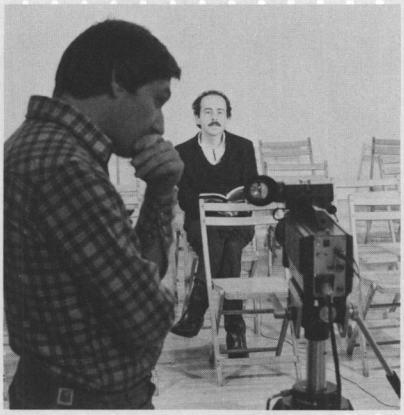
As in previous years, by far the major part of our resources supported the institutions which are the mainstay of Canadian artistic life. The *Supplement* to this report lists grants to symphony orchestras, art galleries, publishing houses, dance and theatre companies and other organizations through which our artists work and reach the public. Although Council pays a great deal of attention to them, most of these grants do not appear particularly dramatic, innovative or controversial, but they are absolutely essential to the survival of the companies. Nowhere in the world do the arts of quality exist without subsidy, and Canada is no exception.

The Council also continued to pay particular attention to the needs of individual creative artists: writers, composers, choreographers, playwrights, painters, sculptors and others. While arts organizations are basic to our cultural life, artists are at the core, for everything else flows from their creative imagination, and from the disciplined talent with which they shape and present their ideas. Through an elaborate system of constantly changing juries, the Council endeavours to bring informed professional judgements to bear on the challenging task of choosing, from thousands of very able applicants, the few hundred whom we can afford modestly to support. The *Supplement* also lists more than 700 jurors whom we called on during the year, and the artists who were selected through our competitions.



Modified Programs

While the established programs must be predominant in Council's support of the arts, we also recognize the importance of responding to new developments, and of tailoring our programs to better fit a changing reality. The following sections comment briefly on new initiatives taken during the year; some of them were made possible by the $3 million supplementary grant.

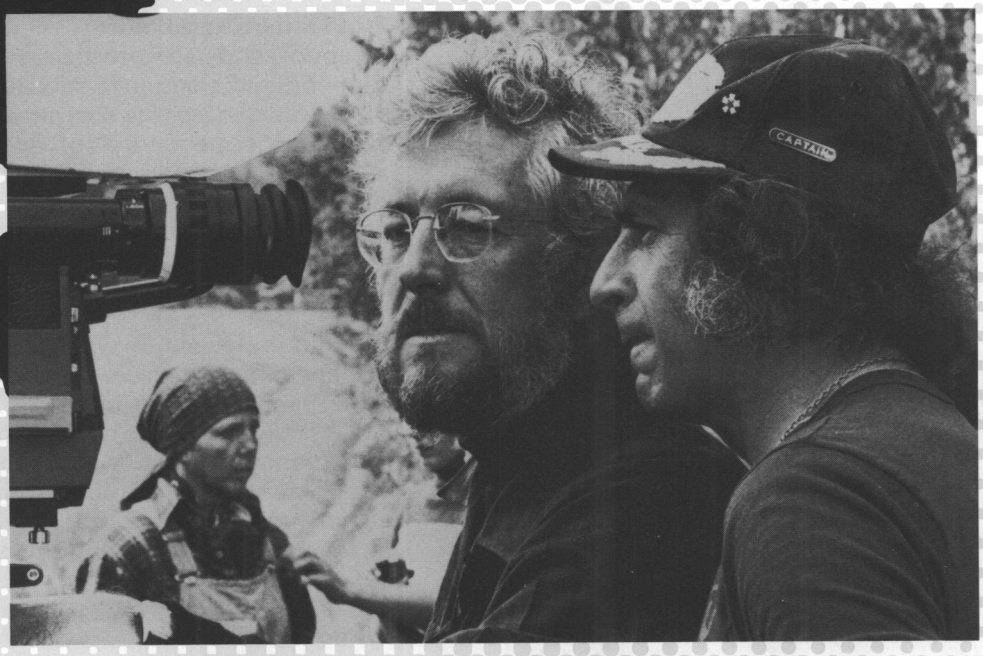


Video artists Jean Tourangeau (foreground) and Tom Konyves during production of *Art Montréal*. Photograph: Prim Inc.

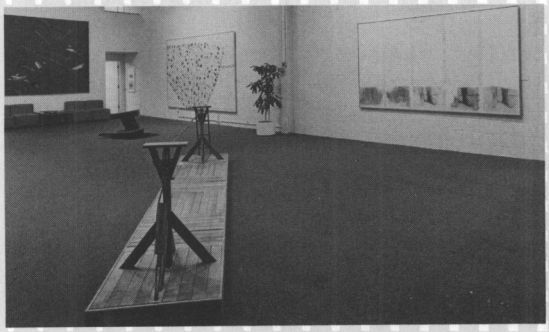
Art Bank

On 20 October 1981, the Art Bank opened a 2000-square-foot gallery space on its premises at 2279 Gladwin Crescent in Ottawa. The Art Bank now is able to mount regularly changing exhibitions from our collection of more than 10,000 works of art by over 1200 artists. While intended primarily to show works to clients, the gallery also is open to the public. All art works are available for rental to government departments (federal, provincial and municipal), non-profit organizations, schools and hospitals. As of 31 March 1982, more than 70 per cent of the collection was out on rental.

In addition to the gallery, a visual resource centre has been opened, which includes a library of books and periodicals on contemporary Canadian art, files on contemporary Canadian artists, and over 35,000 slides of contemporary Canadian works. This is the largest collection of its kind in the world.



Filmmaker Allan King (left) of Toronto, winner of a Canada Council Arts Grant "A", is shown here filming *Silence of the North* with Richard Leiterman, director of photography.
Photograph: Film Festivals Bureau, Department of Communications, Ottawa



A view of the new Art Bank gallery in Ottawa. In the foreground is Max Dean's sculpture *Tight Rope*. On the wall far right is Chris Knudsen's *Painting for Denise/X*.
Photograph: David Barbour

A view of the sculpture area of the Art Bank warehouse. In the foreground is John McKinnon's *Avshi*, and in the centre are two works by Robert Murray.
Photograph: David Barbour

Christopher Neil Wortley on stage in *Tremolo*, a work performed by the Anna Wyman Dance Theatre of Vancouver. Photograph: Rodney Polden

Short Film Showcase

To support and promote the work of independent Canadian filmmakers, the Council started a pilot program called the Canadian Independent Short Film Showcase. Following an annual Showcase Competition judged by a jury of filmmakers, exhibitors, and distributors, selected films will be made available to commercial theatres. They will be shown along with full-length feature films.

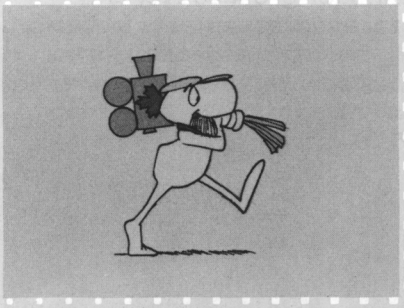
The first competition was held in February 1982 and nine films were chosen for release across the country during 1982-83. The Short Film Showcase is designed to broaden the audience for creative short films, encourage short film programming in commercial movie theatres, and provide technical, marketing, and promotional services for those films it sponsors.

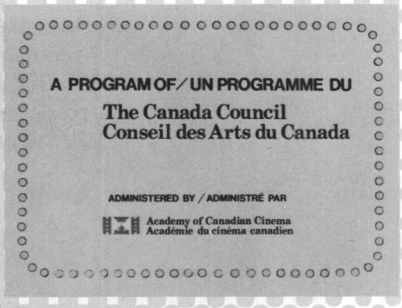
Dance Presenters

Another pilot program established in 1981 supports presenters of independent dancers and choreographers.

The Council allots nearly three-quarters of its aid to dance to operating grants for dance companies and dance service organizations. This auxiliary program was designed to support deserving projects which provide exposure for the work of professional choreographers functioning outside the context of a company, who have no access to regular funding from the Dance Section of the Canada Council. Small-scale presenters of dance were eligible to receive grants of up to $5,000 maximum to cover the salary of an administrator and/or to help with publicity and promotion of dance events in alternate dance spaces, series or festivals. As a result of the first competition for the $25,000 allocated to this program, seven applicants received grants ranging from $2,000 to $5,000 each.

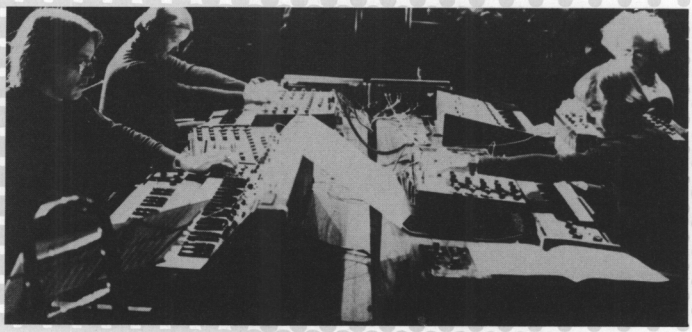
Jerilyn Dana in *Othello*, choreographed by John Butler, and produced by Les Grands Ballets canadiens of Montréal. Photograph: Takashi Seida





Animation by Bill Perkins of Atkinson Film Arts for the Canadian Independent Short Film Showcase trailer. Films selected through this Council program are being shown with feature films in commercial theatres across Canada.

The National Youth Orchestra of Canada rehearsing in Grant Hall, Kingston, Ontario, with conductor Marius Constant.



The Canadian Electronic Ensemble of Toronto in concert. The members of the group are (left to right) David Grymes, Larry Lake, Jim Montgomery and David Jaeger. Photograph: Tom Skudra

Theatre Consultants
Another small auxiliary service introduced during the year provides emergency aid for theatre companies that find they have a problem in administration, publicity, or production which they cannot handle. Nicknamed the "Flying Squad," the program will make available skilled assistance on short notice to help solve the crisis.

As in most of the arts, the course of a theatre production is not always predictable, and few companies can afford – or can find – the trained personnel to deal with every unexpected situation that can and sometimes does arise. In a small way, this inexpensive program helps fill the gaps.

Public Readings
Canadian writers will gain wider exposure through another program which responds to an increase of interest in Canadian writing in the United States. The Council will cooperate with a US host institution such as a university to support public readings by Canadian authors in that country. The first writers to benefit under the program were Hugh Hood and John Metcalf, who travelled to the University of Maine at Orono in December 1981. The works of both men are taught at the University, which has a large Canadian studies program, and audiences were very responsive.

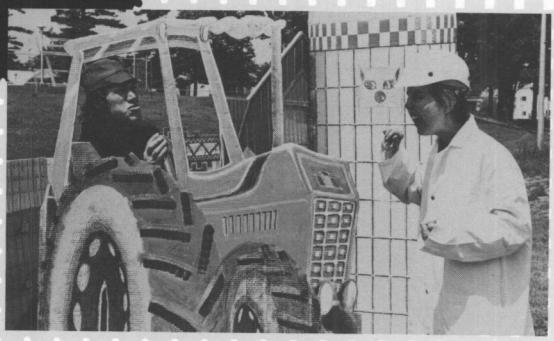
Musicians' Career Development
A new career development plan, part of the Concerts Canada program administered by the Touring Office of the Council, makes funds available to artists and their managers for increased promotion and management services. These may involve, for example, debut recitals or promotional tours.

Managers may apply for up to $15,000 for three years for artists or ensembles with the potential for a professional performing career. An initial group of five managers and eight artists was awarded $38,100 in January 1982 by the first jury to grant awards under the plan. The artists included four singers and four instrumentalists.

New Awards and Prizes
The Governor General's Literary Awards were expanded to include separate prizes for published plays. Previously, drama and poetry were considered together and were judged by the same jury. The first two drama awards, for works in English and

L'Orchestre symphonique de Montréal conducted by Charles Dutoit in the Church of Saint-Eustache, Québec, recording a digital version of Ravel's *Daphnis et Chloé*, which later won the 1982 Prix mondial du disque de Montreux.
Photograph: Jean-Claude Adam

Mary Hawkins and Frank Canino in a scene from the Necessary Angel Theatre Company production of John Krizanc's *Tamara*, which was staged in historic Strachan House in Toronto. The company received a grant from the Explorations program of Council to stage the experimental play.



A scene from *On l'aime ferme mais ça prend du foin*, a collective creation by the Théâtre Parminou of Victoriaville, Québec. The work originated at the request of the Fédération de l'Union des Producteurs agricoles de l'Estrie, and has been performed mainly in rural areas of the province.
Photograph: Bertrand Sylvain

French, will be given in 1982 for plays published in 1981. The Governor General's Awards now will be given in four categories: fiction, poetry, drama, and non-fiction.

A new prize in music performance was awarded for the first time by the Council. Through the generosity of the Sylva M. Gelber Foundation of Ottawa, an annual prize of $5,000 has been established, which is to be awarded to a performer of classical music under 30 years of age. The selection is made from among the artists taking part in the Council's annual competition for young performing musicians who have completed their basic training. The jury selected 22-year-old pianist John Kimura Parker of Burnaby, British Columbia, as the "most talented" of the competitors and the first winner of the award.

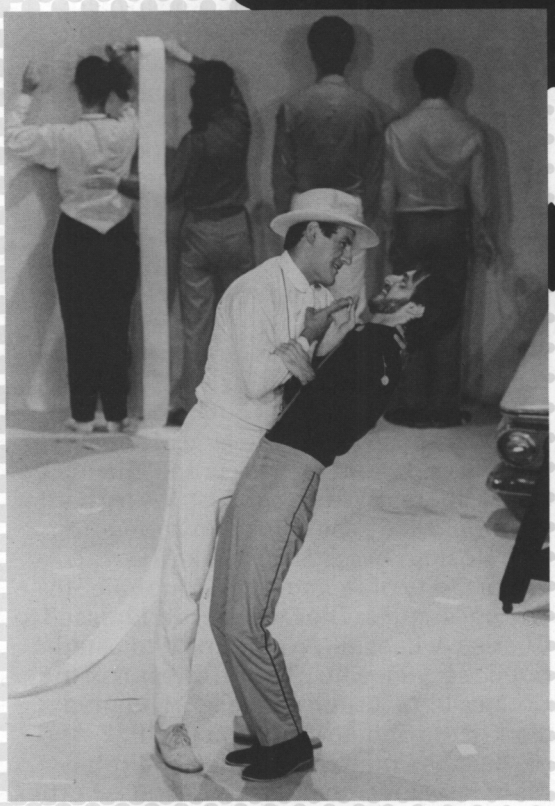
Payment for Public Use

With the assistance of a study committee of writers, librarians and publishers, the Council designed a workable system of paying authors for the public use of Canadian books in libraries across the country. To provide some of the necessary basic information, we secured title data from over 5,000 writers. Council does not now have the money to mount the program, and the proposal accordingly has been recommended to the Minister of Communications for possible funding.

National Theatre School Study

A study of the role and funding of the National Theatre School was commissioned from Dr. Davidson Dunton. Research support was provided by the Council's small Research and Evaluation Section. Dr. Dunton consulted the theatre community, National Theatre School staff, students and graduates, and organizations involved in theatre and in arts funding across Canada.

The report was very positive. Dr. Dunton concluded that the National Theatre School has a "pertinent and important role" to play in the theatrical life of Canada in the '80s and '90s. However, he pointed out that the School requires increased funding to compensate for inflation. If it were to cut its programs to accord with its current financial prospects, it would be left a "crippled and dying" institution. This is another well-documented example of legitimate needs increasing faster than the resources available to Council to meet them.



Yvon Aucoin and Marcel Thériault in a scene from Claude St-Germain's *Le Rêve de M. Milpiasse* produced by the Théâtre populaire d'Acadie of Caraquet, New Brunswick. Photograph: Réjean Poirier

The Arts and the Council

This report and its *Supplement,* are necessarily and properly concerned with the Canada Council as an institution, and with its programs, operations and finances. It is a dry document. It deals only marginally with the object of all this activity, which is of course the arts themselves.

Yet we must never forget that the Council exists only to serve the arts, and to help make it possible for the arts to play to the fullest their central role in our society. The Council is a means, and not an end. The arguments we make, sometimes tiresomely, for our independence, for tolerance of unconventionality, for peer judgements, and especially for more adequate funding – in short for being a special case – do not arise from any sense of self-importance or any desire for an easy and carefree existence.

On the contrary – and I know that I speak for all the members and staff of Council, although they might not put it quite this way – we believe that our kind of service is terribly important to the arts and is in the public interest. We do our best. We try harder. We would like to be able to do better.

In closing, I would like to take the opportunity of saying "ave atque vale" to two colleagues. The farewell is addressed to Charles A. Lussier, an able and dedicated public servant who became director of the Council in 1976, and who was appointed clerk of the Senate on 1 January 1982. And we hail the Council's new vice-chairman (as of last November), Jean-Jacques Fortier. A former vice-chairman of the CRTC, at home in business and the arts as well as in communications, Mr. Fortier already has demonstrated his devotion to the Canada Council and all it stands for.

Jim Henshaw (left), Susan Purdy and David Bolt in the Factory Theatre Lab (Toronto) production of George F. Walker's *Theatre of the Film Noir*. Photograph: David Groskind

J. Mavor Moore,
O.C., B.A., D. Litt.
Chairman

April 1982

Finances

Introduction

Income and Expenditure

Programs administered by the Council are financed from several sources of income as follows:

a) The Arts programs, Canadian Commission for Unesco and costs of administration are financed by the combined receipts of the government grant, income from the Endowment Fund and bequests and gifts.
b) The Killam Awards and the Molson Prizes are financed from funds donated or made available to the Council for specific purposes.

Investments

Under Section 18 of the Canada Council Act, the Council's investments are made, managed and disposed of on the advice of an Investment Committee, which consists of the Chairman of the Canada Council or his nominee and a member of the Council designated by the Council and three other persons appointed by the Governor-in-Council.

The composition of the Investment Committee at 31 March 1982 was as follows: Frank Case, chairman; Jean-Jacques Fortier, vice-chairman of the Council; Raymond Primeau, professor at the Université de Montréal; Alan Hockin, vice-president of investments, Toronto-Dominion Bank; and Gordon Dowsley, member of the Council and financial planning officer of the Crown Life Insurance Company. Bolton, Tremblay Inc., investment consultants of Montréal, manage the funds within guidelines established by the Investment Committee.

The Act imposes no restrictions on the manner in which the money of the Endowment Fund may be invested. However, the Investment Committee follows rules similar to those established under the Canadian and British Insurance Companies Act.

For investment purposes separate portfolios are maintained as follows: 1) Endowment Account, 2) Killam Fund. The Endowment Account comprises the assets of the Endowment Fund, the Molson Fund, the Lynch-Staunton Fund and the Special Scholarship Fund.

The Endowment Fund is invested in four main categories: short-term securities; Canada, provincial, municipal and corporate bonds; mortgages; equities. A summary of these holdings at 31 March 1982 and 31 March 1981 follows:

Endowment Account Investments

(in thousands of dollars)	Cost 1982	Market Value 1982	Cost 1981	Restated Market Value 1981
Short-term notes	$ 1,991	$ 1,991	$ 1,500	$ 1,500
Bonds and debentures	50,699	44,196	46,946	41,277
Equities	19,745	21,346	19,006	30,036
Mortgages – insured	4,769	2,937	5,413	3,745
Mortgages – conventional	898	378	1,002	668
Total	**$78,102**	**$70,848**	**$73,867**	**$77,226**

Endowment Account

The estimated market value was $7.3 million below cost, compared with $3.3 million above cost the previous year. This reflects a worsening of the equity market in 1981 and 1982. Net realized profits of $.8 million were experienced during the year, the result of trading securities at prices above cost. This compares with a net realized loss of $1.5 million last year. The profit reserve against future securities trading was $5.1 million at 31 March 1982.

The yield on the Endowment Account was 11.00% at 31 March 1982, compared with 10.00% at 31 March 1981. Details of changes in the equity elements of the Endowment Account are shown on pages 28 and 29.

Killam Fund

The Killam Fund portfolio was $13.1 million at 31 March 1982 and the yield increased to 10.1% from 9.6% a year earlier. This increase was the result of improved interest rates during the year and changes within the portfolio. The market value was $1.6 million below cost, changed from $.13 million above cost the previous year. Details of changes in the equity elements of the Killam and other Special Funds are shown on pages 30 and 31.

The Council received donations during the year of $5,000 from the Sylva Gelber Foundation and $25,000 from the Molson Family Foundation.

Auditor General's Report

The Honourable Francis Fox, P.C., M.P.
Minister of Communications
and
The Chairman
Canada Council

I have examined the balance sheets of the Endowment Account and Special Funds of the Canada Council as at 31 March 1982 and the statements of revenue and expenditure and equity of the Endowment Account and Special Funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Council as at 31 March 1982 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

(Signed) Roger Dubois
Deputy Auditor General
for the
Auditor General of Canada

Ottawa, Ontario
11 June 1982

Endowment Account
Statutory Endowment Fund and Parliamentary Grant

Balance Sheet
as at 31 March 1982

Assets

	1982	1981
Cash and short-term deposits	$ 1,850,673	$ 1,499,267
Accrued interest	1,582,351	1,346,901
Accounts receivable	327,130	333,582
Investments (Note 3)	76,110,780	72,366,658
	$79,870,934	**$75,546,408**

Liabilities

	1982	1981
Approved grants payable	$ 13,770,939	$ 12,360,882
Accounts payable and accrued liabilities	1,331,865	984,518
Deferred revenue	64,009	269,457
Due to Special Funds (Note 5)	4,771,422	4,191,179
	19,938,235	17,806,036

Equity

Fund capital:		
Principal, established pursuant to Section 14 of the Act	50,000,000	50,000,000
Accumulated net gains on disposal of investments	5,128,352	4,295,520
	55,128,352	54,295,520
Surplus:		
Reserve	3,100,000	2,100,000
Unappropriated	1,704,347	1,344,852
	4,804,347	3,444,852
	59,932,699	57,740,372
	$79,870,934	**$75,546,408**

Approved:
(Signed) Claude Gauthier,
Treasurer

(Signed) Timothy Porteous,
Director

Special Funds

Balance Sheet
as at 31 March 1982

Assets

	1982	1981
Cash and short-term deposits	$ 1,293,307	$ 1,227,709
Accrued interest	260,067	267,981
Due from Endowment Account (Note 5)	4,771,422	4,191,179
Investments (Note4)	12,854,756	12,893,142
Preferred shares, at nominal value (Note 6(b))	1	1
Rights to or interest in estates, at nominal value (Notes 6(e)(f)(g))	3	3
	$19,179,556	**$18,580,015**

Liabilities

	1982	1981
Approved grants payable	$ 1,226,748	$ 1,024,023

Equity

Fund capital:		
Principal	17,501,004	17,146,761
Accumulated net gains on disposal of investments	94,105	46,801
	17,595,109	17,193,562
Unappropriated surplus	357,699	362,430
	17,952,808	17,555,992
	$19,179,556	**$18,580,015**

Approved:
(Signed) Claude Gauthier,
Treasurer

(Signed) Timothy Porteous,
Director

Endowment Account

Statement of Equity for the year ended 31 March 1982

	Fund Capital			
	Principal	Accumulated net gains on disposal of investments	Total 1982	Total 1981
Balance at beginning of the year	$ 50,000,000	$ 4,295,520	$ 54,295,520	$ 55,805,932
Net gains (losses) on disposal of investments	–	832,832	832,832	(1,510,412)
Excess of revenue over expenditure	–	–	–	–
Appropriation	–	–	–	–
Balance at end of the year	**$50,000,000**	**$5,128,352**	**$55,128,352**	**$54,295,520**

Surplus Reserve	Unappropriated	Total 1982	Total 1981
$ 2,100,000	$ 1,344,852	$ 3,444,852	$ 2,856,559
–	–	–	–
–	1,359,495	1,359,495	588,293
1,000,000	(1,000,000)	–	–
$3,100,000	**$1,704,347**	**$4,804,347**	**$3,444,852**

Special Funds

Statement of Revenue and Expenditure and Equity for the year ended 31 March 1982

	Izaak Walton Killam Memorial Fund for Advanced Studies	Special Scholarship Fund	Molson Prize Fund	Lynch-Staunton Fund
Revenue and Expenditure				
Revenue:				
Interest and dividends	$ 1,303,580	$ 246,296	$ 85,629	$ 98,729
Gift	–	–	25,000	–
	1,303,580	246,296	110,629	98,729
Expenditure:				
Grants	976,594	296,152	60,000	66,754
Administration	93,590	32,372	3,000	–
Net losses on disposal of investments	110,017	–	–	–
	1,180,201	328,524	63,000	66,754
Excess of revenue over expenditure	**$ 123,379**	**$ (82,228)**	**$ 47,629**	**$ 31,975**
Equity				
Fund capital				
Principal				
Balance at beginning of the year	$ 12,657,263	$ 2,290,568	$ 900,000	$ 699,066
Cash received	–	211,852	–	–
Net income capitalized	120,999	21,392	–	–
Balance at end of the year	12,778,262	2,523,812	900,000	699,066
Accumulated net gains on disposal of investments				
Balance at beginning of the year	–	1,413	–	45,388
Net gains (losses) on disposal of investments	–	26,041	9,821	11,442
Balance at end of the year	–	27,454	9,821	56,830
	12,778,262	2,551,266	909,821	755,896
Unappropriated surplus				
Balance at beginning of the year	1,597	121,247	23,573	167,137
Excess of revenue over expenditure	123,379	(82,228)	47,629	31,975
Net income capitalized	(120,999)	(21,392)	–	–
Balance at end of the year	3,977	17,627	71,202	199,112
	$12,782,239	**$2,568,893**	**$981,023**	**$955,008**

John B.C. Watkins Estate	J.P. Barwick Estate	Edith Davis Webb Estate	Vida Peene Estate	Kathleen Coburn	Total 1982	Total 1981
$ 16,877	$–	$–	$ 111,810	$ 28	$ 1,862,949	$ 1,758,761
–	–	–	–	–	25,000	–
16,877	–	–	111,810	28	1,887,949	1,758,761
–	–	–	111,810	–	1,511,310	1,034,266
–	–	–	–	–	128,962	150,062
–	–	–	–	–	110,017	390,535
–	–	–	111,810	–	1,750,289	1,574,863
$16,877	**$–**	**$–**	**$ –**	**$ 28**	**$ 137,660**	**$ 183,898**
$ 1	$1	$ 1	$ 599,761	$ 100	$ 17,146,761	$ 16,871,726
–	–	–	–	–	211,852	140,435
–	–	–	–	–	142,391	134,600
1	1	1	599,761	100	17,501,004	17,146,761
–	–	–	–	–	46,801	224,444
–	–	–	–	–	47,304	(177,643)
–	–	–	–	–	94,105	46,801
1	1	1	599,761	100	17,595,109	17,193,562
48,845	–	–	–	31	362,430	313,132
16,877	–	–	–	28	137,660	183,898
–	–	–	–	–	(142,391)	(134,600)
65,722	–	–	–	59	357,699	362,430
$65,723	**$1**	**$1**	**$599,761**	**$159**	**$17,952,808**	**$17,555,992**

Statement of Revenue and Expenditure for the year ended 31 March 1982

Revenue

	1982	1981
Parliamentary grant	$ 52,941,000	$44,647,000
Interest and dividends	10,576,266	8,458,093
Art Bank rental fees (Note 7)	399,823	349,577
Cancelled grants, approved in previous years, and refunds	271,388	432,438
	64,188,477	53,887,108

Expenditure

Arts:		
Grants and services	51,071,905	43,183,659
Administration (Schedule)	5,551,689	4,814,087
Works of art (Note 7)	504,318	509,820
	57,127,912	48,507,566
Canadian Commission for Unesco:		
Administration (Schedule)	657,601	529,919
Grants	132,210	123,665
	789,811	653,584
General administration (Schedule)	4,911,259	4,137,665
	62,828,982	53,298,815
Excess of revenue over expenditure	**$1,359,495**	**$ 588,293**

Notes to Financial Statements
31 March 1982

1. Authority and objectives

The Canada Council was established by the Canada Council Act in 1957. It is not an agent of Her Majesty. The objectives of the Council are to foster and promote the study and enjoyment of, and the production of works in the arts and, in particular, but without limiting the generality of the foregoing, the Council may, in furtherance of its objectives:

(a) assist, co-operate with and enlist the aid of organizations, the objectives of which are similar to any of the objectives of the Council;
(b) provide, through appropriate organizations or otherwise, for grants, scholarships or loans to persons in Canada for study or research in the arts in Canada or elsewhere or to persons in other countries for study or research in the arts in Canada;
(c) make awards to persons in Canada for outstanding accomplishment in the arts;
(d) arrange for and sponsor exhibitions, performances and publications of works in the arts;
(e) exchange with other countries or organizations or persons therein knowledge and information respecting the arts; and
(f) arrange for representation and interpretation of Canadian arts in other countries.

2. Significant accounting policies

(a) *Basis of accounting*
The Council's accounts are maintained on an accrual basis except for dividends which are recorded on a cash basis.

(b) *Investments*
Bonds, debentures, equities and mortgages are valued at cost.

(c) *Gains and losses on disposal of investments*
Net gains on disposal of investments are credited to the Fund capital – accumulated net gains on disposal of investments. Net losses on disposal of investments are charged against this account to the extent of the balance available in the account. In the event that losses exceed the balance available in the account, the excess would be charged to expenditure in the year of realization.

(d) *Participation in Endowment Account's investment transactions*
The portfolios of three Special Funds (Special Scholarship Fund, Molson Prize Fund and Lynch-Staunton Fund) were merged on 1 October 1980 with the portfolio of the Endowment Account. The participation of each Fund is calculated on the basis of market value. Quarterly adjustments are made to take into consideration any capital withdrawals and additional investments. Interest earned and dividends received and realized gains or losses on disposal of investments are allocated to each Fund based on the percentages established at the beginning of each quarter.

(e) *Reserve*
The Council has established a reserve to reduce the erosion of value of the original endowment due to inflation. Appropriations to this reserve are approved by the Council.

(f) *Capitalization of net income of Special Funds*
The Council capitalizes 10% of the revenue less administration expenses of the Izaak Walton Killam Memorial Fund for Advanced Studies and the Special Scholarship Fund, in accordance with advice received from the trustees of these Funds in order to preserve the equity of these Funds for future beneficiaries. However, for the purposes of the Funds, the Council reserves the right to draw at any time on the accumulated net income capitalized.

(g) *Grants*
Grants approved by the Council are charged to expenditure in the year determined by the Treasurer in consultation with the Arts Division. Cancelled grants, approved in previous years, and refunds are shown as revenue in the Endowment Account. For the Special Funds, such items are deducted from the grants expenditure.

(h) *Works of art*
Purchases of works of art are shown as expenditure in the year of acquisition.

(i) *Furniture and equipment*
Purchases of furniture and equipment are shown as administration expenditure in the year of acquisition.

(j) *Employee termination benefits*
The Council does not record in its accounts any liability for employee termination benefits.

(k) *Special Funds*
Except for the parliamentary grant, all monies or properties received by the Council pursuant to Section 20 of the Canada Council Act are accounted for as Special Funds.

3. Investments – Endowment Account

(in thousands of dollars)	Cost 1982	Market Value 1982	Cost 1981	Market Value 1981
Bonds and debentures	$ 50,699	$ 44,196	$ 46,946	$ 41,277
Equities	19,745	21,346	19,006	30,036
Mortgages	5,667	3,315	6,415	4,413
	$76,111	**$68,857**	**$72,367**	**$75,726**

4. Investments – Special Funds

(in thousands of dollars)	Cost 1982	Market Value 1982	Cost 1981	Market Value 1981
Bonds and debentures	$ 9,066	$ 7,348	$ 9,265	$ 7,724
Equities	3,339	3,652	3,086	4,960
Mortgages	450	212	542	344
	$12,855	**$11,212**	**$12,893**	**$13,028**

5. Due to Special Funds/Due from Endowment Account

This account represents investments, accrued interest and short-term deposits relating to certain Special Funds, less administration charges of the Izaak Walton Killam Memorial Fund.

	1982	1981
Special Scholarship Fund	$ 2,813,676	$ 2,468,514
Molson Prize Fund	1,032,510	856,641
Lynch-Staunton Fund	1,018,826	998,686
	4,865,012	4,323,841
Izaak Walton Killam Memorial Fund	(93,590)	(132,662)
	$4,771,422	**$4,191,179**

5. Bequests and gifts

a) *Izaak Walton Killam Memorial Fund for Advanced Studies*

A bequest of $12,339,615 in cash and securities was received from the estate of the late Mrs. Dorothy J. Killam for the establishment of the Izaak Walton Killam Memorial Fund for Advanced Studies "to provide scholarships for advanced study or research at universities, hospitals, research or scientific institutes, or other equivalent or similar institutions both in Canada and in other countries in any field of study or research other than the 'arts' as presently defined in the Canada Council Act and not limited to the 'humanities and social sciences' referred to in such Act."

The bequest contains the following provisions: "the Fund shall not form part of the Endowment Account or otherwise be merged with any assets of the Council"; and "in the event that the Canada Council should ever be liquidated or its existence terminated or its powers and authority changed so that it is no longer able to administer any Killam trust, the assets forming any such Killam Trust shall thereupon be paid over to certain universities which have also benefited under the will."

The cash and securities received and the proceeds have been invested in a separate portfolio.

(b) *Special Scholarship Fund*

A gift of $4,353,609 was received from the estate of the late Mrs. Dorothy J. Killam for the establishment of a Special Scholarship Fund. The gift consisted of preferred shares in a Canadian company redeemable over a period of years. To 31 March 1982, the Council has received proceeds from the redemption of these preferred shares amounting to $2,446,936 including $211,852 redeemed during the year (1981 – $135,225). The unredeemed portion of $1,906,673 is carried on the balance sheet at a nominal value of $1. These proceeds have been invested and the income therefrom is available to provide fellowship grants to Canadians for advanced study or research in the fields of medicine, science and engineering at universities, hospitals, research or scientific institutions or other equivalent or similar institutions in Canada.

(c) *Molson Prize Fund*

Gifts of $900,000 were received from the Molson Foundation for the establishment of the Molson Prize Fund. The income of the fund is used for awarding cash prizes to Canadians "for outstanding achievement in the fields of the Arts, the Humanities or the Social Sciences that enriches the cultural or intellectual heritage of Canada or contributes to national unity." The value of each prize is $20,000 or as determined by the Council, without restriction as to its use by the recipient. During the year, the Council received an additional gift of $25,000 for current purposes.

(d) *Lynch-Staunton Fund*

An unconditional bequest of $699,066 was received from the estate of the late V.M. Lynch-Staunton. A fund was established, the income from which is available for the regular programs of the Council.

(e) *John B.C. Watkins Estate*

A bequest was received of the net income from the residue of the estate of the late John B.C. Watkins, which assets are held in perpetuity by a trust company. The net income is to be used "for the establishment of scholarships to be awarded to graduates of any Canadian University who may apply therefor for the purpose of engaging in post graduate studies in Denmark, Norway, Sweden or Iceland and who shall be selected for their outstanding worth or promise by a committee appointed by the Canada Council." The bequest is reflected in the balance sheet at a nominal value of $1.

(f) *J.P. Barwick Estate*

A bequest of what may amount to $31,500 was made by the late J.P. Barwick. The payment of the bequest is to be postponed during the lifetime of the surviving beneficiary of the residue of the estate. The bequest to the Council is "on condition that such bequest shall be applied only for the benefit of the musical division of the arts and for the encouragement of the musical arts to increase the Council's normal budget in the musical division or field of the arts." The bequest is reflected in the balance sheet at a nominal value of $1.

(g) *Edith Davis Webb Estate*

A bequest of what may amount to $400,000 was made by the late Mrs. Edith Davis Webb. The payment of the bequest is to be postponed during the lifetime of the surviving beneficiary of the residue of the estate. The bequest to the Canada Council is "to be used for the purpose of making grants or establishing scholarships for musical study in such manner as the Council shall determine." The bequest is reflected in the balance sheet at a nominal value of $1.

(h) *Vida Peene Estate*

A bequest of $599,761 was made by the late Vida Peene, a past member of the Council. The earnings from this bequest are to be paid annually to several organizations as listed in her will. In the year under review, the earnings from this fund were $111,810 and this amount was paid out as directed.

(i) *Kathleen Coburn*

A gift of $100 was received from Miss Kathleen Coburn, and is part of a promise of a larger bequest, the amount of which cannot be determined at this time. When this bequest is in hand, it will provide for exchanges of scholars between Israel and Canada. The earnings in 1981-82 were $28.

7. Art Bank

In 1972, the Canada Council Art Bank was established to develop a collection of works of art for use in federal offices and public buildings on a rental basis. Works of art acquired to 31 March 1982 total approximately $7,056,000 including $504,318 purchased during the year (1981 – $509,820).

8. Long-term lease agreement

On 8 October 1976 the Council entered into a ten-year agreement for office space for the period November 1976 to October 1986. The agreement called for an annual rental of $606,450 for the first five years and an annual rental of $657,975 for the remaining five years.

9. Transactions with Canada

Upon the establishment of the Canada Council in 1957, the Parliament of Canada authorized the creation of an Endowment Fund of $50,000,000. The activities of the Endowment Account of the Canada Council are dependent on annual parliamentary appropriations and on revenue from the Endowment Fund.

10. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

Endowment Account

Schedule of Administration Expenditure for the year ended 31 March 1982

	Arts	Canadian Commission for Unesco
Salaries and wages	$ 3,387,327	$ 460,779
Employee benefits	370,662	48,766
Assessors' fees, committee meetings and members' honoraria	989,049	–
Rent and maintenance	159,568	–
Staff travel	526,539	46,047
Communications	–	–
Printing, publications and duplicating	63,582	29,626
Council meetings including members' honoraria	–	60,384
Professional services	–	1,767
Data processing	–	–
Office supplies and expenses	–	10,232
Safekeeping charges	–	–
Furniture and equipment	14,569	–
Freight and storage	24,136	–
Sundry	16,257	–
	$5,551,689	**$657,601**

General	Total 1982	Total 1981
$ 2,161,281	$ 6,009,387	$ 5,115,775
247,015	666,443	504,962
–	989,049	827,382
672,179	831,747	783,391
95,130	667,716	522,083
611,613	611,613	510,911
193,576	286,784	271,443
204,044	264,428	191,587
261,372	263,139	396,947
221,812	221,812	167,054
129,128	139,360	52,235
50,549	50,549	38,927
11,137	25,706	55,185
–	24,136	20,204
52,423	68,680	23,585
$4,911,259	**$11,120,549**	**$9,481,671**

Structure of the Canada Council

Council
Chairman
Vice-Chairman and 19 members

Director

Associate Director

Investment Committee

Arts Division

Services
Individual Awards
Writing and Publishing
Visual Arts
  Art Bank
Dance
Theatre
Music

Touring Office

Explorations Program

Advisory Panels
Arts
Touring

Secretariat

Assistant Director and Secretary

Secretary's Office
Communications Service
Atlantic Office
Translations/ Terminology

Administrative Division

Assistant Director and Treasurer

Services
Administration
Information Systems
Personnel
Finances
Research and Evaluation
Reproduction Centre
Central Registry and Archives

Killam Program

Unesco Division

Secretary-General

Services
Programs
Information
Administration

Canadian Commission for Unesco

Canada Council Publications

Brochures and Folders on Current Canada Council Programs
Aid to Artists
Aid to Writing and Publication
*Annual Report and Supplement, 1981-1982**
The Canada Council Folder
The Canada Council Art Bank
Dance
Explorations Program
Visiting Foreign Artists and Opportunities Abroad for Canadian Artists
Killam Program
Touring Office
Visual Arts, Film and Video

Speeches
Supporting Culture – A Shared Responsibility. Notes for a presentation to the Institute of Donations and Public Affairs Research, Montréal, 3 February 1981, by David Bartlett, Secretary to the Canada Council.

Transcript of a speech given at the Confederation Centre, Charlottetown, 25 May 1979, by J. Mavor Moore, Chairman, the Canada Council.

Culture and Confederation: The Spirit of Charlottetown. Notes for a speech to the Committee of Confederation Centre, Charlottetown, 22 February 1978, by Timothy Porteous, Associate Director, the Canada Council.

The Canada Council: The Principle of Excellence and Its Implications in a Democratic Society. Notes for an address to the Annual Management Development Program, Harvard University Institute in Arts Administration, Cambridge, Massachusetts, 6 July 1977, by Charles A. Lussier, Director, the Canada Council.

The Arts in the Canadian Community. Notes for a speech to the Annual Conference of the Canadian Music Council, Community Music Centre, Vancouver, 30 April 1977, by Timothy Porteous, Associate Director, the Canada Council.

The Canada Council and Dance. Notes for remarks to the Dance in Canada National Conference, Dalhousie Arts Centre, Halifax, 9 August 1976, by Charles A. Lussier, Director, the Canada Council.

The Arts in Canada: A Better Way? Remarks to the American Symphony Orchestra League, Boston, 9 June 1976, by Timothy Porteous, Associate Director, the Canada Council.

Music Development in a Restrained Economy. Notes for an address to the Annual Conference of the Canadian Music Council, Guelph, Ont., 8 May 1976, by Charles A. Lussier, Director, the Canada Council.

Public-Private Partnership in the Arts. Notes for an address to the Institute of Donation and Public Affairs Research, Toronto, 7 May 1976, by Charles A. Lussier, Director, the Canada Council.

The Canada Council and the Arts in Saskatchewan. Notes for a speech to the SaskARTchewan Conference, Saskatoon, 1 May 1976, by Timothy Porteous, Associate Director, the Canada Council.

Studies, Briefs and Other Texts
The National Theatre School. A report commissioned by the Canada Council from Davidson Dunton. January 1982.

Submission to the Canadian Radio-Television and Telecommunications Commission on Pay-Television Service. September 1981.

Submission to the Federal Cultural Policy Review Committee. 9 March 1981.

The Canada Council: Scale and Profile of Its Programs. March 1981.

The Canada Council: Trends in Support to the Arts: Technical Tables. February 1981.

The Art of Partnering Dance – A Federal Pas de Deux: Summary. A summary of a paper presented to the Council by the Dance Section of the Council. December 1980.

*Some of the annual reports from previous years are still available from the Communications Service. The complete series also may be held at your local library.

Submission on Extension of Service to Northern and Remote Communities, the Satellite Distribution of Programming and Pay Television. 3 March 1980.

The State of Canadian Orchestras. A paper presented to the Canada Council by Franz Kraemer, Head of the Music Section of the Council. 10 December 1979.

The Canada Council Art Bank. A report commissioned by the Canada Council from Davidson Dunton. June 1979.

Guidelines on the Support of Theatre Companies. March 1979.

Economic Outlook for Ballet. January 1979.

The Future of the Canada Council. A report to the Canada Council from the Advisory Arts Panel under the chairmanship of Roger Jones. December 1978.

A National Music School for Canada. An inquiry by Helmut Blume. March 1978.

Twenty plus Five. A discussion paper on the role of the Canada Council in the arts, after the first twenty years (1957-77) and over the next five. Based on a report by a committee of the Council. November 1977.

Report of the Committee of Inquiry into Theatre Training in Canada. A study prepared by an independent Committee of Inquiry under the chairmanship of Malcolm Black. June 1977.

The Arts in Canada 1975: Viewpoint. A document prepared by Duncan Cameron for the Canada Council on the occasion of the Arts and Media Conference, National Arts Centre, Ottawa, 15-16 May 1975.

An Analysis of Selected Performing Arts Occupations. A statistical study conducted by the Department of Manpower and Immigration, 1972. July 1974.

The Group of Twenty-Nine. Financial and operational statistics of twenty-nine performing arts organizations from 1966 to 1972, by Mary C. Sullivan, Research and Analysis Section, the Canada Council. October 1973.

Directions for the Dance in Canada. A study conducted by McKinsey and Company, Inc., Management Consultants. April 1973.

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Art Bank Slides

Contemporary Canadian Painting, a set of 100 slides from the Art Bank collection. $75.00. (Checklist available on request.)

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