

The Canada Council  
for the Arts

Thirty-Ninth  
Annual Report

1995-1996







THE CANADA COUNCIL WAS CREATED BY AN ACT OF PARLIAMENT IN 1957. UNDER THE TERMS OF THE CANADA COUNCIL ACT, THE OBJECT OF THE COUNCIL IS "TO FOSTER AND PROMOTE THE STUDY AND ENJOYMENT OF, AND THE PRODUCTION OF WORKS IN, THE ARTS." TO FULFILL THIS MANDATE, THE COUNCIL OFFERS A BROAD RANGE OF GRANTS AND SERVICES TO ARTISTS AND OTHER ARTS PROFESSIONALS AND TO ARTS ORGANIZATIONS. THE COUNCIL ALSO MAINTAINS THE SECRETARIAT FOR THE CANADIAN COMMISSION FOR UNESCO, ADMINISTERS THE KILLAM PROGRAM OF SCHOLARLY AWARDS AND PRIZES, AND OFFERS A NUMBER OF OTHER PRESTIGIOUS AWARDS.

THE COUNCIL IS HEADED BY A BOARD CONSISTING OF 11 MEMBERS, WHO ARE APPOINTED BY THE GOVERNMENT. THE BOARD MEETS FOUR TIMES A YEAR. ITS DECISIONS ON POLICIES, PROGRAMS, GRANTS AND OTHER MATTERS ARE IMPLEMENTED BY A STAFF HEADED BY A DIRECTOR APPOINTED BY THE GOVERNMENT.

THE CANADA COUNCIL AND ITS STAFF RELY HEAVILY ON THE ADVICE AND COOPERATION OF ADVISORY COMMITTEES AND OF ARTISTS AND ARTS PROFESSIONALS FROM ALL PARTS OF CANADA, WHO ARE CONSULTED BOTH INDIVIDUALLY AND COLLECTIVELY. THE COUNCIL ALSO WORKS IN CLOSE COOPERATION WITH FEDERAL AND PROVINCIAL CULTURAL AGENCIES AND DEPARTMENTS.

THE CANADA COUNCIL REPORTS TO PARLIAMENT THROUGH THE MINISTER OF CANADIAN HERITAGE AND IS CALLED FROM TIME TO TIME TO APPEAR BEFORE PARLIAMENTARY COMMITTEES, PARTICULARLY THE HOUSE OF COMMONS STANDING COMMITTEE FOR CANADIAN HERITAGE. ITS ACCOUNTS ARE AUDITED BY THE AUDITOR GENERAL OF CANADA AND INCLUDED IN THE COUNCIL'S ANNUAL REPORT TO PARLIAMENT.

ANNUAL GRANTS FROM PARLIAMENT ARE THE CANADA COUNCIL'S MAIN SOURCE OF FUNDS. THESE GRANTS ARE SUPPLEMENTED BY INCOME FROM AN ENDOWMENT FUND OF \$50 MILLION ESTABLISHED BY PARLIAMENT IN 1957. THE COUNCIL CAN RECEIVE AND HAS OVER THE YEARS RECEIVED A NUMBER OF PRIVATE DONATIONS AND BEQUESTS. THE INCOME FROM WHICH IS DEVOTED TO THE PURPOSES ESTABLISHED BY THE DEEDS OF GIFT.

# The Canada Council 39th Annual Report

"The artist is boosting Canada's exports, bringing tourists to our shores, filling our restaurants and hotels, creating thousands of high-skill jobs, getting us noticed in the capitals of the world, advancing bold new technologies, bringing joy of all kinds to millions of us and, by the way, giving us another reason why the world keeps calling Canada the best place on earth to live."

—Donna Scott, *Chairman, The Canada Council*

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A *Supplement* to this *Annual Report*, including a complete list of grants awarded during the year, names of recipients and brief descriptions of each type of grant, is published separately. The *39th Annual Report Supplement* will be made available in August on the Internet at [www.canadacouncil.ca](http://www.canadacouncil.ca) or can be obtained by writing to *Annual Report Supplement*, The Canada Council, 350 Albert Street, P.O. Box 1047, Ottawa, Ontario, K1P 5V8





# Director's Report: A Year in the Life of the Canada Council

ROCH CARRIER

Art, we have to remember, is useful. In our current circumstances, when government is cutting in every sector, we have to remember this even more. Art

as possible in a communications strategy that emphasizes the essential nature of the Canada Council. We have also affirmed that art is fundamentally a

*This year, our prime focus has been on translating our strategic plan into action.*

creates jobs. Art contributes to the economy. Art is integral to the pleasure of living in a particular place: art and tourism are natural partners. Art is the breeding ground for the Canadian content of the global communications networks of the future; our country must have a strong voice or run the risk of drowning in a flood of other cultures. Art is what gives a country its face and its soul, its identity and the referents of its future.

These are familiar messages to the arts community and to those who are directly involved in the arts, but less so to many Canadians who support the arts through their taxes. We have repeated them as often



ROBERT ETCHERRY

search, that art is the tangible evidence of the depth and diversity of human beings who question their destiny. Like long roots tapping into the residue of the past, art nourishes our analysis of the present so that we can invent the avenues of the future.

This is the philosophy that sustains us. But we are also administrators of the daily life of Canada's national arts granting agency and its concrete, real needs. This year, our prime focus has been on translating our Strategic Plan into action. Our first goal was to reduce administrative costs by almost 50 per cent over a three-year period. These costs accounted for 22 per

JOE, FONDATION JEAN-PIERRE PERREAULT'S PIVOTAL WORK FOR 32 DANCERS, TOURED TO TORONTO, WINNIPEG, MONTREAL, QUEBEC CITY AND OTTAWA IN MAY AND JUNE 1994 WITH TOURING OFFICE ASSISTANCE, AS A PRELUDE TO ITS FIRST AMERICAN TOUR. PERREAULT, AN INTERNATIONALLY RENOWNED CHOREOGRAPHER WHO HAS BEEN SUPPORTED BY THE COUNCIL SINCE 1971, CREATED A COMMISSIONED PIECE ENTITLED *EIRONOS* FOR THE FESTIVAL OF PERTH IN AUSTRALIA IN FEBRUARY 1996. THE TOURING OFFICE PROVIDED ASSISTANCE OF \$1.1 MILLION TO TOURS BY 26 DANCE COMPANIES AND DANCE ARTISTS IN CANADA IN 1995-96. OVERALL, IN ALL OF THE DISCIPLINES, THE TOURING OFFICE FUNDED 161 TOURS IN 1995-96, ALLOWING ARTISTS TO PRESENT MORE THAN 2,000 PERFORMANCES WHICH REACHED MORE THAN 700,000 SPECTATORS ACROSS CANADA.

cent of our budget. In the coming year, they will account for 15.5 per cent, and we are making continued progress. We have had to reduce our staff by one-third. This was not

henceforth, each discipline is responsible for the development of young, emerging artists and organizations, and grants to individual artists.

the necessary funding is being sought. We are proceeding to digitize the 18,000 images owned by the Bank for the purposes of scholarly research and promotion of

*... everyone was able to understand the Council's commitment to maintaining the grants budget at the same level as before government cuts.*

easy, but everyone was able to understand the Council's commitment to maintaining the grants budget of direct support to the arts at the same level as before government cuts.

Our next action was to adjust the grants budgets of the Council's sections to better reflect the priorities defined in the Strategic Plan. While few drastic changes were made, we can discern a number of new directions: the new acquisition assistance program for art museums and public galleries, increased funding for the Touring Office and the Media Arts Section, and concentrated efforts in providing assistance to First Peoples artists to have their voices heard in the contemporary context of the arts in Canada.

To achieve greater cohesiveness, we have incorporated the resources of the Explorations and Arts Awards programs within the various disciplinary sections;

A great deal of time and consideration has gone into the question of the Art Bank, which was founded to provide support to artists and to help develop the art market through exposure of Canadians to contemporary art. However, the Art Bank had become an excessively costly operation, with too small a share of its budget going to support to artists. It was a financial drain on other programs. Since the publication of the Strategic Plan, and pending our decision about the future of the artworks, we have been managing the Bank in order to reduce its operating deficit to the minimum and maintain its rental revenues.

The good news is that the Art Bank's deficit of \$2.1 million has been reduced to \$450,000. A pilot program of artwork rentals to the private sector is being tested, and to date shows every sign of being a success. We have also initiated a sculpture park project, for which

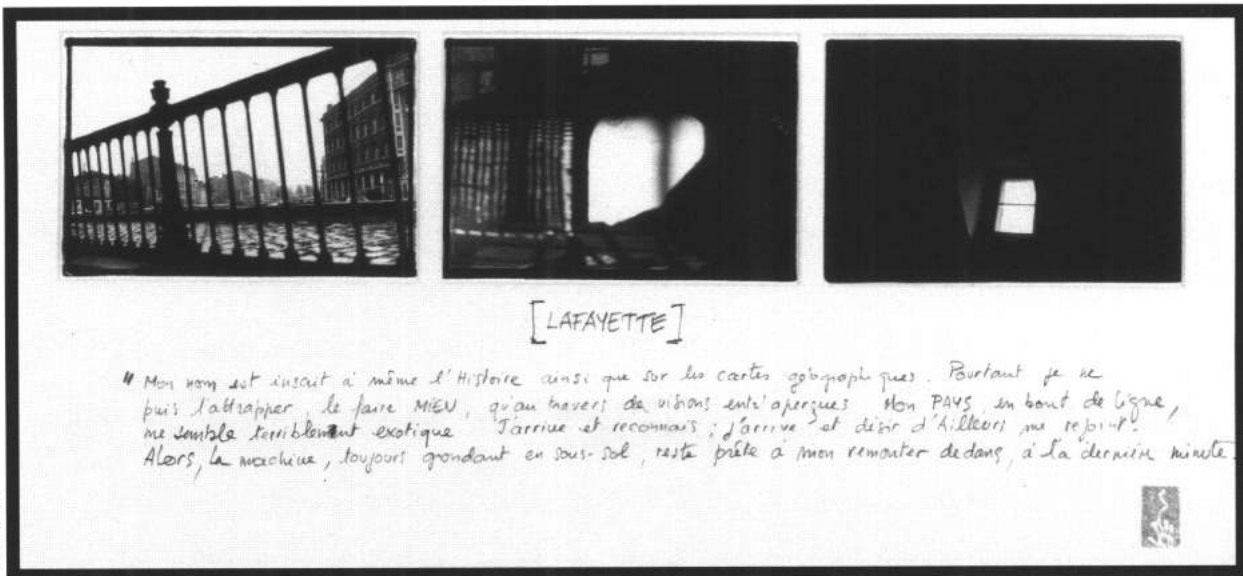
the rental program. Last, we have accepted many of the recommendations of the task force that we established to consult on the future of the Art Bank.

To enhance the efficiency of our organization, we have undertaken a review of our programs and updated our information material. This extremely complex operation was a success, and has been generally well received, but there is still work to be done. The simplification of application forms and the use of a common form with other arts granting agencies is an objective that we must achieve in the very near future.

We have also begun work on radically redesigning and streamlining our processes - everything from the initial telephone call for information on how to apply, to the final phase when the cheque is in the mail. Our goal is to reduce the administrative workload by







TRYPTECH FROM A WORK-IN-PROGRESS ENTITLED *CONTREDANSE* BY SERGE JONGUÉ, A PIECE ADDRESSING NARRATIVE PROCESSES BOTH IN PHOTO-IMAGES AND WRITING. FROM A SERIES OF WORKS CREATED BY THE ARTIST WITH THE ASSISTANCE OF A CANADA COUNCIL EXPLORATIONS GRANT IN 1995.

one-third, and make the process more efficient, coherent and easy to use.

These changes have not been easy for our staff. In addition to continuing with their daily workload, employees have to help us reinvent the future. Naturally, some are more enthusiastic about change than others, but I would like to make note of the exceptionally generous participation of our staff on numerous committees. They have examined the challenges that face the arts community, as well as those that must be contended with by an agency providing support to the creation, production and presentation of the work of the arts community. Employees made recommendations that were reviewed, discussed, and in many

cases adopted. In this exercise, a number of staff discovered the pleasures and challenges of increased responsibility for the future of their organization.

Among our staff and the arts community alike, there is grave concern for the future of government support to the arts. At the Canada Council, we are doing everything we can to become more efficient and more productive. We want to distribute the budget we receive from taxpayers' contributions at the lowest cost possible. For the most part, the artists recognize the new reality of the effects our national debt is having on the country. Some maintain that it is not artists who are responsible for deficits, since the budget allocated to the arts is a mere drop in the

governmental ocean; and others are finding innovative ways of supporting their public funding through partnerships. However, among both large and small institutions, we are witnessing deficits at near-crisis levels, and we receive constant calls for help – even from those organizations with the best administration and best artistic direction imaginable.

We realize that the government deficit has to be reduced. However, we need an arts policy that states clearly the long-term role government intends to play: its commitment to the arts and the means it intends to invest in the arts, its commitment to developing Canadian talent and the extent to which it is prepared to develop this talent so that Canada has a presence on the world's stage.

Our fondest wish, during our 40th anniversary year, would be for government to ask us to prepare a plan of support for the arts that would carry us through to the fireworks and celebrations of our 50th anniversary!

Does government want us to have a voice? The government claims that the arts are the "third pillar" of our foreign policy. But behind every good intention, one needs means for its application – and art cannot be expressed abroad if it is not developed at home.

This year, I have personally witnessed the imaginative budget endeavors made by countries such as Mexico and Japan to position themselves within the global arts market; I have seen their pride in

working to ensure that the arts are their emissaries throughout the world.

These are the issues that are being raised in these times of uncertainty and innovation, on the eve of the 40th anniversary of the Canada Council.

We are energetic at the Canada Council, and we are committed; throughout our history, we have supported individuals and institutions that have become national treasures, and we have a

profound knowledge of the arts community and the artistic disciplines. Our fondest wish, during our 40th anniversary year, would be for government to ask us to prepare a plan of support for the arts that would carry us through to the fireworks and celebrations of our 50th anniversary!

*Roch Carrier*

Roch Carrier  
Director

## Strategic Plan: One Year Later

The Council published its Strategic Plan—*The Canada Council: A Design For the Future*—in March 1995, following a comprehensive reassessment of the Council's roles and responsibilities with the staff and Board and consultations with the arts community. The Plan set out the major priority areas and general direction for the future of the Council. This is a report on the progress the Council has made in the year under review and on its future intentions towards meeting the Plan's principal objectives.

### Priority: Investment in the Arts

#### OBJECTIVES:

- maintain the grants budgets
- concentrate support on creation, production, and distribution and dissemination and in particular on Canadian works of art
- increase support for touring and distribution
- increase support to the visual and media arts and withdraw from Art Bank program
- transfer responsibility for pre-professional training in the arts to the federal government



- target funding to arts service organizations whose activities meet the priorities of the Council's Plan

## THE COUNCIL HAS:

- maintained its grants budget and cut administration costs by \$3 million to meet reductions in its Parliamentary Appropriation
- revised its programs and will reallocate increased support for touring and distribution and dissemination of \$900,000 in 1996/97

- improved support for the visual arts by creating a \$750,000 Canadian contemporary art acquisition program to provide matching funds to museums and public galleries across Canada

- reallocated \$400,000 to the Media Arts
- announced phasing out of the Art Bank program, and restructured to reduce its operating deficit from \$2.1 million to \$450,000
- transferred funding for the National Theatre and National Ballet schools to the Department of Canadian Heritage and is advocating a national policy for arts training

- reduced and is targeting funds to arts service organizations for priority activities as identified in the Plan

## Priority: Leadership. Advocacy and Appreciation

### OBJECTIVES:

- assume a greater leadership role on behalf of the arts and promote the value of the arts to Canada and the importance of public funding of the arts

## THE COUNCIL HAS:

- defended public funding of the arts and the Canada Council's role in speeches, public appearances, letters to the editor, and in media opportunities
- lobbied successfully for changes in federal tax treatment for donations to the arts
- spoken out on the importance of increased private sector sponsorship of the arts

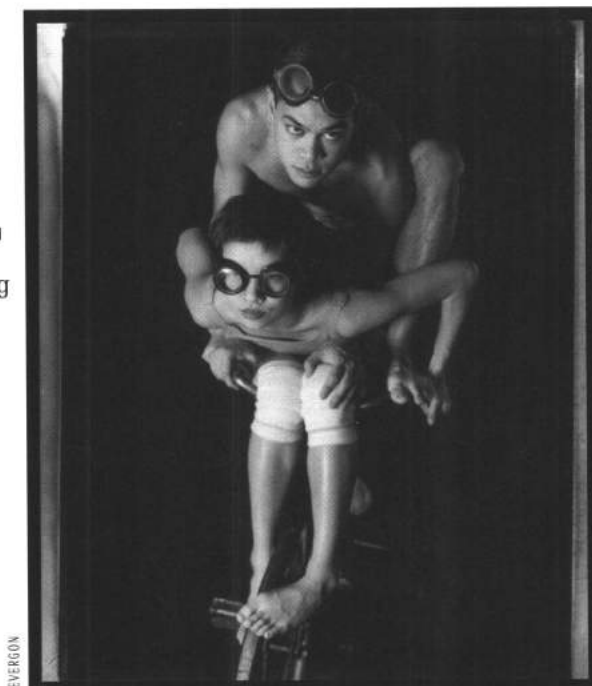
## Priority: Partnership and Other Support

### OBJECTIVES:

- work more closely with arts funders at all levels of government to strengthen public support of the arts

and to cooperate more effectively

- develop closer links with the corporate and philanthropic sectors to strengthen support for the arts



ONE OF THE OLDEST CONTEMPORARY DANCE ORGANIZATIONS IN THE COUNTRY, LE GROUPE DE LA PLACE ROYALE, UNDER ARTISTIC DIRECTOR PETER BONEHAM, CELEBRATES ITS 30TH ANNIVERSARY THIS YEAR. LE GROUPE HAS BEEN SUPPORTED BY THE CANADA COUNCIL SINCE 1970, AND NOW OPERATES AS A NATIONAL CHOREOGRAPHIC RESEARCH CENTRE CALLED "THE LAB." FOR THE OCCASION OF LE GROUPE'S ANNIVERSARY, ACCLAIMED CANADIAN PHOTOGRAPHER EVERGON CREATED A SERIES OF PHOTOGRAPHIC IMAGES OF THE COMPANY. EVERGON, WHO RECEIVED HIS FIRST COUNCIL GRANT IN 1973, WAS AWARDED THE COUNCIL'S VICTOR MARTYN LYNCH-STAUTON AWARD IN 1986, AND THE PETRO-CANADA AWARD IN 1990.



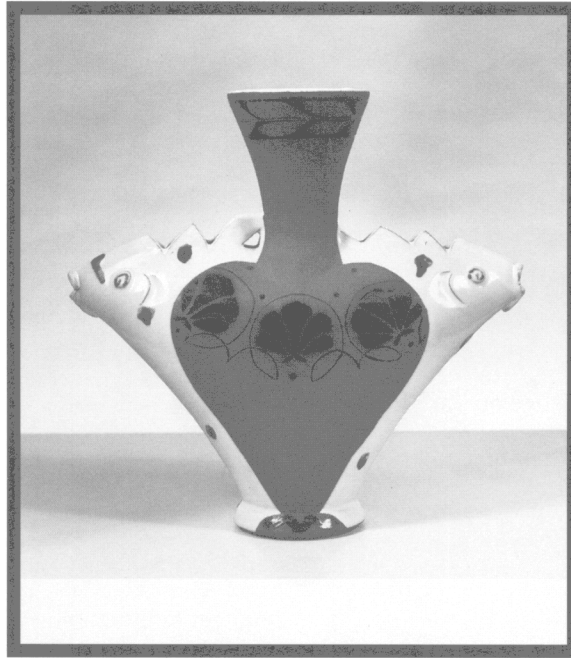
## THE COUNCIL HAS:

- restructured and streamlined the organization, eliminated 30% of staff positions, reorganized arts sections from 10 to 7
- reduced administrative costs from 20% to 16.5% of total budget—from \$22 to \$17 million and is on target to reduce administrative costs by almost 50% by 1998
- reduced salary costs from \$11.7 to \$9.1 million
- maintained the grants budget
- reviewed and revised all programs of support to artists and arts organizations to be more responsive to developments and needs
- reduced and consolidated programs
- redesigned programs and streamlined service to artists and arts organizations
- simplified and improved application forms and program information
- committed to improving and standardizing peer review process and is developing policy and procedure guidelines
- begun process of re-engineering administrative processes to reduce costs and improve efficiency
- developed and is implementing communications plan to intensify promotion of the value of the public funding of the arts and Canada Council's role and accomplishments to a broader audience

## Priorities for 1996/97

### THE COUNCIL WILL:

- further consolidate programs
- conclude its redesign and streamlining of the grant application and assessment processes
- further reduce administrative costs to achieve a level of 15.5% of budget
- make further progress on achieving full cost recovery in the operations of the Art Bank
- continue working collaboratively with other arts funders on mutually beneficial and complementary activities, and finalize common application form
- develop and implement plan to build endowment funds and to take fuller advantage of prizes to enhance profile of the arts
- establish consistent and transparent policies and guidelines for peer assessment process
- celebrate the successes of 40 years of public funding of the arts



*FISH VASE WITH GREEK POT, 1990, BY WALTER OSTROM. EXHIBITED IN WALTER OSTROM - THE ADVOCACY OF POTTERY AT THE ART GALLERY OF NOVA SCOTIA, WITH SUPPORT FROM THE COUNCIL'S EXHIBITION ASSISTANCE PROGRAM. IN 1995-96, 344 VISUAL ARTS PROFESSIONALS ACROSS CANADA—PAINTERS, PHOTOGRAPHERS, SCULPTORS, ARCHITECTS, INSTALLATION ARTISTS, CRAFT ARTISTS, CRITICS AND CURATORS—RECEIVED GRANTS TOTALLING \$4.1 MILLION TOWARD THE PURSUIT OF THEIR ART.*

## THE COUNCIL HAS:

- negotiated a \$1.4 million donation from the government of Japan for the renewal of the Council's Japan-Canada Fund
- worked with provincial arts funders towards a streamlined, common application form and other means of greater cooperation
- created a new position of Director, Endowments and Awards, to work with the philanthropic and the corporate sector to increase the funds for endowments and awards and to streamline and stimulate more profile for the Council's prizes
- formed Canada Council Task Force on Tax Incentives for the Arts, a coalition of arts and tax experts, to obtain changes to the tax treatments of donations to the arts

## Priority: Equity, Access and New Practices

### OBJECTIVES:

- better serve the regions of Canada through increased touring and distribution, awareness of development needs, and improved information and access
- improve communications with, access to and responsiveness of programs for First Peoples artists and artists from culturally diverse communities
- better accommodate multidisciplinary and interdisciplinary forms of art
- strengthen support for the media arts
- make better use of technology for administration and communications

## THE COUNCIL HAS:

- consolidated performing arts touring and media and visual arts dissemination programs
- integrated Explorations program into disciplinary sections and revised criteria to better respond to development needs

“Art is the spiritual equivalent of vitamins. Doctors don’t quite know what vitamins do. They just know that without them, you die.”

—Richard Monette, actor and director

- developed new programs and criteria for First Peoples artists and will reallocate \$250,000 in 1996/97
- implemented communications outreach activities for First Peoples and culturally diverse communities
- consolidated programs for multidisciplinary and interdisciplinary forms of art, and will strengthen support to new media in 1996-97
- created and developed website on the Internet for improved access to Council information
- reorganized and centralized access to Council program information

## Priority: Improving Program Delivery and Administrative Reform

### OBJECTIVES:

- review organizational structure and streamline operations
- reduce administrative costs from \$22 million to \$12 million by 1998
- review and reform programs, criteria
- maintain grants budget
- improve peer review process and establish guidelines for advisors, jurors and assessors
- make better use of technology to improve communications
- improve outreach communications initiatives
- increase effectiveness of prizes in raising profile of the arts
- develop communications plan to support the objectives of the Plan



# Chairman's Report: The Arts in Canada



DONNA SCOTT

*In 1995, there was an intense debate on public funding of the arts.*

*We welcomed that debate here at the Canada Council. In fact, I believe it is our responsibility to speak out more forcibly on what public funding of the arts has brought Canadians over the past 40 years, and why we should value the arts and continue to support them.*

*The Board, the Director and I have been doing just that—in speeches, media interviews, meetings with editorial boards and other arts councils, and appearances before Parliamentary Committees.*

*So in the same spirit of openness and advocacy, we see this, the Council's 39th Annual Report, as an opportunity to present clear and, we hope, persuasive arguments to the widest possible public.*

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## Money for Art's Sake

Whenever money gets tight, as it certainly did in 1995, the call goes out to slash funding to the arts and culture.

Whoever makes that call—governments, corporations or individual Canadians—is acting on a time-honoured impulse.

Unfortunately it is also a faulty and self-destructive one.

The theory goes that, when there is less to go around, the frills must be cut and the essentials saved. So a dance company should be starved in order to pay for road repairs. Or an artist will have her \$5,000 grant cut, even though that accounts for half her earned income, because what good does she do for the economy anyway?

What does she contribute? What does an artist "do"?

If this theory were taken to its illogical conclusion, of course, there would be hardly any arts at all, because there would always be another social or economic need that could prove its financial worth more easily, or earnestly, than the arts can.

But are the arts a frill?

The Canada Council was founded on the firm conviction that they definitely are not.

In fact, as we enter our 40th anniversary year, we know more than ever that the arts are essential, especially to a nation whose distinctiveness is under daily siege and in which the very artists deemed non-essential sustain that

identity, both at home and internationally.

Those of us who are asked to "make the case for the arts" are often tempted to lead with economic arguments and downplay the ones that can't absolutely be proven by statistics.

Yet it is the non-economic arguments that are so strong.

After all, do we cherish ancient Greece for its efficient sewage system?

Do we long to visit countries that have impressive highways?

Do we rush to live in communities where art and books and music and live theatre are non-existent?

Of course we don't. In fact, the very opposite is true. Each year, Canadians by the millions will fly





to visit places that are much less safe and clean than any here at home.

Why?

In order to go to the theatre, or visit an art gallery, or bask in the "culture" of a city or country that not only prides itself on its arts and culture, but backs that pride with a continuous commitment of dollars.

So what is this attraction the arts hold for everyone?

There are many different answers. But for most of us—whether we're confirmed couch potatoes or passionate arts patrons—the arts add immeasurably to the quality of our lives. To some, the arts represent the best that life has to offer. To others, they're a form of diversion, an entertaining night out and that's it.

We are not trying to say that the thrill of watching Karen Kain is superior to the thrill of watching Wayne Gretzky, or that enjoying a play at the Edmonton Fringe Festival makes you happier than enjoying a sitcom on TV, or that reading a Pulitzer-Prize-winning novelist from Winnipeg is "better" than reading a John Grisham thriller.

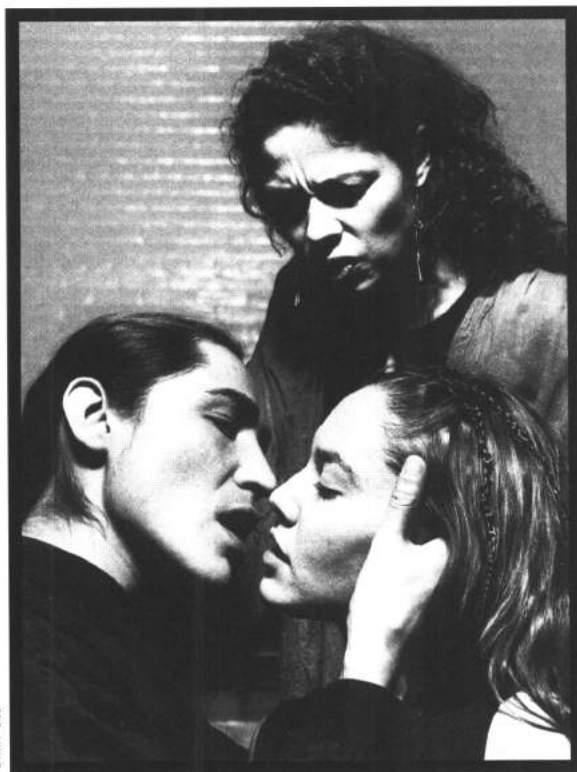
That's not the point. The arts don't exist to replace the other things we do to make our lives richer, but to enhance them.

The point is that when you touch the arts, the arts touch back in a way that can be as unique and

out of ourselves and at the same time, put us in touch with ourselves.

This is not just for *some* Canadians, for a self-styled elite. If you scratch even the least culture-loving Canadian, you'll find a

person who is impressed by the architecture of Canada Place in Vancouver or the Old Port in Montreal, who has been touched or amused by Farley Mowat or Yves Beauchemin, likes the lively music of the Rankin family or La Bottine Souriante, buys a Pierre Berton book for a present, hopes tickets will be available for *The Nutcracker*, or loves the Monument National in Montreal, or can't remember the name of the painter, but gets surprisingly emotional when he sees that lone pine tree clinging to a northern shore. But *having* the arts and *funding* the arts are two different things.



LARRY GUS

NATIVE EARTH PERFORMING ARTS INC., TORONTO. A SCENE FROM THE NEW NATIVE DRAMA *RAVENS* BY JOYCE B. JOE. (TOP) SANDRA LARONDE; (BOTTOM L-R) BILLY MERASTY AND CHRISTINE O'LEARY. *RAVENS* PLAYED THE NATIVE CANADIAN CENTRE IN TORONTO IN JANUARY-FEBRUARY, 1996. THE NATIVE EARTH PERFORMING ARTS INC. RECEIVED ITS FIRST COUNCIL GRANT THROUGH EXPLORATIONS IN 1976, AND IN 1987-88, THE TOURING OFFICE PROVIDED ITS FIRST SUPPORT TO THE COMPANY FOR AN ACCLAIMED NATIONAL TOUR OF TOMSON HIGHWAY'S *THE REZ SISTERS*. THE THEATRE SECTION HAS SUPPORTED NATIVE EARTH WITH OPERATING ASSISTANCE SINCE 1988. THE CANADA COUNCIL'S THEATRE SECTION IN 1995-96 PROVIDED 197 GRANTS TOTALLING \$15.7 MILLION TO PROFESSIONAL THEATRE ORGANIZATIONS AND NATIONAL SERVICE ORGANIZATIONS IN 51 COMMUNITIES ACROSS CANADA.

individual as Canada's 30 million people. For whatever reason, the arts seem to do something that's anatomically impossible, but spiritually necessary: they take us

Governments do not grant money to help operate professional hockey teams, so why should they grant money to professional dance companies?

“Government support for Canadian authors has been a howling success in creating a renaissance of literary work that has swept the country.”

—Pierre Berton, author

Because, by their very nature, pro hockey teams can and must make money. They are built to make money, and if they don't in one city, they move to another where they can—and their “artists” are paid what the market will bear.

But pro dance companies, by their very nature, cannot make money. Ever.

If you are a very bad hockey team, nobody will come to see you play, and eventually you'll go broke. But even if you're a wondrously great dance company (and Canada has some of them), everybody can come to see you dance, and still you'll go broke.

The reason is the economics of the arts, whose ironclad rules hold true for 20th-century Canada just as they did in 18th-century Vienna.

Whether you're a theatre, an orchestra, a gallery, or any other arts organization, the rule of thumb is that what you charge the

public will cover about half your costs.

You could double your ticket price, of course. But then, how many people would go to see the Vancouver Symphony if tickets cost that much? Likely the same small number who would wend their way to a Vancouver Canucks game if tickets cost the same.

Take a different example.

A painter decides to create a painting that expresses his most intense insights. The painting is his way of communicating these feelings, but what he creates is different, difficult to fathom, even “ugly” to some, and reaches a very limited audience. He persists with his style and can live only a marginal existence – even though one day his work may no longer be thought of as revolutionary (as the Group of Seven's or Riopelle's work was at the beginning).

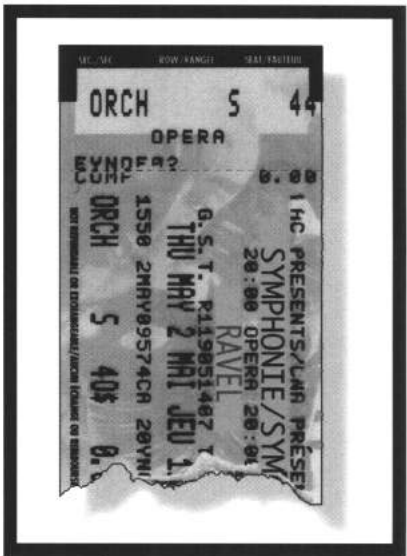
Does this artist deserve our support if today's marketplace won't offer its own?

Yes. Because the work the artist does is not only to please and divert us, but to challenge our view of reality and portray our lives in new ways. Those ways are sometimes unpopular, uncomfortable, and yes, occasionally objectionable. Sometimes the most important

creations are both questioning and questionable, well in advance of general perceptions and conventions.

Artists have as much right to stake a claim for relevance as anyone else. And the fact that one of their patrons is the taxpayer's government does not mean that they are of less value to our society or, indeed, to our economy.

For the arts not only have enormous intrinsic merit—they have economic merit as well.



HOW FAR A \$40 SYMPHONY TICKET GOES TO PAY FOR THE SEAT:

Box Office.....	\$40.00
Corporate and Individual Donations .....	\$15.00
Government Funding .....	\$30.00
Seat really costs .....	\$85.00



Performing arts organizations in England receive 38% of their funding from their arts council. Support from the Canada Council makes up less than 11% of performing arts companies revenues. Between 1987 and 1993, Canada Council funding to dance fell by 5%, while in Australia funding increased by 38%, in the U.K. by an estimated 40% and in France by 193%.



ALAIN FOURNIER

A SCENE FROM THE GOVERNOR GENERAL'S PERFORMING ARTS AWARD-WINNING PLAY *L'HISTOIRE DE L'OIE/TALE OF TEEKA* BY MICHEL MARC BOUCHARD, FEATURING ALAIN FOURNIER AND YVES DAGENAIS. THE AWARD-WINNING PLAY FOR YOUNG AUDIENCES WAS TRANSLATED INTO ENGLISH BY LINDA GABORIAU, WHO RECEIVED TRANSLATION ASSISTANCE FROM THE CANADA COUNCIL. THE PRODUCTION BY LES DEUX MONDES HAS SINCE TOURED THE COUNTRY AND TO INTERNATIONAL THEATRE FESTIVALS TO GREAT ACCLAIM.



## JUST THE FACTS

Here are some facts about the arts in Canada that every Canadian should not only know, but be incredibly proud of—because according to the figures from Statistics Canada below, the arts and culture perform on the economic stage as well as or better than other sectors in the Canadian economy.

### The arts and culture are big business.

Canada's culture sector directly contributes some \$16 billion a year to the economy. Spinoff effects generate a further \$8 billion each year. Compare this with the \$5.8 billion governments in Canada spend supporting culture.

### The arts and culture are big employers.

More than 670,000 Canadians earn their livelihoods in the arts and culture — that's more than the entire population of Ottawa, or Quebec City, or Halifax. An estimated 45,000 jobs are associated with the not-for-profit professional performing arts alone.

### The arts and culture are big taxpayers.

Performing arts organizations funded by the Canada Council

generate at least \$43 million per year to the various levels of government in direct and indirect tax revenues.

### The arts and culture are a growing sector.

The arts and culture labour force is growing at least twice as fast as the general labour force.

"Arts jobs" have a significant economic impact.

**"The choices are: making Toronto into a world-class centre easily on a par with such luminous, thriving centres as Barcelona, Rome or Paris, or making it an insignificant backwater, culturally, economically, politically— a place that nobody visits."**

*—Tomson Highway, playwright*

With a highly skilled and flexible workforce, and a total contribution of the arts and culture to the Canadian economy of some \$24 billion each year, investing in the arts and arts jobs makes economic sense.

### The arts attract large audiences.

In 1994, Canadians bought more than 13 million tickets to performances by not-for-profit professional dance, music, opera and theatre companies, most of whom are supported by the Canada Council.

### The arts boost cultural tourism and exports.

While many international visitors come here for the scenery, increasingly they stay for the show. The combination of gorgeous backdrops and sophisticated entertainment is creating a growing market for cultural tourism in Canada — and attracting more visitors who will stay longer and spend more while they are here.

Arts and culture sector exports (worth at least \$1.5 billion a year) have grown by as much as 60 per cent in recent years, and this doesn't even include the value of cultural tourism activity.

### The arts and culture have been a major player in Canada's foreign policy.

Trade is, in many ways, an adjunct of culture. The presence of Canadian culture in a foreign country creates conditions that business can then capitalize on.



*Artists are the ultimate entrepreneurs. Fifty per cent of Canadians in arts occupations hold two or more jobs. They are three times more likely than the average Canadian to be self-employed. For them, a few thousand dollars can make a huge difference.*

Any way you want to shape the arguments or run the numbers, the arts and culture in Canada are a large, growing, job-creating, tourist-attracting, diversity-enhancing, nation-building and civility-creating industry.

## How we got there

Before the Second World War, there was plenty of local and amateur artistic activity in Canada. But there was almost no Canadian fiction, almost no professional theatre. A tiny handful of professional orchestras and composers, and very little dance.

Today, in the not-for-profit area alone, there are

108 professional symphony orchestras, chamber and other musical organizations, 285 professional theatre companies and 65 professional dance companies.

Today, with the support of the Canada Council, 1,200 Canadian authors have their books on the "New



THE HELPLESS ROBOT, AN INTERACTIVE WORK CREATED BY NORMAN WHITE OF DURHAM, ONTARIO. WHITE WAS AWARDED THE \$10,000 PETRO-CANADA AWARD FOR MEDIA ARTS FOR THE QUALITY AND INFLUENCE OF HIS WORK AND FOR HIS LONG COMMITMENT TO MEDIA ARTS. THE INCOME FROM THE \$41,000 ENDOWMENT PROVIDES AN AWARD EVERY TWO YEARS TO A PROFESSIONAL CANADIAN ARTIST WHO HAS DEMONSTRATED OUTSTANDING AND INNOVATIVE USE OF NEW TECHNOLOGY IN THE MEDIA ARTS. MEDIA ARTISTS RECEIVED 97 GRANTS FROM THE COUNCIL IN 1995-96, INCLUDING 51 GRANTS TO FILM ARTISTS, 26 GRANTS TO VIDEO ARTISTS, AND 20 GRANTS TO NEW MEDIA AND AUDIO ARTISTS, FOR A TOTAL OF \$2.1 MILLION.

Releases" shelves each year.

Today, Canadian singers earn standing ovations in opera houses that are many centuries older than Canada itself. Today, Canadians have not only created a full-fledged industry for television and film production, we've grown to be the largest exporters of dramatic television into the United States and the second largest to Europe and Asia.

What happened?

Canada's governments realized that they had to step in to support Canada's cultural life. It had taken a half a century to create a physical country. But with American culture and American ownership of

Canada's few cultural assets increasing every day, the prospects for creating a unique identity seemed bleak.

So Parliament stepped in. In 1936, it created the Canadian Broadcasting Corporation; in 1939, it created the National Film Board; the Canada Council

in 1957, the National Museums in 1968, and the CRTC and Telefilm in 1971.

**“The performing arts have never been a drag on the public purse... Governments must understand that the non-profit performing arts institutions are the training ground... the feeder system for the commercial theatre.”**

*—Garth Drabinsky, entrepreneur*

The chief impulse behind these measures was to strengthen our always-threatened identity. Today, the wisdom of this intervention is clear for everyone to see — not only are the arts strong enough to act as the standard-bearers for our identity, they're large enough to create thousands of jobs and strengthen our economy.

What other activities are more important for a government than securing its people's national identity and economic prosperity? Cultural affluence is a measure of

our success as a nation too, especially when the object of that single investment nourishes both its identity and its economy. And, most especially, when the return on that investment has been so consistently high, far outstripping investments in other sectors, both spiritually and tangibly.

This is why Parliament created The Canada Council, an arms-length body which received public money that it, in turn, would give out to deserving artists and arts organizations.

The Canada Council reports to Parliament through the Minister of Canadian Heritage. But while its operations are part of the government of Canada, its grant-giving mechanisms are independent of political influence or the political process. The Council's policies are determined by an independent board of directors (and a very active and committed one). The actual decisions to give an artist or group a grant are based on recommendations by juries of their peers in the various arts, such as dance, theatre, music, literature, film-making, painting, and so on.

In 1995, 130 juries met across the country in order to give out 4,200 grants, ranging from:

- \$16,000 to support the first Atlantic New Dance Festival in Halifax
- \$16,000 to support the first professional production of a native theatre in Winnipeg
- \$16,000 to bring a Winnipeg theatre group to isolated Labrador communities to work with young adults to create original works
- \$5,420 to an interdisciplinary artist from Montreal to pursue his work in performance art and video
- \$5,250 to a Saskatchewan photographer to document the life and times of Aboriginal people of the plains
- \$963 to a visual artist from Calgary to mount her exhibition in Montreal and to attend the opening
- \$4,000 to a Quebec photographer to participate in an exhibition grouping six Quebec photographers

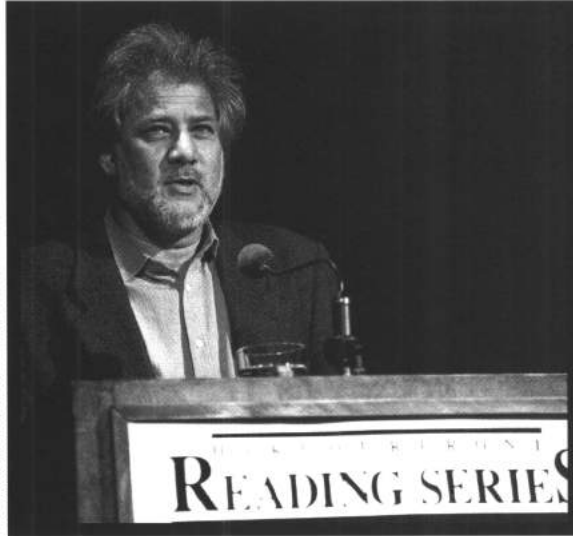
*Winnipeg has more professional arts organizations than Boston, a city four times its size.*





- \$1,005 to bring authors to read from their works in Pointe de l'Église, Nova Scotia
  - \$2,148 to bring authors to read from their works at the Shortgrass Writers Group in Swift Current, Saskatchewan
  - \$680 to bring authors to read from their works at the Shuswap Children's Literature Roundtable in Salmon Arm, BC
- to:
- Almost \$1 million to sustain Les Grands Ballets Canadiens
  - \$427,500 to sustain the Shaw Festival
  - \$100,000 to sustain the Thunder Bay Symphony
  - \$205,000 to sustain the Victoria Symphony
  - \$148,000 to support the publishing activities of Le Boréal Express
  - Over \$49,000 to support the publishing activities of Les Éditions d'Acadie

INTERNATIONAL READINGS AT HARBOURFRONT - TORONTO



MICHAEL ONDAATJE READING AT THE HARBOURFRONT READING SERIES, TORONTO, IN NOVEMBER 1995. WINNER OF THREE GOVERNOR GENERAL'S LITERARY AWARDS (FOR *THE ENGLISH PATIENT* IN 1992, *THERE'S A TRICK WITH A KNIFE I'M LEARNING TO DO* IN 1979 AND *THE COLLECTED WORKS OF BILLY THE KID* IN 1970) AND THE BOOKER PRIZE (FOR *THE ENGLISH PATIENT*), ONDAATJE RECEIVED HIS FIRST CANADA COUNCIL GRANT IN 1968.

W.O. Mitchell's wonderful stories – now a TV series, Leonard Cohen's songs; Antonine Maillet's marvellous writing and Michel Tremblay's theatre; Paul-Émile Borduas' art; we enjoy all this richness today in some measure because we were ready to nurture its early development.

At the same time, the Council continues to support Canada's most successful, well-established arts

organizations. Not only because we've helped them become successful over the years, but because even our relatively small grant can help them continue to have a huge effect on their audiences and their local economies.

For example, Stratford Festival receives almost \$790,000 from the Canada Council, which is only 3.3 per cent of its \$24 million annual budget. But Stratford generates \$25 million in taxes and a

But is it more important to give money to artists early in their careers or when they are established?

It's important to do both. Many of Canada's cultural icons were once struggling artists, and their first grant from the Council often meant the difference between being able to continue perfecting their craft or having to abandon it. Just consider the films of Denys Arcand, Atom Egoyan, or David Cronenberg; the books of Carol Shields or Marie-Claire Blais or Jane Urquhart or Rohinton Mistry; Karen Kain's or Marie Chouinard's dancing, Irving Layton's poems, Teresa Stratas's or Ben Heppner's singing; Kate Reid's and Jean-Louis Roux's acting; Liona Boyd's guitar mastery;

further \$100 million in economic activity beyond its more than \$17 million in ticket sales.

For us, that \$790,000 is money well spent.

It's no exaggeration to say that, since its founding 39 years ago, the Canada Council has helped give rise to an entire ecology of artistic activity throughout Canada. We didn't create this ecology alone. What we have helped create are industries far greater than the sum of the individual artists who feed and sustain them. Consider our television and film industry, commercial theatre industry, printing and bookbinding industries. There is a confidence and a pride where little existed before. If this ecology didn't exist, would

Canada be artless? Hardly. But flooding in to fill that empty space would be someone else's culture—the Americans'.

Which is what Canada's culture was, by and large, before governments decided that culture is not only an essential service, but a public good. Without financial and legislative intervention by Parliament and provincial and municipal governments, there simply wouldn't exist a Canadian publishing industry or a Canadian music industry or a Canadian film industry, which provide the opportunities for the voices of Canadian artists to be heard.

The Canada Council is working on many fronts to ensure that what has been so painstakingly built up, centimetre by grinding centimetre, over the last four decades, is not torn down through aggressive cost-cutting or even benign neglect.

Today, the arts in Canada are under threat. And we're fearful that the ecology of the arts and the economy of the arts will both suffer. For just as it only takes a relatively small amount of money to sustain and stimulate the arts, so too does removing that relatively small amount put the arts at large risk.

We are not making unreasonable demands for more money. Obviously, it is a time of severe restraint throughout the entire public sector. We realize this and have borne our fair share of the cuts.

In the last two years, the Council has reduced its overhead by nearly 22 per cent. By April 1998, we will have reached our target of an almost 50 per cent reduction from 1993-94 and streamlined our operations everywhere. We've fought for improved tax incentives for individuals and corporations to support the arts, and in the federal budget of March 1996, saw some of those incentives put in place.

In fact, our job today is not only to give out money, but to leverage every public dollar and every

private dollar entrusted to us in order to enrich the lives of Canada's artists, taxpayers and communities. Obviously, new support for the arts from individuals and corporations of all sizes is becoming critical to sustaining Canada's arts and cultural success. The Canada Council has proven national expertise in facilitating the awarding of prizes, in administering programs, and managing endowments for private donors. We are convinced these activities are important opportunities for growth and for attracting new monies for the arts.

The next time you run into someone who wants to "cut the arts to the bone," or even if you just want to make the case for the arts in a time of cost-cutting, ask them where they think they can get a better bang for their buck, a deeper empathy across this vast land for their people, and a stronger glue for their nationhood.

Thank you.



Donna Scott

Chairman

#### Board Members

Donna M. Scott (Chairman),  
François Colbert (Vice-Chairman),  
Pierre Boutet,  
Louis Fortin,  
Patricia Grattan,  
Carol Shields,  
Helen Vari,  
Max Wyman,  
Irving Zucker.



# Endowing Excellence

Over the years, the Council has also been the recipient of money from individual Canadians and companies. Today, these endowments have grown to over \$200 million. An investment committee chaired by former Bank of Canada Governor John Crow provides advice

to the Board on the administration of these funds. The income is used to fund the 70 prizes and awards and fellowships given each year to distinguished artists and scholars, and supplements the Council's Parliamentary Appropriation.

## 1995 Governor General's Literary Awards Ceremony



GARY BEECHIEY

WINNERS OF THE 1995 GOVERNOR GENERAL'S LITERARY AWARDS. STANDING, LEFT TO RIGHT: NICOLE HOUE (FICTION, FOR *LES OISEAUX DE SAINT-JOHN PERSE*); JASON SHERMAN (DRAMA, FOR *THREE IN THE BACK, TWO IN THE HEAD*); SONIA SARFATI (CHILDREN'S LITERATURE - TEXT, FOR *COMME UNE PEAU DE CHAGRIN*); YVAN LAMONDE (NONFICTION, FOR *LOUIS-ANTOINE DESSAULLES. UN SEIGNEUR LIBÉRAL ET ANTICLÉRICAL*); CAROLE FRÉCHETTE (DRAMA, FOR *LES QUATRE MORTS DE MARIE*); TIM WYNNE-JONES (CHILDREN'S LITERATURE - TEXT, FOR *THE MAESTRO*); GREG HOLLINGSHEAD (FICTION, FOR *THE ROARING GIRL*); HERVÉ JUSTE (TRANSLATION, FOR *ENTRE L'ORDRE ET LA LIBERTÉ*); ROSEMARY SULLIVAN (NONFICTION, FOR *SHADOW MAKER: THE LIFE OF GWENDOLYN MACEWEN*); LUDMILA ZEMAN (CHILDREN'S LITERATURE - ILLUSTRATION, FOR *THE LAST QUEST OF GILGAMESH*); DAVID HOMEL (TRANSLATION, FOR *WHY MUST A BLACK WRITER WRITE ABOUT SEX?*); ÉMILE MARTEL (POETRY, FOR *POUR ORCHESTRE ET POÈTE SEUL*). SEATED, LEFT TO RIGHT: ANNOUCHKA GRAVEL GALOUCHKO (CHILDREN'S LITERATURE - ILLUSTRATION, FOR *SHÔ ET LES DRAGONS D'EAU*); ROCH CARRIER, DIRECTOR OF THE CANADA COUNCIL; HIS EXCELLENCY THE RIGHT HONOURABLE ROMÉO LEBLANC, GOVERNOR GENERAL OF CANADA; DONNA SCOTT, CHAIR OF THE CANADA COUNCIL; ANNE SZUMIGALSKI (POETRY, FOR *VOICE*).

# Selection of Canada Council prizes, awards and fellowships

AWARD/FELLOWSHIP	1995-96 RECIPIENTS	DISCIPLINE	AMOUNT
<b>Killam Research Fellowships</b> (annual)	30 scientists and scholars	Humanities, social, natural or health sciences, and engineering	\$2,046,000 (total)
<b>Killam Prizes</b> (annual)	Dr. Philip Seeman (Toronto) Prof. William G. Unruh (Vancouver)	Health Sciences Natural Sciences	\$50,000 \$50,000 Privately endowed - Endowment: \$43.2 million
<b>Molson Prizes</b> (annual)	Gerald Ferguson (Halifax) Donald Akenson (Kingston)	Visual arts History	\$50,000 \$50,000 Privately endowed - Endowment: \$1.9 million
<b>John G. Diefenbaker Award</b> (annual)	Dr. Dirk Hoerder (Germany)	History	\$75,000 Publicly endowed - Endowment: \$1.2 million
<b>The International Glenn Gould Prize</b> (triennial)	Toru Takemitsu (Japan)	Music	\$50,000 Privately endowed - Endowment: \$917,000
<b>Governor General's Literary Awards</b> (annual)	14 writers, translators and illustrators (7 in English, 7 in French)	Literature	\$140,000 Canada Council program
<b>Victor Martin Lynch-Staunton Awards</b> (annual)	Mowry Baden (Victoria) John Burke (Vancouver) Roland Poulin (Sainte-Angèle-de-Monnoir)	Visual arts Music Visual arts	\$39,000 \$31,000 \$39,000 Privately endowed - Endowment: \$1.8 million
<b>Virginia Parker Award</b> (annual)	Karina Gauvin (Montreal)	Music	\$26,400 Private annual donation
<b>Sylva Gelber Award</b> (annual)	Joanne Hounsell (Corner Brook)	Music	\$15,000 Private annual donation
<b>Petro-Canada Award in Media Arts</b> (biennial)	Norman White (Durham)	New medias	\$10,000 Privately endowed - Endowment: \$41,000
<b>Bell-Canada Award in Video Art</b> (annual)	Sara Diamond (Canmore)	Video	\$10,000 Private annual donation
<b>Canada-Japan Book Award</b> (annual)	Margaret Lock (Montreal)	Literature	\$10,000 Privately endowed - Endowment: \$257,000

**Grand Totals:** over 70 prizes, awards and fellowships, totalling over \$3 million.





# Financial Overview

The Council's principal financial objectives for its expenditures in 1995/96 were: to maintain the level of its grants budget, to reduce administrative costs to achieve the priorities set out in its Strategic Plan and to respond to reductions in its Parliamentary Appropriation as part of the government's program review exercise. In summary:

YVES DUBÉ



LE CARROUSEL THEATRE COMPANY (MONTREAL) HAS BEEN SUPPORTED BY THE COUNCIL SINCE 1979. HERE, ITS PRODUCTION OF *SALVADOR*, BY SUZANNE LEBEAU, WHO RECEIVED HER FIRST COUNCIL GRANT THROUGH EXPLORATIONS IN 1978 FOR THE PUBLICATION OF TWO CHILDREN'S WORKS AND HAS GONE ON TO WIN POPULAR AND CRITICAL ACCLAIM. THE HIGHLY SUCCESSFUL CANADIAN PLAY FOR YOUNG AUDIENCES RECEIVED THE PRIX FRANCOPHONIE JEUNESSE IN 1994, AND IN 1995-96 TOURED EUROPE AND TO QUEBEC CITY AND OTTAWA WITH TOURING OFFICE ASSISTANCE. THE PLAY HAS BEEN TRANSLATED AND PERFORMED IN ITALIAN AND ENGLISH. THE COUNCIL PROVIDED SUPPORT WORTH \$1.7 MILLION TO 23 COMPANIES ACROSS CANADA PRODUCING THEATRE FOR YOUNG AUDIENCES IN 1995-96.

- integration of development and grants to individual artists within the reorganized disciplinary sections
  - new initiatives for First Peoples artists
  - additional funds for Touring and Dissemination
- Salary budget**

The goal is to reduce the salary expense by 1998 to \$8M from a budget of \$12M in 1993/94. The forecast for 1996/97 is \$9.2M, on target to achieve this objective.

## Expenditures

### Grants Budget

There was no reduction in the grants budget. There was a realignment and a reallocation of the grants budget to reflect the Plan's priorities, some of which was effective in the year under review or will take effect in 1996/97:

- Art Bank art purchase funds transferred to a new art acquisition matching funds program within the Visual Arts section directed at public galleries and museums across Canada
- increased funding to programs in the media arts and to new technologies

### Operating Budget

The 1998 goal is to have reduced the operating budget by \$3M: \$1.5M from lease costs, and \$1.5M from other operating expenditures. The Council is

actively pursuing sub-leasing of its Art Bank premises and of space at 350 Albert Street. The Stanley House property has been sold. In other operating costs, the Council is half-way to its target and will reach the required reduction in 1996/97.

# Revenues

## Investment Report:

As at 31 March, 1996, the market value of the Canada Council's investment portfolio totalled \$214 million; an increase of \$25 million over the market value of one year ago. This is a very significant rise in market value and is attributed to a strong performance in the major capital markets. This improved performance can be seen in the table below, where this year's performance is compared to the average of the past five.

	Endowment Fund		Killam Funds	
	1 Year	5 Years	1 Year	5 Years
Total Return	16.80	11.80	16.10	10.80
Inflation Rate	1.40	1.50	1.50	1.50
Real Return	15.40	10.30	14.60	9.30

The Canada Council investment portfolio is comprised of several endowments. These include the initial endowment that established the Canada Council; the endowment from the Killam family; and other endowments from individuals and organizations, shown in the table above with the initial Canada Council endowment under *Endowment Fund*. Of these, the most significant are the Killam and the Canada Council endowments.

The challenge in managing such funds is to balance the wishes of the donor with the desire to be fair to present and future beneficiaries, the uncertainty of investment returns, and our existing fiscal pressures.

The Canada Council's investment objective is to generate sufficient annual returns which allow funding of awards and their administration; and at the same time generate sufficient funds for reinvestment in the portfolio to ensure its continued growth, and protection against inflation.

The Canada Council's formula for prudent and diligent management of its endowment funds has four key elements:

- An investment committee of business and finance professionals;
- A clear and precise set of investment policies;
- Fund managers for day-to-day investment decisions;
- A third party company to assess fund manager performance.

## Investment Committee

Investment Committee membership as at 31 March 1996 includes:

John W. Crow (Chairman),  
Donna M. Scott (Chairman, Canada Council),  
Michel Th  roux,  
John H. Matthews,  
Nancy Orr-Gaucher,  
William E. Mingo.

During the past year, the Council mourned the loss of the previous Chairman of the Investment Committee, John Harrison.

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



# Financial Statements



JERRY ALFRED, JERRY ALFRED AND THE MEDICINE BEAT, FROM WHITEHORSE, WERE JUNO AWARD WINNERS THIS YEAR. IN 1994, THEY WERE FUNDED THROUGH THE SMALL ENSEMBLES PROGRAM, AND WITH TOURING OFFICE ASSISTANCE, THE ENSEMBLE TOURED TO BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN AND MANITOBA IN THE SUMMER OF 1995. JERRY ALFRED IS FEATURED ON THE UNITED NATIONS 50TH ANNIVERSARY RECORDING *HERE AND NOW* PRODUCED BY THE CANADA COUNCIL.



SYMPHONY NOVA SCOTIA WITH THE NOVA SCOTIA MASS CHOIR AT THE "SYMPHONY EXPLOSION" EVENT, A HIGHLY SUCCESSFUL BENEFIT CONCERT FOR THE SYMPHONY, PARTNERING THE SYMPHONY WITH THE MUSIC INDUSTRY, THAT WAS STAGED AT THE HALIFAX METRO CENTRE. THE SYMPHONY HAS BEEN SUPPORTED BY THE COUNCIL SINCE 1983 AND HAS TOURED THE MARITIMES, ONTARIO AND QUEBEC WITH TOURING OFFICE ASSISTANCE. THIRTY-FIVE ORCHESTRAS ACROSS CANADA RECEIVED CANADA COUNCIL ASSISTANCE TOTALLING ALMOST \$8 MILLION IN 1995-96.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements contained in this Annual Report have been prepared by the Management of the Canada Council (Council) in accordance with the accounting policies set out in Note 2 to the Financial Statements. The integrity and objectivity of the data in these Financial Statements are Management's responsibility. Management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the Financial Statements.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with the Canada Council Act and by-laws of the Council.

The Council is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Council meets with Management and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Council has reviewed the Financial Statements with the external auditor and has approved them.

The Council's external auditor, the Auditor General of Canada, examines the Financial Statements and reports to Council and the Minister responsible for the Council.

## Rock Carrier

Director

10 Friedrich

Treasurer

June 3, 1996



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

## AUDITOR'S REPORT

To the Canada Council  
and the  
Minister Designate of Canadian Heritage

I have audited the balance sheets of the Endowment Account and Special Funds of the Canada Council as at March 31, 1996 and the statements of revenue and expense, equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Canada Council as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies set out in note 2 to the financial statements.

A handwritten signature in black ink, appearing to read 'Ray Dubois'.

Raymond Dubois, FCA  
Deputy Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
June 3, 1996



**Balance Sheet as at  
March 31, 1996  
Endowment Account**

IN THOUSANDS OF DOLLARS

ASSETS	1996	1995
Cash and short-term deposits	\$ 3,355	\$ 6,360
Parliamentary appropriation receivable	2,064	—
Accrued investment income	1,389	1,653
Accounts receivable	514	427
Deferred charges	842	176
Investments (NOTE 5)	138,514	127,821
Capital assets (NOTE 6)	3,649	4,433
Works of art	17,876	17,933
	<u>\$168,203</u>	<u>\$158,803</u>
<b>LIABILITIES</b>		
Bank indebtedness	\$ 6,450	\$ 3,150
Grants payable	11,764	16,368
Accounts payable and accrued liabilities	1,673	1,314
Provision for employee termination benefits	660	947
Deferred credits (NOTE 7)	5,340	6,037
Due to Special Funds	5,802	5,476
Due to Special Trusts (NOTE 8)	2,775	1,142
	<u>34,464</u>	<u>34,434</u>
<b>EQUITY</b>		
Fund capital		
Principal	50,000	50,000
Appropriated surplus	60,199	54,272
	<u>110,199</u>	<u>104,272</u>
Contributed surplus – works of art	17,876	17,933
Surplus	5,664	2,164
	<u>133,739</u>	<u>124,369</u>
	<u>\$168,203</u>	<u>\$158,803</u>

Approved by Management:

*Rock Carrier*

Director

*100 J. J. J.*

Treasurer

Approved by the Council:

*Hanna Scott*

Chair



# Financial statements

## Statement of Revenue and Expense of the Endowment Account for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>REVENUE</b>		
Parliamentary appropriation	\$ 95,882	\$ 98,362
Supplementary parliamentary appropriation (NOTE 11)	2,064	—
Net interest and dividends (NOTE 10)	7,086	7,367
Net gains on disposal of investments	8,044	2,210
Art Bank rental fees	1,327	1,491
Cancelled grants and refunds of grants approved in previous years	326	348
Other revenue	753	624
	<u>115,482</u>	<u>110,402</u>
<b>EXPENSE</b>		
Arts Division		
Grants (SCHEDULE 1)	84,300	86,479
Administration (SCHEDULE 2)	8,591	10,734
Services to the arts	1,886	1,986
Works of art – net (disposals) purchases	(97)	648
	<u>94,680</u>	<u>99,847</u>
Canadian Commission for UNESCO		
Administration (SCHEDULE 2)	992	1,108
Program	180	94
	<u>1,172</u>	<u>1,202</u>
General administration (SCHEDULE 2)	7,556	8,648
Restructuring expenses (NOTE 11)	2,647	—
	<u>106,055</u>	<u>109,697</u>
Excess of revenue over expense for the year	<u>\$ 9,427</u>	<u>\$ 705</u>

## Statement of Equity of the Endowment Account for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>FUND CAPITAL</b>		
Principal	\$ 50,000	\$ 50,000
Appropriated surplus		
Balance at beginning of the year	54,272	52,062
Appropriated from surplus during the year (NOTE 9)	5,927	2,210
Balance at end of the year	60,199	54,272
Balance of Fund capital at end of the year	<u>\$110,199</u>	<u>\$104,272</u>
Contributed surplus – works of art		
Balance at beginning of the year	\$ 17,933	\$ 17,322
Net (disposals) purchases and adjustments during the year	(57)	611
Balance at end of the year	<u>\$ 17,876</u>	<u>\$ 17,933</u>
<b>SURPLUS</b>		
Balance at beginning of the year	\$ 2,164	\$ 3,669
Excess of revenue over expense for the year	9,427	705
Appropriated during the year (NOTE 9)	(5,927)	(2,210)
Balance at end of the year	<u>\$ 5,664</u>	<u>\$ 2,164</u>

Statement of  
Changes in  
Financial Position  
of the Endowment  
Account for the  
year ended  
March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expense for the year	\$ 9,427	\$ 705
Items not affecting cash		
Amortization	784	843
Employee termination benefits	(287)	(126)
	9,924	1,422
Change in non-cash operating assets and liabilities	(5,536)	1,496
Funds provided by operating activities	4,388	2,918
<b>INVESTING ACTIVITIES</b>		
Increase in investments	(10,693)	(3,991)
Acquisition of capital assets	-	(174)
Funds applied to investing activities	(10,693)	(4,165)
Decrease in funds	(6,305)	(1,247)
Cash and short-term deposits at beginning of the year	3,210	4,457
Cash position at end of the year	\$(3,095)	\$ 3,210
Composed of:		
Cash and short-term deposits	\$ 3,355	\$ 6,360
Bank indebtedness	(6,450)	(3,150)
	\$(3,095)	\$ 3,210

Balance Sheet  
as at  
March 31, 1996  
Special Funds

IN THOUSANDS OF DOLLARS

<b>ASSETS</b>		
Cash and short-term deposits	\$ 2,213	\$ 3,008
Accrued interest and accounts receivable	543	559
Investments (NOTE 5)	46,012	42,675
Due from Endowment Account	5,802	5,476
Musical instruments	930	930
	\$ 55,500	\$52,648
<b>LIABILITIES</b>		
Grants payable	\$ 2,786	\$2,596
Accounts payable and accrued liabilities	67	30
	2,853	2,626
<b>EQUITY</b>		
Fund capital		
Principal	35,328	35,306
Appropriated surplus	16,447	14,040
	51,775	49,346
Surplus	872	676
	52,647	50,022
	\$ 55,500	\$52,648

Approved by Management:

*Rock Carrier*

Director

*10 J. J. Smith*

Treasurer

Approved by the Council:

*Hanna Scott*

Chair



# Financial statements

## Statement of Revenue and Expense of the Special Funds for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>REVENUE</b>		
Net interest and dividends (NOTE 10)	\$ 3,188	\$ 2,941
Net gains on disposal of investments	2,407	1,472
Other revenue	157	68
	<u>5,752</u>	<u>4,481</u>
<b>EXPENSE</b>		
Grants	2,753	2,633
Administration	396	434
	<u>3,149</u>	<u>3,067</u>
Excess of revenue over expense for the year	<u>\$ 2,603</u>	<u>\$ 1,414</u>

## Statement of Equity of the Special Funds (NOTE 4) for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>FUND CAPITAL</b>		
Principal		
Balance at beginning of the year	\$35,306	\$35,306
Contributions received	22	-
Balance at end of the year	<u>35,328</u>	<u>35,306</u>
Appropriated surplus		
Balance at beginning of the year	14,040	12,568
Appropriated from surplus during the year (NOTE 9)	2,407	1,472
Balance at end of the year	<u>16,447</u>	<u>14,040</u>
Balance of Fund capital at end of the year	<u>\$51,775</u>	<u>\$49,346</u>
<b>SURPLUS</b>		
Balance at beginning of the year	\$676	\$734
Excess of revenue over expense for the year	2,603	1,414
Appropriated during the year (NOTE 9)	(2,407)	(1,472)
Balance at the end of the year	<u>\$ 872</u>	<u>\$ 676</u>

## Statement of Changes in Financial Position of the Special Funds for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	1996	1995
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expense for the year	\$ 2,603	\$ 1,414
Change in non-cash operating assets and liabilities	(83)	158
Funds applied to operating activities	<u>2,520</u>	<u>1,572</u>
<b>FINANCING ACTIVITIES</b>		
Contributions received	22	-
Funds provided by financing activities	<u>22</u>	<u>-</u>
<b>INVESTMENT ACTIVITIES</b>		
Increase in investments	(3,337)	(2,681)
Decrease in funds	(795)	(1,109)
Cash and short-term deposits at beginning of the year	3,008	4,117
Cash and short-term deposits at end of the year	<u>\$ 2,213</u>	<u>\$ 3,008</u>



## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1996

### 1. Authority, operations and objectives

The Canada Council was established by the *Canada Council Act* in 1957 which authorized the creation of an Endowment Fund of \$50 million pursuant to Section 13 of the *Act*. Except for the annual parliamentary appropriation, monies or properties donated to the Council pursuant to Section 18 of the *Act* are generally accounted for as Special Funds or Special Trusts. The Council has been assigned the functions and duties for the Canadian Commission for UNESCO pursuant to Paragraph 8(2) of the *Act*. The Council is not an agent of Her Majesty. Its objectives are to foster and promote the study, enjoyment and production of works in the arts.

### 2. Significant accounting policies

The most significant accounting policies are:

#### (a) Investments

Equities, bonds, debentures and mortgages are recorded at cost. Special Funds with capital in excess of \$250,000 and received after January 1, 1990 are merged with the Endowment Account. The participation of each fund is calculated on the basis of market value as at the date the monies are received. Interest, dividends, gains and losses on disposal of investments are allocated to each fund based on the percentages established at the beginning of each quarter.

Special Funds with capital of less than \$250,000 and Special Trusts earn interest calculated quarterly using the ninety-day Treasury Bill rate at the beginning of the quarter.

Investments are written down to market value when the loss in value is considered to be a permanent decline.

Premiums and discounts on fixed term investments are not amortized but are included in gains and losses on disposal.

#### (b) Foreign currency transactions

Foreign currency transactions are translated into Canadian dollars at the exchange rate in effect at the transaction date. Monetary assets denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the end of the year.

#### (c) Capital assets

Equipment and leasehold improvements are recorded at cost and amortized over their estimated useful lives on the straight-line method, as follows:

Computer and other equipment – 5 years

Leasehold improvements – term of the lease

Gains and losses on disposals are netted against the amortization expense in the year of disposal.

#### (d) Works of art

Works of art acquired by the Canada Council Art Bank are recorded at laid-down cost and no amortization is recorded.

#### (e) Donated property – Special Funds

Donated property is recorded at appraised value and the amount is credited to the principal of the fund capital.

#### (f) Musical instruments – Special Funds

Musical instruments are recorded at cost and no amortization is recorded.

#### (g) Special Funds and Special Trusts

Special Funds and Special Trusts include amounts received by the Canada Council by way of bequest, gift or donation and may be specific as to purpose.

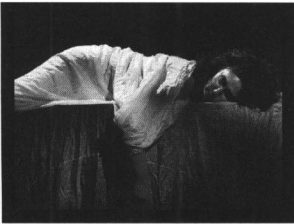
Special Funds are managed at the full discretion of the Canada Council and are invested in accordance with the policies of the Endowment Fund.

Special Trusts are either managed or allowed to have their capital drawn down, in accordance with the donor's wishes.

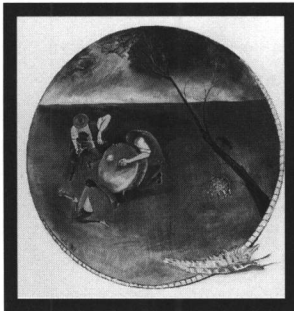
#### (h) Employee termination benefits

Employees are entitled to specific termination benefits as provided for under the Council's policy and conditions of employment. The cost of these benefits is expensed in the year in which employees become eligible.

GERRY KOPELOW



RISEING CANADIAN OPERA STAR HEIDI KLASSEN IN A MANITOBA OPERA PRODUCTION OF CANADIAN OPERA *NOSFERATU*, WRITTEN BY MANITOBA COMPOSER RANDOLPH PETERS AND FIRST STAGED AT THE CANADIAN OPERA COMPANY. THE MANITOBA OPERA HAS BEEN SUPPORTED BY THE CANADA COUNCIL SINCE 1973, WHILE THE CANADIAN OPERA COMPANY RECEIVED ITS FIRST COUNCIL GRANT IN 1969. NINETEEN OPERA COMPANIES AND MUSIC THEATRE PRODUCERS RECEIVED GRANTS TOTALLING MORE THAN \$3.9 MILLION IN 1995-96.



TO HELP MARK THE FIFTIETH ANNIVERSARY OF THE UNITED NATIONS, THE CANADA COUNCIL CONCEIVED OF AND PRODUCED A FOUR-CD COMPILATION OF MUSIC, WRITTEN AND PERFORMED BY CANADIANS, ENTITLED *HERE AND NOW - A CELEBRATION OF CANADIAN MUSIC*. FIFTY ARTISTS ON THREE OF THE DISCS WERE CHOSEN IN A NATIONAL COMPETITION, AND THESE THREE DISCS FEATURE MUSIC OF THE FIRST PEOPLES AND FOLK MUSIC, CLASSICAL MUSIC AND MUSIQUE ACTUELLE, AND WORLD MUSIC AND JAZZ. THE FOURTH CD CONTAINS MUSIC BY SOME 15 CANADIAN MUSICAL LEGENDS, RANGING FROM GLENN GOULD TO GILLES VIGNEAULT. SHOWN IS ONE OF THE PAINTINGS BY MICHEL LAMBERT, THE ARTIST SELECTED BY A CANADA COUNCIL JURY TO CREATE THE ARTWORK FOR THE COLLECTION.



# Financial Statements



ILLUSTRATION: NANCY WALKER

ROBERT MINDEN, TOGETHER WITH DAUGHTERS ANDREA MINDEN (FLUTE), DEWI MINDEN (TRUMPET) AND FRIEND CARLA HALLET (FRENCH HORN), HAVE CREATED AND TOURED WHAT THEY DESCRIBE AS NEW STORYTELLING THEATRE. IN JUNE 1996, THE ROBERT MINDEN ENSEMBLE APPEARED AT INTERNATIONAL CHILDREN'S FESTIVALS IN SASKATOON WITH TOURING OFFICE SUPPORT, AND HAS RECEIVED TOURING ASSISTANCE FROM THE COUNCIL SINCE 1988. THE TOURING OFFICE PROVIDED GRANTS TOTALLING ABOUT \$1 MILLION TO 77 MUSICIANS AND MUSICAL GROUPS TOURING IN CANADA IN 1995-96.



CANAPRESS

WINNERS OF THE 1996 IZAAK WALTON KILLAM MEMORIAL PRIZES. FROM LEFT TO RIGHT: DR. PHILIP SEEMAN, PROFESSOR AT THE UNIVERSITY OF TORONTO AND WINNER OF THE KILLAM PRIZE FOR THE HEALTH SCIENCES; DONNA SCOTT, CHAIR OF THE CANADA COUNCIL; THE HONOURABLE JON GERRARD, SECRETARY OF STATE FOR SCIENCE, RESEARCH AND DEVELOPMENT; AND DR. WILLIAM G. UNRUH, PROFESSOR AT THE UNIVERSITY OF BRITISH COLUMBIA AND WINNER OF THE KILLAM PRIZE FOR THE NATURAL SCIENCES. THE IZAAK WALTON KILLAM MEMORIAL PRIZES ARE FINANCED THROUGH FUNDS DONATED TO THE CANADA COUNCIL BY MRS. DOROTHY J. KILLAM BEFORE HER DEATH. THE \$50,000 PRIZES ARE CANADA'S MOST DISTINGUISHED ANNUAL AWARDS IN RECOGNITION OF WORLD-CLASS ACHIEVEMENTS BY CANADIANS IN THE NATURAL SCIENCES, HEALTH SCIENCES, AND ENGINEERING.

## (i) Contributed surplus – works of art

Amounts paid during the year for the purchase of works of art acquired by the Canada Council Art Bank are expensed. Such purchases, net of any proceeds from sales of works of art, are then capitalized as contributed surplus – works of art.

## (j) Capitalization of net income of Special Funds

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

## (k) Pension plan

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the Council contribute equally to the cost of the Plan. This contribution represents the total liability of the Council. The Council is not required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

## (l) Parliamentary appropriations

Parliamentary appropriations to the Council are recorded as revenue in the year in which they are approved by Parliament.

## (m) Grants and services

Grants are recorded as an expense in the year for which they are approved by Council. Cancelled grants and refunds of grants approved in previous years are shown as revenue.

Services to the arts, which include juries, advisory committees, prizes and other costs that directly serve artists or the arts community, are recorded as expenses in the year in which they are incurred.

## 3. Change in accounting policy

As indicated in Note 2(b), monetary assets denominated in foreign currencies are now translated at the exchange rate in effect at the end of the year rather than the historical exchange rate. This change in accounting policy has been recorded prospectively as the financial impact is not significant.

## 4. Special Funds

### (a) Izaak Walton Killam Memorial

A bequest of \$12,339,615 in cash and securities was received from the estate of Mrs. Dorothy J. Killam. The net income from this fund is to be used "to provide scholarships for advanced study or research 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 provision that 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.

The fund equity as at March 31, 1996 was \$22,251,678 (1995 – \$20,936,946).

### (b) Killam Special Scholarship

This fund was established by way of securities received from Mrs. Dorothy J. Killam. Dividends and proceeds from the redemption of those securities amounted to \$13,653,344.

The net income from this fund is available to provide fellowship grants to Canadians for advanced study or research in the fields of medicine, science and engineering.

The fund equity as at March 31, 1996 was \$20,972,664 (1995 – \$19,975,413).

### (c) Jean A. Chalmers

An endowment of \$500,000 in cash was received from Mrs. Floyd S. Chalmers to establish a special Jean A. Chalmers Fund for the crafts. In consultation with the Canadian Crafts Council, the income of the fund is used to provide a small number of special project grants for the development or advancement of the crafts in Canada.

The fund equity as at March 31, 1996 was \$521,793 (1995 – \$510,393).

### (d) Molson Prize

Gifts of \$1,000,000 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."

The fund equity as at March 31, 1996 was \$1,895,268 (1995 – \$1,797,651).



MASCALL DANCE INTERNATIONAL, VANCOUVER, B.C. JENNIFER MASCALL HAS BEEN AN IMPORTANT CONTRIBUTOR TO THE DEVELOPMENT OF THE DANCE COMMUNITY IN TORONTO AND NOW IN VANCOUVER. SHE RECEIVED HER FIRST COUNCIL GRANT IN 1975, AND WAS AWARDED THE COUNCIL'S JACQUELINE LEMIEUX PRIZE FOR DANCE IN 1982. MASCALL CO-FOUNDED EDAM IN VANCOUVER, WHICH HAS BEEN SUPPORTED BY THE COUNCIL SINCE 1983, AND FOUNDED HER OWN COMPANY THERE IN 1989. SHE IS ALSO AN ACTIVE CREATOR OF DANCE FOR YOUNG AUDIENCES. HERE, A SCENE FROM *MAKE A DANCE*, A CREATION FOR YOUNG AUDIENCES CHOREOGRAPHED BY MASCALL AND DANCED BY TONJA LIVINGSTONE.



BELFRY THEATRE, VICTORIA B.C., HAS BEEN SUPPORTED BY THE COUNCIL'S THEATRE SECTION SINCE 1979. HERE, A SCENE FROM *VIGIL* BY MORRIS PANYCH, STARRING ALAN WILLIAMS AND MARGARET BARTON. PANYCH, WHO WON THE 1994 GOVERNOR GENERAL'S AWARD FOR DRAMA (FOR *THE ENDS OF THE EARTH*), DIRECTED THE WORLD PREMIERE OF HIS NEW PLAY AT THE BELFRY THEATRE IN SEPTEMBER-OCTOBER, 1995. ABOUT 450 CANADIAN PLAYS WERE PRODUCED IN 1995-96 WITH CANADA COUNCIL ASSISTANCE.

## (e) Lynch-Staunton

This fund was established by a bequest in cash of \$699,066 received from the estate of V.M. Lynch-Staunton, the income from which is available for the regular programs of the Council. The fund equity as at March 31, 1996 was \$1,864,079 (1995 - \$1,759,411).

## (f) Vida Peene

This fund was established by a bequest in cash of \$599,761 received from Vida Peene to provide payments to specified organizations.

The fund equity as at March 31, 1996 was \$599,761 (1995 - \$599,761).

## (g) Joseph S. Stauffer

This fund was established by bequests in cash totalling \$400,000 from the estate of Joseph S. Stauffer, the income from which is to provide prizes to encourage promising young Canadians in the fields of music, visual arts and literature.

The fund equity as at March 31, 1996 was \$456,306 (1995 - \$458,589).

## (h) John G. Diefenbaker

The Council received an endowment of \$1,000,000 from the Government of Canada. The income from this endowment is to be used to provide an annual grant to a German scholar to engage in research or advanced studies in Canada.

The fund equity as at March 31, 1996 was \$1,202,095 (1995 - \$1,173,109).

## (i) Coburn Fellowship

This fund was established by a bequest totalling \$945,363 received from the estate of Kathleen Coburn. The income from the fund is to provide for exchanges of scholars between Israel and Canada.

The fund equity as at March 31, 1996 was \$1,098,005 (1995 - \$1,042,910).

## (j) Other

The following Special Funds have an original capital of less than \$250,000 and have a total fund equity as at March 31, 1996 of \$1,784,981 (1995 - \$1,768,387).

### i) Frances Elizabeth Barwick and J.P. Barwick

Bequests totalling \$93,000 in cash were received from the estates of Mrs. Frances Elizabeth Barwick and J.P. Barwick. The total fund is to be used for the benefit of the musical arts and is being used for the Council's Musical Instrument Bank.

### (ii) John B.C. Watkins

This fund was established by a bequest consisting of the net income from the residue of the estate of the late John B.C. Watkins to provide scholarships for postgraduate studies.

### (iii) The Duke and Duchess of York Prize in Photography

The Council received an endowment of \$170,000 from the Government of Canada to mark the occasion of the marriage of The Duke and Duchess of York. The income from this endowment is to be used to provide an annual scholarship to a professional artist for personal creative work or advanced study in photography.

### (iv) Petro-Canada Award

Petro-Canada donated \$50,000 toward an award in the media arts. The income from this donation is to be used to provide an award every two years to an artist who has achieved outstanding and innovative use of new technology in the media arts.

### (v) Ronald J. Thom Award

The Council was the beneficiary of donations totalling \$106,898 to provide an award every two years "to a candidate in the early stages of his or her career in architecture, who demonstrates outstanding creative talent in architectural design and a sensitivity to its allied arts."

## (k) Funds will eventually be received from the following bequests:

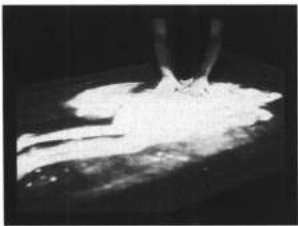
### (i) Edith Davis Webb

This fund, estimated at \$400,000, is intended "for the purpose of making grants or establishing scholarships for musical study in such manner as the Council shall determine."

### (ii) John Stephen Hirsch

This fund, the amount of which cannot be determined at this time, is being established from the estate of John Hirsch for specific purposes. An interim distribution of \$135,000 has been received from the estate.





**BODYMAPS: ARTIFACTS OF MORTALITY**, BY THECLA SCHIPHORST, OF VANCOUVER, IS AN INTERACTIVE COMPUTER INSTALLATION THAT WAS EXHIBITED AT THE WESTERN FRONT GALLERY IN VANCOUVER AND AT THE ELECTRIC DANCE FESTIVAL IN NEWCASTLE, ENGLAND, IN 1996. IN RECENT YEARS, THE GROWING TREND IN CANADA OF MEDIA ARTISTS EXPLORING INTERACTIVE COMPUTER TECHNOLOGY HAS BEEN REFLECTED IN THE DESIGN OF NEW PROGRAMS IN THE COUNCIL'S MEDIA ARTS SECTION. SCHIPHORST RECEIVED HER FIRST COUNCIL GRANT IN 1992 FOR THE DESIGN OF INTERACTIVE TRACKING SOFTWARE.



FOUR ACCLAIMED CANADIAN WRITERS EN ROUTE TO A READING IN EDEN MILLS, ONTARIO, JUNE 1995. THE COUNCIL HAS FUNDED THE EDEN MILLS PUBLIC READING PROGRAM SINCE 1991. IN 1995-96, THE COUNCIL PROVIDED ASSISTANCE FOR HUNDREDS OF AUTHORS TO GIVE OVER 2,000 READINGS IN 240 COMMUNITIES ACROSS CANADA. LEFT TO RIGHT: LEON ROOKE (1983 GOVERNOR GENERAL'S LITERARY AWARD FOR *SHAKESPEARE'S DOG*); RUSSELL SMITH (WHO RECEIVED AN EXPLORATIONS GRANT IN 1992 AND WAS A FINALIST FOR THE GOVERNOR GENERAL'S LITERARY AWARD IN 1994 FOR *HOW INSENSITIVE*); JANE URQUHART, FIRST SUPPORTED BY THE COUNCIL IN 1983, WHOSE NOVEL *AWAY* HAS BEEN ON THE BEST-SELLER LIST FOR MORE THAN A YEAR; AND TERRY GRIGGS (EXPLORATIONS GRANT IN 1985 AND A FINALIST FOR THE 1991 GOVERNOR GENERAL'S LITERARY AWARD FOR *QUICKENING*).

5. Investments	1996		1995	
	Cost	Market Value (in thousands of dollars)	Cost	Market Value
Endowment Account				
Equities	\$ 79,950	\$ 102,935	\$ 69,831	\$ 85,206
Bonds	58,095	59,869	57,468	57,580
Mortgages	469	469	522	522
	\$ 138,514	\$ 163,273	\$ 127,821	\$ 143,308

	1996		1995	
	Cost	Market Value (in thousands of dollars)	Cost	Market Value
Special Funds				
Equities	\$ 26,561	\$ 31,257	\$ 21,913	\$ 24,396
Bonds	19,357	19,622	20,635	20,380
Mortgages	94	94	127	127
	\$ 46,012	\$ 50,973	\$ 42,675	\$ 44,903

6. Capital Assets	1996		1995	
	Cost	Accumulated Amortization (in thousands of dollars)	Net Book Value	Net Book Value
Computer equipment	\$ 2,227	\$ 1,670	\$ 557	\$ 858
Other equipment	788	708	80	123
Leasehold improvements	5,205	2,193	3,012	3,452
	\$ 8,220	\$ 4,571	\$ 3,649	\$ 4,433

7. Deferred Credits	1996	1995
	(in thousands of dollars)	
Deferred lease inducement	\$ 4,150	\$ 4,722
Deferred rent	360	480
Art Bank – rentals of works of art	292	469
Canadian Commission for UNESCO	473	336
Other	65	30
	\$ 5,340	\$ 6,037

The deferred lease inducement represents an inducement payment received from the landlord and is being amortized against rental accommodation expense over the term of the lease. Deferred rent represents an amount received from another federal government agency to cover the rental of space over the next four years. Amounts from the Canadian Commission for UNESCO represent funds received for specific programs for which expenses have not yet been incurred. Funds received during the year amounted to \$356,000 (1995 – \$585,000); funds expended during the year amounted to \$219,000 (1995 – \$610,000).

8. Due to Special Trusts

These funds have been accounted for separately due to special conditions related to the donations. Trusts with balances exceeding \$50,000 are:

(i) Glenn Gould Prize Fund

The Council has received \$525,113 from the Glenn Gould Memorial Foundation to provide a prize of \$50,000 every three years (funds permitting) to an outstanding individual for his or her original contribution to the field of music and communications. As at March 31, 1996, the balance stood at \$917,900 (1995 – \$910,864).

(ii) Japan-Canada Literary Prize

The Council received an endowment of \$966,651 from the Government of Japan "to further strengthen the relations between Canada and Japan." The balance of the endowment is to be used to fund an annual literary prize of \$10,000. As at March 31, 1996, the balance stood at \$257,519 (1995 – \$304,242).



## (iii) Japan-Canada Fund

During the year the Council received endowments totalling \$2,077,800 from the Government of Japan. The endowments are to be used primarily to fund Japanese artists' participation in Canadian cultural activities. As at March 31, 1996, the balance stood at \$1,600,004 (1995 - \$nil).

## 9. Appropriation of Surplus

The Council has approved a resolution for the appropriation of Surplus to the Fund capital as at March 31, 1996 of \$5,927,000 for the Endowment Account and \$2,407,000 for the Special Funds in order to provide for the continued growth of fund capital.

## 10. Net Interest and Dividends

	1996	1995
	(in thousands of dollars)	
<b>Endowment Account</b>		
Interest and dividends	\$7,650	\$7,883
Investment portfolio management costs	(564)	(516)
<b>Net interest and dividends</b>	<b>\$7,086</b>	<b>\$7,367</b>
<b>Special Funds</b>		
Interest and dividends	\$3,341	\$3,080
Investment portfolio management costs	(153)	(139)
<b>Net interest and dividends</b>	<b>\$3,188</b>	<b>\$2,941</b>

## 11. Restructuring expenses

On March 1, 1995 the Canada Council released its Strategic Plan entitled *The Canada Council: A Design for the Future*. The plan called for the Council to undertake a major restructuring of its program and administrative sections over the next three years. During the year, as outlined in the Plan, the Council negotiated the transfer of financial involvement for pre-professional training, including the National Ballet School and the National Theatre School, to the Department of Canadian Heritage. Also, Council has reduced the salary envelope through retirements and layoffs. The cost of the severance packages and related expenses was \$2,647,000. These restructuring expenses were partially offset through receipt of a supplementary parliamentary appropriation of \$2,064,000.

## 12. Commitments

(a) Payments of grants extending into future years are subject to the provision of funds by Parliament. Future year grants approved prior to March 31, 1996 are payable as follows:

	(in thousands of dollars)
1997	\$ 19,984
1998	1,877

(b) The Council is party to long-term leases with respect to rental accommodation. The aggregate minimum annual rental is as follows:

	(in thousands of dollars)
1997	\$ 3,397
1998	3,439
1999	3,614
2000	2,973
2001	2,559
2002 - 2004	6,610

The annual rentals have been reduced as a result of sub-leases with Public Works and Government Services Canada.

## 13. Related party transactions

In addition to those related party transactions disclosed elsewhere in these financial statements, the Council enters into transactions with Government of Canada departments, agencies and Crown Corporations in the normal course of business, at the same trade terms applicable to all individuals and enterprises.



THE JAPAN-CANADA FUND WAS CREATED IN 1988 THROUGH A GIFT OF ALMOST ONE MILLION DOLLARS FROM THE GOVERNMENT OF JAPAN TO THE CANADA COUNCIL TO REINFORCE TIES BETWEEN THE ARTS COMMUNITIES OF THE TWO COUNTRIES. APART FROM THE CANADA-JAPAN BOOK AWARD, WHICH IS PERMANENTLY FINANCED BY THE EARNINGS FROM ONE PART OF THE FUND, THE FUND PROVIDES ASSISTANCE IN A NUMBER OF AREAS OF ARTISTIC ACTIVITY. IN 1995, THE GOVERNMENT OF JAPAN DONATED ANOTHER \$1.4 MILLION TO THE CANADA COUNCIL'S JAPAN-CANADA FUND, ANNOUNCED AT THE MONUMENT NATIONAL IN MONTREAL ON MARCH 15. LEFT TO RIGHT: COUNCIL CHAIR DONNA SCOTT; COUNCIL DIRECTOR ROCH CARRIER; AMBASSADOR OF JAPAN TO CANADA, HIS EXCELLENCY TAKASHI TAJIMA.



DETAIL FROM MONTREAL ARTIST ANGELA GRAUERHOLZ'S ARCHIVE WORK *EGLOGUE*, 1995, SHOWN IN HER EXHIBITION AT THE OAKVILLE GALLERIES WITH SUPPORT FROM THE EXHIBITION ASSISTANCE PROGRAM. IN 1995-96, 207 EXHIBITION ASSISTANCE GRANTS WERE AWARDED TO 93 MUSEUMS AND GALLERIES RIGHT ACROSS CANADA.



# Financial Statements

## Schedule of Grant Expenses by Section of the Endowment Account (NOTE 11) for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	Schedule 1	
	1996	1995
Theatre	\$ 14,889	\$ 16,408
Music	14,848	14,822
Writing and Publishing	12,213	12,311
Arts Awards	10,135	10,088
Dance	10,075	10,000
Public Lending Right Commission	6,095	6,184
Visual Arts	5,453	5,388
Media Arts	4,337	4,271
Touring Office	4,035	4,008
Explorations	2,085	2,954
Other	135	45
	<u>\$ 84,300</u>	<u>\$ 86,479</u>

## Schedule of Administration Expenses of the Endowment Account for the year ended March 31, 1996

IN THOUSANDS OF DOLLARS

	Arts	Canadian Commission for UNESCO	General	Schedule 2	
				Total	
				1996	1995
				(in thousands of dollars)	
Salaries	\$ 4,754	\$ 624	\$ 2,835	\$ 8,213	\$ 10,753
Employee benefits	852	116	518	1,486	1,805
Office accommodation	1,910	129	1,437	3,476	3,452
Professional and special services	254	30	604	888	1,527
Amortization	59	—	725	784	843
Communications	260	24	273	557	490
Staff travel	327	59	97	483	684
Printing, publications and duplicating	29	8	444	481	195
Informatics	22	—	305	327	242
Meeting expenses including members' honoraria	48	—	177	225	226
Office expenses and equipment	33	2	136	171	174
Miscellaneous	43	—	5	48	99
	<u>\$ 8,591</u>	<u>\$ 992</u>	<u>\$ 7,556</u>	<u>\$ 17,139</u>	<u>\$ 20,490</u>