

2000-2001

Annual Report

CANADA COUNCIL FOR THE ARTS



Canada Council
for the Arts

Conseil des Arts
du Canada

COVER IMAGE: FROM THE INSTALLATION *dream of
the other, rêve de l'autre*, BY MONTREAL ARTIST LANI
MAESTRO, GRANT RECIPIENT IN VISUAL ARTS.
SLIDE: LANI MAESTRO

2000-2001

Annual Report

CANADA COUNCIL FOR THE ARTS



CANADA COUNCIL FOR THE ARTS

Role. The Canada Council for the Arts is a national arm's-length agency created by an Act of Parliament in 1957. According to the *Canada Council Act*, the role 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 professional Canadian artists and arts organizations in dance, interdisciplinary and performance art, media arts, music, theatre, visual arts, and writing and publishing. The Council administers the Killam Program of scholarly awards, the Governor General's Literary Awards and the Governor General's Awards in Visual and Media Arts. The Canadian Commission for UNESCO and the Public Lending Right Commission operate under its aegis.

Structure. The Canada Council is overseen by an 11-member Board, chaired by Jean-Louis Roux. The Director is Shirley L. Thomson. The Chairman and Director are appointed by the government. The Council and its staff rely heavily on the advice of artists and arts professionals from all parts of Canada. The Council also works in close co-operation with federal and provincial cultural agencies and departments.

Funding. The Canada Council for the Arts reports to Parliament through the Minister of Canadian Heritage. Its annual appropriation from Parliament is supplemented by endowment income, donations and bequests. The Canada Council is called from time to time to appear before parliamentary committees, particularly the House of Commons Standing Committee on Canadian Heritage. Its accounts are audited by the Auditor General of Canada and included in an Annual Report to Parliament.

In 2000-2001, the Council awarded 5,700 grants to artists and arts organizations and made payments to over 12,740 authors through the Public Lending Right Commission. Grants, payments and awards totalled \$117 million.



Canada Council
for the Arts

Conseil des Arts
du Canada

350 Albert Street, P.O. Box 1047
Ottawa, Ontario K1P 5V8
1-800 263-5588 or (613) 566-4414
www.canadacouncil.ca

MEMBERS OF THE BOARD AND SENIOR STAFF

CHAIRMAN

Jean-Louis Roux, Quebec

VICE-CHAIRMAN

François Colbert, Quebec

Dean Brinton, Nova Scotia

Susan Ferley, Saskatchewan

Richard Laferrière, Quebec

Suzanne Rochon Burnett, Ontario

Nalini Stewart, Ontario

Jeannita Thériault, New Brunswick

Riki Turofsky, Ontario

Max Wyman, British Columbia

Irving Zucker, Ontario

DIRECTOR

Shirley L. Thomson

Senior Staff

Mark Watters, Secretary-Treasurer,

Administration Division

Keith Kelly, Director, Public Affairs,

Research and Communications

David A. Walden, Secretary-General,

Canadian Commission for UNESCO

Carol Bream, Director, Endowments
and Prizes

Victoria Henry, Director, Art Bank

John Goldsmith, Head, Communications

Vacant, Director, Arts Division

Arts Division

Michelle Chawla-Ghadban, Head,
Arts Services Unit

André Courchesne, Head, Theatre

François Lachapelle, Head, Visual Arts

Micheline Lesage, Head, Music

Gordon Platt, Head, Writing and
Publishing

David Poole, Head, Media Arts

Anne Valois, Head, Dance

Sharon Fernandez, Coordinator,
Equity Office

Ian Reid, Acting Coordinator,
Aboriginal Arts

Claude Schryer, Coordinator,
Inter-Arts Office

Administration Division

Luc Charlebois, Head, Financial
Planning

Lise Dugal, Head, Human
Resources

Gwen Hoover, Executive Secretary,
Public Lending Right Commission

William Stevenson, Head, Finance and
Administrative Services

Daniel Plouffe, Head, Information
Management Systems

as of March 31, 2001

The first part of the paper discusses the importance of the research and the objectives of the study. It then proceeds to a literature review, followed by a description of the methodology used. The results of the study are presented in the next section, followed by a discussion of the findings and their implications. The paper concludes with a summary of the main points and a list of references.

The research was conducted in a systematic and rigorous manner, following the principles of good research practice. The data collected was analyzed using appropriate statistical methods, and the results were presented in a clear and concise manner. The findings of the study are discussed in detail, and their implications for practice and policy are explored. The paper is well-structured and easy to read, and it provides a valuable contribution to the field of research.

The research was conducted in a systematic and rigorous manner, following the principles of good research practice. The data collected was analyzed using appropriate statistical methods, and the results were presented in a clear and concise manner. The findings of the study are discussed in detail, and their implications for practice and policy are explored. The paper is well-structured and easy to read, and it provides a valuable contribution to the field of research.

■ Table of contents

The value of the arts: Report of the Chairman	6
A year of achievement: Report of the Director	13
Highlights	
Arts programs	18
Prizes and Endowments	46
Art Bank	51
Public Lending Right Commission	53
Canadian Commission for UNESCO	55
Promoting the arts globally	57
Financial Report	59

*The 2000-01 Annual Report of the Canada Council for the Arts and its Supplement
(listing grants, services and awards) are available on the web site of the Canada Council
at: www.canadacouncil.ca/council/annualreports/*

REPORT OF THE CHAIRMAN



CANADA COUNCIL CHAIRMAN JEAN-LOUIS ROUX, WITH CALGARY-BORN VIOLINIST ANNALEE PATIPATANAKOON, WINNER OF A NATIONAL COMPETITION FOR THE LOAN OF A \$3 MILLION STRADIVARI VIOLIN FROM THE CANADA COUNCIL'S MUSICAL INSTRUMENT BANK.

PHOTO: CANAPRESS – DEREK OLIVER

❖ The value of the arts

In this year's Annual Report, I had intended to look at a fundamental question and try to clarify a widespread misconception – the idea that opposes so-called 'popular' art, which the Canada Council for the Arts allegedly snubs, and 'high' or 'serious' art, which many believe is the Council's exclusive domain. Just recently, however, two events took place, one on the heels of the other, that cannot be ignored. They are the focus of my message this year. The two events occurred after the close of the 2000-2001 financial year, and in principle would only be dealt with in the next annual report. But since by that time they would no longer be news, I have decided to go against standard practice. My original topic can always wait until next year, when I am sure it will be as topical as ever.

The first event worthy of mention was the announcement in early May of a major investment in the arts and culture on the part of the Canadian government: more than half a billion dollars, to be paid over a three-year period. This is the largest injection of funding in this sector since the creation of the Canada Council itself, almost fifty years ago. Of the total amount, \$75 million has been earmarked for the Council.

To those like the interviewer who asked me whether the announcement was motivated by a clearly fixed orientation or whether it was merely a catch-all collage, my response is the following: "investments for the future based on the excellence of the creative process, the diversity of Canadian content and universal access to the arts..." constitute a brilliantly clear orientation. And the fact that it translates into multiple repercussions for several arts organizations, such as the CBC, and for several cultural sectors, such as publishing and recording, only gives us more reason to rejoice.

For in fact, what is most significant – and the media has picked up on this – is not so much the amount of money itself, no matter how large, but the fact that a head of government speaks of the arts in terms that are too rarely used



ZACHARIAS KUNUK

by political leaders. Recognition of the vital role that the arts play in the lives of citizens is not something we are used to hearing from a prime minister – especially when such a declaration is backed up by the funding to prove it. The statement is all the more bold when we consider that art is often disturbing – subversive, even – and that artists do not tend to sing the praises of the parties in power.

The Prime Minister honoured me by saying that I was one of those who used convincing arguments to lead him to this happy decision. I did not realize that I had this ability, and I am extremely flattered by his words. I must add, however, that my arguments were sown in fertile ground. If the Prime Minister were not already attuned to the arts, he would not have been so easily persuaded. Here, Canadian Heritage Minister Sheila Copps played a decisive role, and the Prime Minister justifiably praised her boldness, tenacity and determination. It is no coincidence that the good news was announced jointly by the Rt. Hon. Jean Chrétien and the Hon. Sheila Copps.

We are so used to associating the arts with tourism, the economy, our collective identity, and so on, that we too easily forget that art is more than merely useful. Art has an inherent value that legitimizes its existence independent of any other factor – and this is what our political leaders loudly proclaimed in May.

The second event that deserves to be mentioned is the triumphant reception given to Inuit filmmaker Zacharias Kunuk's film *Atanarjuat* at the Cannes Festival. *Atanarjuat* (The Fast Runner) won the *Caméra d'or*, the highest honour that can be paid to a first feature-length film. *Atanarjuat* is a masterpiece, and its uniqueness is further underscored by the fact that with the exception of photographer Norman Cohn, who has lived in Igloolik for many years and has become perfectly integrated into the community, every other collaborator on the film – producer, scriptwriters, actors, technicians, artistic director – is Inuit. And every one of them measured up to their own high standards of excellence. Without making the slightest concession to the 'southern' style of Hollywood, Zacharias Kunuk shows us how the Inuit see

themselves, through a legend translated into unforgettable images and majestic rhythms.

The Canada Council for the Arts is especially glad of the role it played in the creation of this extraordinary work. The Council has supported and followed the work of Zacharias Kunuk since his very first film in 1985. He was one of the first Inuit media artists to receive assistance from the Council, which has also supported the Igloolik media arts production centre he co-founded (Tarriaksuk Video Centre) for the past ten years. In 1997, *Atanarjuat* received a \$50,000 grant from the Council's Media Arts Section, followed the next year by a further \$50,000 from the Millennium Arts Fund. Among the many contributions to the production of *Atanarjuat*, grants from other federal agencies like the National Film Board and Telefilm Canada are a clear demonstration of these organizations' judicious management of the public funds entrusted to them, and of the effectiveness of the support the Council provides to the creative artists of Canada, whatever their origins, and wherever they work.

The timing could not have been better – the Cannes Festival's *Caméra d'or* was awarded to Zacharias Kunuk a scant two weeks after the announcement of the Canadian government's major investment in the arts and culture. A suitably dramatic flourish, and an appropriate justification.



Jean-Louis Roux
CHAIRMAN, C.C.

ATANARJUAT, THE FAST RUNNER



SCENES FROM ATANARJUAT (THE FAST RUNNER), THE CANADA COUNCIL-FUNDED FILM BY ZACHARIAS KUNUK THAT WON THE BEST FIRST FEATURE FILM AWARD AT THE 2001 CANNES FILM FESTIVAL. LEFT: ATANARJUAT (ACTOR NATAR UNGALAAQ) AND HIS BROTHER AMAQJUAQ (ACTOR PAKKAK INUKSHUK). RIGHT: ATANARJUAT FLEES ACROSS THE ARCTIC SEA ICE. PHOTOS: NORMAN COHN ©IGLOOLIK ISUMA PRODUCTIONS

Evil divides a nomadic Inuit community. Two brothers, the Strong One and the Fast Runner, defy evil: the Strong One dies and the Fast Runner flees naked across the spring sea ice. Images portray the myths, the legends. *Atanarjuat* is a tragedy told in Inuktitut. Directed by Zacharias Kunuk, under the photo direction of Norman Cohn, with the screenplay written by the late Paul Apak, and an all-Inuit cast from Igloolik, the film was presented at Cannes in the "Un Certain Regard" category and won the Caméra d'or for best first feature film. From its early days, *Atanarjuat* had the support of the Council's media arts program as well as its Millennium Arts Fund.



REPORT OF THE DIRECTOR



CANADA COUNCIL DIRECTOR SHIRLEY THOMSON (RIGHT), WITH (FROM LEFT) SYLVIE LALANDE OF BELL CANADA, RICHARD FUNG, WINNER OF THE BELL CANADA AWARD IN VIDEO ART FOR 2001, AND KELLY LANGGARD OF THE IMAGES FESTIVAL OF INDEPENDENT FILM AND VIDEO. PHOTO: CANAPRESS – DEREK OLIVER

■ A year of achievement

For the Canada Council for the Arts, the new millennium began auspiciously: 2000-01 was a year of achievement. The Council itself undertook some major enhancements of its programs and the Canadian arts community saw its work greeted with enthusiastic appreciation in venues at home and around the world.

In literature alone, I could mention Alistair MacLeod (IMPAC Dublin Literary Award 2001), Margaret Atwood (U.K. Booker Prize 2000, nomination for Orange Prize 2001) and Michael Ondaatje (Governor General's Literary Award 2000, France's Prix Médicis étranger 2000). I would rather, however, share a simpler story of a reading tour of Newfoundland, told by children's writer Sheree Fitch. This account reaches to the roots of the Council's endeavours to bring audiences and artists together:

"Teachers and librarians are the ones, I think, who can really tell you best the impact of these readings. From my perspective, there is much more than a cultural and educational 'event' taking place. There is a true 'meeting' that happens. Often these encounters make all of us involved realize we partake of something larger: in community, in our spirits. Perhaps we even get close to the reason art exists: we are reminded of what it means to be human....

A reading trip like this could have been gruelling. This one was anything but.... The communities we traveled to, small and isolated compared to many centres, were welcoming and well prepared.... In one case, the library opened up on a day they weren't usually open. Imagine! The staff was there and the library was filled.... Many of these students had never seen a "real live arthur" reading before. There was a magic in the air.... As I walked through the small village of Woody Point on my way to the lighthouse early one morning before a soul was stirring, I glanced in the window of the general store and saw myself looking back at me ... in the poster taped on the window [announcing] ... my reading. The CBC in Cornerbrook had me in and we taped a sequence of poems, which they played each morning of that week, announcing where I would be that particular day."



IRON ROAD

It began with an old photograph from the 1880s, a group of Chinese workers, among them a young woman, leaving a ship in Vancouver harbour. The scene imprinted itself on the imagination of composer Chan Ka Nin. He began to invent a story around the scene, the story of a young girl in search of her father in the work camps of the Canadian Pacific Railway. The resulting production by Tapestry New Opera Works, sung in English and Cantonese, would take 10 years to develop. The funding corner was turned with a major grant from the Canada Council in 1998. The opera opened to rave reviews in Toronto in April 2001.

In 2000-01 the Council funded approximately 3,500 readings that touched audiences all across Canada – in libraries, universities, colleges, community centres, literary associations, galleries, national service organizations and at festivals.

Literature is only one area of the arts that receives vital Council support. In the performing arts – theatre, music, dance, etc. – we provide support that encompasses annual operating grants, creation and production grants, touring grants for productions and travel grants that enable artists to attend openings of their own works and to keep abreast of artistic developments across Canada. In the media arts, the Council supports production cooperatives that provide access to materials and equipment beyond the means of most individual artists. We recently received an addition of \$1 million per year to our base budget to fund these cooperatives.

One area of increasing importance in the support of all disciplines is assisting arts organizations as they learn to make use of the latest information technologies in communicating with large audiences across the barriers of geography.

It is our conviction that we can ensure the full development of our country's talent only by maintaining a broad-based approach to creating a healthy cultural environment.

Why do we, both Council board members and the Council's hard-working staff, pursue this goal with so much energy and dedication? By investing in research, creation and production of the arts, the Council promotes excellence and cultural diversity in the creative process and creates employment opportunities for Canadian artists at home and around the world.

By assuring wider and better access to the arts for Canadians in urban, rural and remote regions, the Council strengthens the fabric of our society and the ties among our many communities. In the international arena, it advances Canadian interests and values by supporting the presentation of excellent Canadian work to foreign audiences.

By communicating and celebrating the successes of our artists and by advocating measures to support the arts and its infrastructures, the Council promotes our two official languages, helps strengthen bonds of mutual understanding and enforces our sense of belonging to a community of ideas and ideals.

**ACTORS ZHENG ZHOU (LEFT) AND ZHU GE ZENG IN THE TAPESTRY NEW OPERA WORKS
PRODUCTION OF IRON ROAD. COMPOSED BY CHAN KA NIN; LIBRETTO BY MARK BROWNELL;
MUSICAL DIRECTION BY WAYNE STRONGMAN. PHOTO: DEBORAH BAIC**



THE KITCHENER-WATERLOO SYMPHONY WITH NEW PRINCIPAL CONDUCTOR MARTIN FISCHER-DIESKAU AND CONCERTMASTER STEPHEN SITARSKI. PHOTO: RON HEWSON

In all of its activities, the Council has a fine history of identifying excellence at the cutting edge. In supporting what is excellent, it has an equally fine record of sound management of public funds and administrative processes.

An addition of \$10 million to our base budget near the beginning of the fiscal year was applied where it was most needed, with an emphasis on youth and the community. Symphony orchestras across Canada were given a boost of \$2.5 million and encouraged to apply the funds to youth and community programming. A further \$2.2 million for the same purpose went to other arts organizations. And \$800,000 was applied to grants for young and emerging artists.

Excellence may be its own reward, but public recognition is a welcome addition. I was particularly pleased this year by the growth in the number and amounts of prizes through which we recognize our most outstanding artists. From its own budget, the Council was able to increase the size of the Governor General's Awards in literature and the visual and media arts. It also established three new prizes in theatre for young audiences. Two private donors made generous provision for other prizes: the annual York Wilson Endowment Award was increased from \$20,000 to \$30,000; and the annual \$50,000 Walter Carsen Prize for Excellence in the Performing Arts was established.

With rumours of another significant funding increase to come, the fiscal year ended on a note of optimism. Staff were occupied in assessing program needs and identifying urgent funding priorities, both short- and long-term, when the addition to the Council's parliamentary appropriation of \$25 million a year for three years was announced. I join with the Chairman of the Council in celebrating this important news and this compelling statement of public confidence in Canada's artists and arts organizations.

Shirley L. Thomson

Shirley L. Thomson, O.C.
DIRECTOR

ARTS PROGRAMS

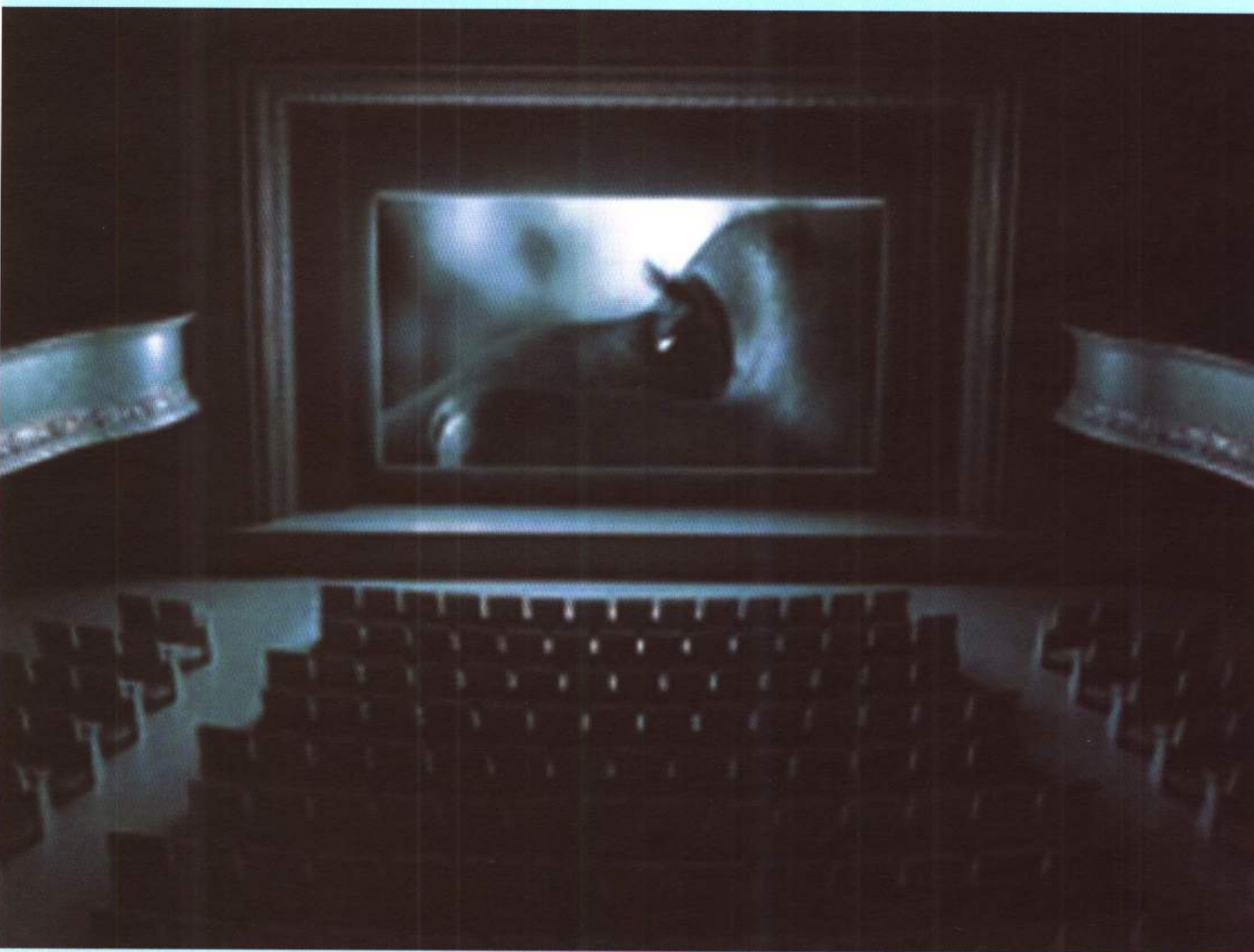


IMAGE FROM *THE PARADISE INSTITUTE* (2001), AN INTERACTIVE MULTIMEDIA WORK BY LETHBRIDGE ARTISTS JANET CARDIFF AND GEORGE BURES MILLER. THE WORK, PRESENTED BY WINNIPEG'S PLUG IN GALLERY AND SUPPORTED BY THE CANADA COUNCIL, WON A SPECIAL JURY PRIZE AT THE 2001 VENICE BIENNALE. VIDEO STILL

Celebrating excellence in the visual arts

Alberta artists Janet Cardiff and George Bures Miller were selected as Canada's official representatives at the 2001 Venice Biennale, the world's oldest and most prestigious contemporary art exhibit. *The Paradise Institute*, a multimedia work where sounds and images blur the boundaries between the work and the observer, won the Biennale's Special Award. The two artists enjoy international acclaim, and their work constitutes one of the most important breakthroughs in conceptual art in the past ten years. Janet Cardiff recently won Canada's first international award in the visual arts, *Elusive Paradise: The Millennium Prize Exhibition*, organized by the National Gallery of Canada, for her work *Forty-Part Motet*.

By giving artists the means to participate in the globalization of the art market through support to major biennials such as Venice, Sidney, Istanbul, São Paulo and Shanghai, the Canada Council seeks to promote the presence of Canadian artists before vast audiences. The Council increased its investment in the Venice Biennale from \$34,000 to \$174,000; a significant proportion of the funding was devoted to preparations for the exhibition by Winnipeg's Plug In Gallery. This initiative is aimed not only at consolidating the presence of Canadian artists in international art markets, but also to ensure that Canada's professional artists have access to production, promotion and distribution of an international calibre.

With the same view to enhancing the presence of visual artists, the 2001 Governor General's Visual and Media Arts Awards this year included an exhibition at the National Gallery of Canada. Numerous visitors were able to admire the excellence of the work of visual artists Tom Dean, Jamelie Hassan and Liz Magor. Since the awards ceremony was held in Ottawa, many were also able to enjoy first-hand the work of two other award winners, Canadian Museum of Civilization architect Douglas Cardinal and the stained glass artist who designed the windows for the House of Commons, Russell C. Goodman. The public was also able to view two films by award-winning filmmaker Alanis Obomsawin, screened at the National Gallery. Joan Chalmers received a Governor General's Award for her outstanding contribution to the visual arts in Canada.

A truly banner year, marked by numerous occasions for both artists and audiences to celebrate excellence.

■ Theatre: an accent on youth and theatrical collaboration

Last December, the Canada Council announced the creation of three new prizes to recognize theatre productions aimed at young audiences, in partnership with the Dora Awards in Toronto, the Jessie Awards in Vancouver and the Soirée des masques in Quebec. Cooperation is limited at this time to these associations because they currently organize annual theatre prizes and have a pool of young audience productions big enough to justify the competition. The prizes, worth \$10,000 each, will be awarded to outstanding theatre productions aimed at young audiences. They reflect the Council's focus on youth and its acknowledgement that theatre for young audiences provides a first and very influential contact point between art and youth. The first prizes for theatre for young audiences were awarded to Montreal's Carbone 14 for its production *Tsuru*, and to Vancouver's Green Thumb Theatre for its production *Derwent is Different*.

"The Flying Squad," a practical program to help professional theatre organizations, has become a permanent program! Today, the Flying Squad is operating with an expanded mandate: its activities focus on initiatives related to development and organizational growth. Many theatre companies feel the program is essential.

Coyote's Roundup, a national meeting on Aboriginal theatre, was held from June 23 to 25, 2000, at the En'owkin Centre in Penticton, British Columbia. Organized by the Canada Council for the Arts, the British Columbia Arts Council, Full Circle Productions and the En'owkin Centre, this event was attended by 60 delegates from across Canada, an international delegation from Australia, 18 Canadian theatre companies and collectives, as well as internationally renowned artists from the Aboriginal theatre scene.

International exchanges and collaborations have continued to grow, with England, France and, recently, Germany. Partnerships between the Canada Council, the Department of Foreign Affairs and International Trade, the British Council, the Commission internationale du théâtre francophone, the Office national de la diffusion artistique, the Association française d'action artistique and the Goethe-Institut have served as a foundation for these dynamic relationships. This year, 22 artistic directors took part in the Edinburgh Festival; several others attended the Dublin International Theatre Festival, the Junde

Hunde Festival in Hamburg, the Berlin Theatre Meeting as well as the World Congress and Puppetry Festival organized by UNIMA, the International Puppeteer's Union, in Magdeburg, Germany. Theatre for young audiences is front and centre in collaboration between France and Canada. In 2000, Arrière Scène and TJP-Centre dramatique national d'Alsace-Strasbourg co-produced *Pacamambo* by Wajdi Mouawad. The play will tour various Canadian cities this year.



GREEN THUMB THEATRE FOR YOUNG PEOPLE

Green Thumb Theatre for Young People has been a mainstay of Vancouver's theatre scene since the mid-1970s and one of the top theatre companies for young audiences in Canada. Its most ambitious production ever, *Time After Time*, explores the impact of changing technology on young people's lives against the backdrop of 19th century Chinese immigration to Canada. Over 38,000 B.C. schoolchildren saw the play in a 16-week tour that included 117 performances. Its success (a Jessie Theatre Award) has led to a remounting of the play for the 2000-01 season and a scheduled North American tour in 2002. *Time After Time* received support from the Council's Millennium Arts Fund. Green Thumb also receives operating funding from the Council.

ACTORS (FROM LEFT) ADRIENNE WONG, JENNY YOUNG AND DARCEY JOHNSON (ROBOT) IN *TIME AFTER TIME*, BY PETER ZEDNIK, A PRODUCTION OF GREEN THUMB THEATRE FOR YOUNG PEOPLE. PHOTO: DAVID COOPER



OUR VERY OWN SONGS

For eight years, Saskatoon singer-songwriter Don Freed has been creating music with Saskatchewan's young. He has conducted songwriting workshops in elementary schools across the province – in rural communities and inner cities. A music grant from the Canada Council will enable him to produce a CD, "Our Very Own Songs," by some 800 schoolchildren in 29 northern communities, the majority Cree and Dene. Freed's goal "is to share the ... joys of creativity, and encourage children to create their own works, which reflect their world. The songs ... embody what it's like to live in the north, the culture of the land and the people." The songs will eventually be included in Saskatchewan's school curriculum.

SASKATOON SINGER-SONGWRITER DON FREED WITH CHILDREN TAKING PART IN A SONG-WRITING WORKSHOP IN CAMSELL PORTAGE IN NORTHERN SASKATCHEWAN. DIGITAL PHOTO: JIM CHURCHWARD

■ Music: operas, orchestras, and northern jazz


The announcement of the Canadian Opera Creation Program was, without a doubt, one of the major events of 2000-2001. Over the next five years, the Canada Council for the Arts will inject \$2.5 million into the creation and production of new opera and music theatre. This money will give Canadian composers, librettists, interpreters and technical artists the chance to develop their skills; it will give companies a boost in developing their audiences and presenting new works. An amount of \$500,000 will be immediately available for programs to be launched this fall by the Professional Opera Companies of Canada (POCC). This program is a component of the Opera Fund, to be delivered by the POCC in collaboration with OPERA America.

In early October 2000, a \$2.5 million increase in funding went to 37 Canadian orchestras to help them to continue promoting Canadian repertoire and to develop new and young audiences. This investment acknowledges the major changes in orientation that orchestras have made to safeguard their institutional and creative vitality, the key role they have in disseminating Canadian repertoire and launching the careers of young musicians, and the invaluable part they play as educators by reaching huge audiences. A sign of this change is the marked increase in the number of Canadian compositions in orchestra programs this year.

This funding has already led to a number of projects, including regional composers workshops, web sites for young audiences, lunchtime concert series in public spaces and concerts with groups from various cultural and Aboriginal communities. In British Columbia, the Victoria Symphony Orchestra created an Advisory Youth Council, which has helped to increase student attendance at concerts by 26 per cent.

This year has brought other big surprises. The summer competition for touring grants in the non-classical music category attracted applications from well-known Canadian artists and, for the first time in many years, applications for jazz tours (most nation-wide), that included the Prairies and the Yukon in the dead of winter. The David Parker Trio toured across Canada from February 1 to April 8, 2001, visiting 26 towns and cities; the Trio François Carrier did 47 shows between October 9 and November 19, 2000; and, in February 2001, the Bernard Primeau Jazz Ensemble performed twice in Iqaluit, once for a young audience.





JUDITH YAN

Judith Yan, a 32-year-old conductor from Toronto, has been appointed staff conductor with the San Francisco Opera, starting in August 2001. Yan had received Council support under the residency program in music, which allowed her to spend the past three seasons as apprentice conductor, then conductor-in-residence, with the Canadian Opera Company. She assisted COC director-general Richard Bradshaw in rehearsals and performances, and conducted several performances, including Benjamin Britten's *The Rape Of Lucretia*. "In my apprenticeship and residency," Yan said, "I always felt a committed partnership between the COC and the Canada Council. I hope this tradition will always continue."

JUDITH YAN WAS AN APPRENTICE CONDUCTOR AND CONDUCTOR-IN-RESIDENCE WITH THE CANADIAN OPERA COMPANY UNDER THE CANADA COUNCIL'S RESIDENCY PROGRAM IN MUSIC. PHOTO: EDWARD KOWAL



WAYDOWNTOWN, A FILM BY GARY BURNS, WAS NAMED BEST CANADIAN
FEATURE FILM AT THE TORONTO INTERNATIONAL AND ATLANTIC FILM
FESTIVALS; IT RECEIVED WRITING SUPPORT FROM THE CANADA COUNCIL.
PHOTO: DARRELL LECORRE

■ Media arts: Canadian video, film and digital technology

Highlights among media arts projects supported in 2000-01 included Canadian video abroad, an award-winning feature film and a digital-technology “e_lounge.”

Magnetic North, researched and prepared by video artist and curator Jenny Lion, is a six-part series showcasing the recent explosion of compelling Canadian independent video. Occasionally shocking, often funny, and above all experimental, the series asserted beyond a doubt that video is alive and well above the 49th parallel, and that Canadians produce some of the most energetic work in this area. Forty tapes by 47 artists from the last 30 years range from innovative documentary to conceptual art, from experimental narrative to performance video. The recent work creates rich and complex comparisons across history (art video from the 1970s and 1980s), regions, languages and genres. The series premiered at the Walker Art Center in Minneapolis in October 2000, and received its Canadian premiere at Plug In Gallery in Winnipeg in November, before touring internationally.

Gary Burns’ film *waydowntown* was recently named best Canadian feature film at the Toronto International and Atlantic Film Festivals. The film was voted most popular Canadian film and best screenplay at the Vancouver International Film Festival. In the story, four young urban dwellers stake a month’s salary on a bet to see who can stay indoors the longest. Gary Burns’ third feature film was praised for its wry examination of contemporary urban life, its strong performances as well as its rich sense of humanity. The Council supported Gary Burns for the writing of this film.

Members of the public who were unable to physically attend the Canada Council-organized World Summit on the Arts and Culture last December were able to do so via a live webcast, Internet chat rooms, and the e_lounge – an electronic gallery and meeting place set up at Ottawa’s National Arts Centre, across the street from the conference. The e_lounge combined a digital gallery and electronic cabaret with a congenial and stimulating gathering spot for conference delegates, artists and those living in or visiting the national capital. Not only did the e_lounge showcase artists who are pushing the boundaries of technology, it provided audio terminals and video stations to allow delegates and visitors to experience a range of electronic and other web-based work from across Canada and around the world. Late-night performances and installations were also programmed.



■ Dance: festival and international co-production among highlights

In June 2000, the Canada Council hosted a national forum on dance, login:danc/se, at the Canada Dance Festival in Ottawa. The event featured three working sessions: dance for youth, collecting and preserving dance, and animating dance in the community. Major research papers were commissioned to help participants reflect on the current situation of dance in Canada, and to assist in developing concrete proposals and action plans.

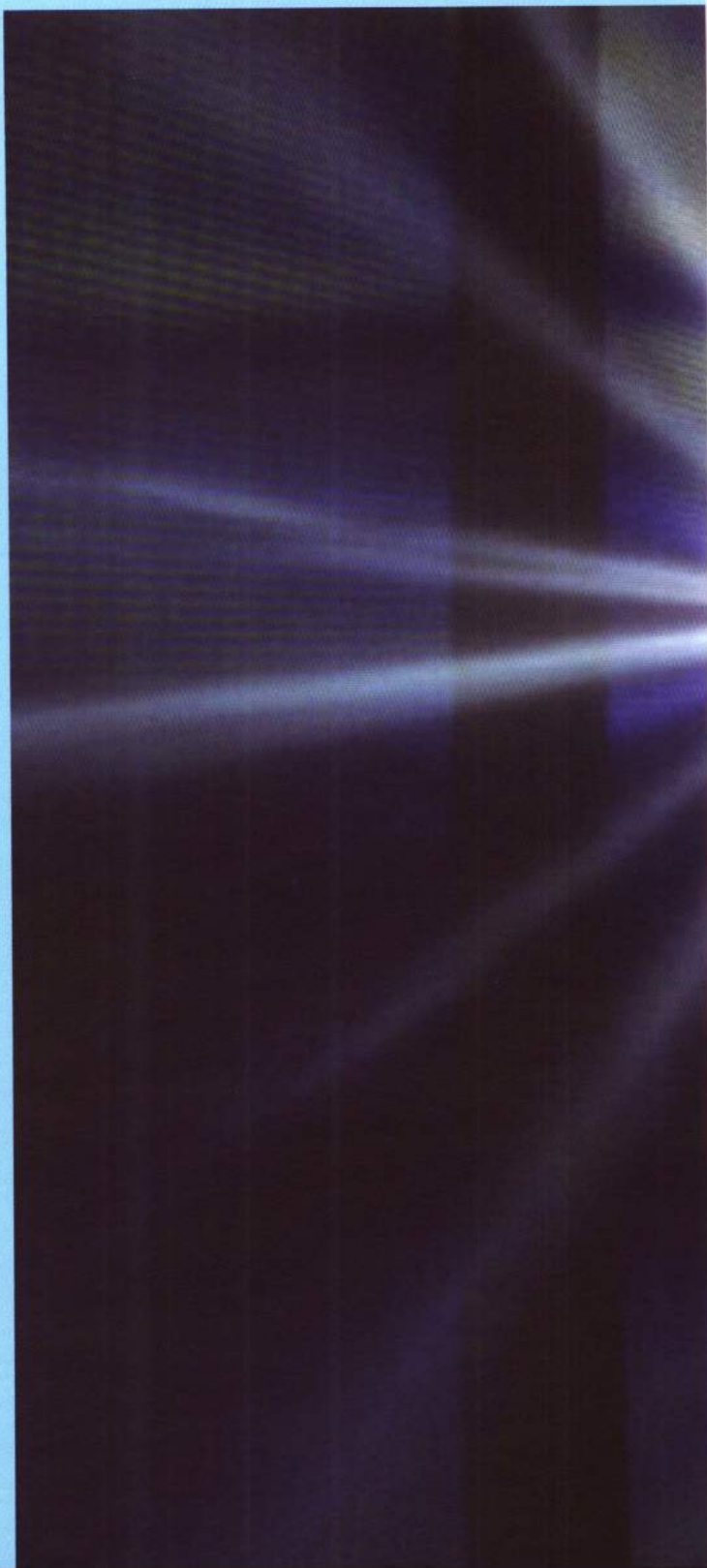
The forum provided an opportunity for dance professionals, critics and amateurs to share information and views on the state of dance in Canada, including future prospects. Among the many items addressed were: the need for a national dance magazine (research findings were presented), the need for preservation of archival material in dance, and the importance of animation (professional development and dissemination), especially vis à vis young audiences. Participants agreed that there was a wealth of experience and talent in dance stretching across the country – a host of success stories and best practices in creation, animation and presenting. It was urgent, they said, to build networks and vehicles for sharing information. Many felt that the Canada Council could play a valuable supporting role in furthering professional development in dance.

Another highlight of the year was an international co-production for young audiences that received support from the Canada Council. The Vancouver dance company Joe Ink, under artistic director Joe Laughlin, has joined forces with the Mophatong dance company of Johannesburg, South Africa, a group that has had a powerful impact on thousands of young South Africans, demonstrating the positive influence of the arts. Together the two companies have created *Every Body*, a highly physical exploration of body movement. *Every Body* will have its world premiere in South Africa in September 2001 and its Canadian premiere at the International Children's Festival in Vancouver in May 2002, followed by a Canadian tour.

AMY BROGAN, IN THE COUNCIL-SUPPORTED TOURING PRODUCTION OF EXAUCÉ / SALT, BY LA LA LA HUMAN STEPS OF MONTREAL, CHOREOGRAPHED BY ÉDOUARD LOCK. PHOTO: ÉDOUARD LOCK

L'ESPACE DYNAMIQUE: EXPLORATIONS IN DANCE AND ARCHITECTURE

Jean-Pierre Perreault's new choreographic space is opening up to a world of explorations, to an "espace dynamique" (dynamic space). Architects, choreographers and dancers are working together to create four series of performances that ponder the issue of performance space. Because space and time are inextricably linked, the project also has a temporal twist. Each of the four teams of creators has only a week to produce its work. On the seventh day, the public is invited to visit the site of the conquest over space and time. *L'Espace dynamique* is supported by the Council's Millennium Arts Fund.





ESPACE DYNAMIQUE, A WORK BY THE FONDATION JEAN-PIERRE PERREAULT; THE FIRST SERIES WAS WITH CHOREOGRAPHER DANIELLE DESNOYERS AND ARCHITECT PIERRE THIBAUT. PHOTO: ANDRÉ FORGET



THE WORD ON THE STREET, TORONTO'S POPULAR ANNUAL BOOK FAIR. THE CANADA COUNCIL ALSO SUPPORTS WORD ON THE STREET FAIRS IN VANCOUVER, HALIFAX AND CALGARY. PHOTO: COURTESY THE WORD ON THE STREET

Writing and publishing: foreign translation and poetry-in-transit

Canadian writers have lately been taking the international literary community by storm. Margaret Atwood's *The Blind Assassin* took last fall's Booker Prize; Michael Ondaatje's *Anil's Ghost* won the Prix Médicis étranger and the Kiriyaama Prize; and Anne Michaels' *Fugitive Pieces* was a recent winner of the Orange Prize for Fiction. This spring Alistair MacLeod's *No Great Mischief* scooped the world's richest writing prize, the International IMPAC Dublin Literary Award (\$172,000).

Enter the Canada Council and its international translation program, which has helped translate most of these books into foreign languages. Michaels' novel, for example, has been translated into ten languages, including Italian, Norwegian and Czech. Rights to the novel have been sold by Canadian publisher McClelland & Stewart to publishers in nearly 30 different foreign markets.

Not only has the translation program helped promote the international careers of Canadian writers, it has boosted Canadian culture abroad. Now in its 21st year, the program is a joint partnership with the Department of Foreign Affairs and International Trade. In 2000-01, the program provided 86 translation grants totalling \$292,500 to publishers in 26 countries. The average grant was \$3,400, a modest investment when you consider that the publisher must assume the bulk of translation costs, as well as those for design, production and marketing. The number of translation grants has doubled in the last five years as the program rises in popularity, in lockstep with Canadian literature abroad.

On other CanLit fronts, 2000-2001 also saw the extension of the Council's poetry-in-transit program to additional cities. In fall 2000, St. John's, Halifax, Saint John, Fredericton, Hamilton, Kitchener-Waterloo, Kingston and Windsor became the latest Canadian cities to introduce the works of Canadian poets on public transit advertising panels. The poetry project is already established in Ottawa, Winnipeg, Toronto, Vancouver and throughout Alberta. Plans are well underway for similar initiatives in Quebec. Last year, the city of Edmonton introduced poems from school children, selected through a city-wide competition. Eight student winners of *Take the Poetry Route's* youth poetry contest had their poems displayed in the transit system.



THE LAUNCH OF TAKE THE POETRY ROUTE, A COLLABORATION OF THE EDMONTON ARTS COUNCIL, THE EDMONTON TRANSIT SYSTEM AND THE CANADA COUNCIL. ABOVE: POETS SHAWNA LEMAY AND ANNA MIODUCHOWSKA. BELOW, FROM LEFT: CHRISTINA TOZER, EDMONTON ARTS COUNCIL, STUDENT POETS MICHAEL TIERNEY, RHIANNON EDWARDS AND ALECIA LANGLOIS, POET ALICE MAJOR AND JOHN MAHON, EDMONTON ARTS COUNCIL. PHOTO: EDMONTON ARTS COUNCIL

The Council's poetry-in-transit project helps bring poetry to some four million commuters in more than a dozen cities nation-wide. The Council and its partners (city, transit authority and local arts council) hope in this way to extend the reach of poetry and support the Canadian writing community.

In April 2001, the Council co-sponsored a *Writers of the Americas Summit* at the Salon du livre de Québec, in conjunction with the Summit of the Americas in Quebec City. The theme of culture and identity was explored by writers and others from throughout the Americas. The keynote speaker was Canadian writer John Ralston Saul. Jean-Louis Roux, the Chair of the Canada Council, also addressed the summit.

The many faces of pluralism and excellence

The year 2000-2001 was marked by a significant rise in participation in the Council's interdisciplinary arts (Inter-Arts) program, with artists and arts organizations representing a huge array of new arts practices. The quality of the projects submitted was better than ever, confirming the vitality of interdisciplinary arts. The increase in participation was a positive reaction to the numerous information sessions that were held across the country, including in St. John's, Moncton, Sackville, Montreal, Regina, Toronto, Vancouver and Victoria.

Last summer, the first inter-arts advisory committee reviewed different activities and suggested the creation of a mentorship program for young artists. This initiative would allow artists like Lori Clarke to further develop the different aspects of their practice. A native of St. John's, Newfoundland, Lori Clarke explores the interaction between art and medicine and received Council funding for her creation *Breathe*, presented in November 2000 at the school of medicine at Memorial University of Newfoundland to an audience of patients, medical staff and the general public.

While collaboration seems to be one of the driving forces in interdisciplinary creation, community action is also a crucial aspect for many creators. As evidence, consider the public artistic events of the Montreal group Socially Acceptable Terrorist Action, which assembles, challenges and mobilizes the community. Or the research on art and therapy carried out by the St. Norbert Arts Centre in Manitoba. Or the media critiques of the young Vancouver group Collective Echoes.

Multidisciplinary festivals have not only paved the way for current artistic practices but have given expression to the cultural diversity that characterizes the art. Support has been provided to 18 festivals, including the Preston Cultural Festival organized by the Black Artists Network of Nova Scotia, the Vancouver Asian Heritage Festival and Montreal's First Peoples' Festival.



■ Aboriginal arts: the traditional and the contemporary

In 1985 a group of native weavers gathered in Haines, Alaska to study with the last living master of the art of Chilkat weaving, 94-year-old Jennie Thlunaut. Jennie was determined that the art not die with her. Today, there are just 20 Chilkat weavers in the world.

Last year the Canada Council's Aboriginal Peoples' Collaborative Exchange program brought eight of them together. Weavers' Circle 2000, which took place in Prince Rupert, B.C., was an opportunity for the Shax'saani Ke'ek Weavers to hone their art in collaboration with one another. It also provided a chance for the public to get a rare glimpse of an ancient art and its underlying traditional knowledge – and to see new Chilkat weaving alongside classic museum pieces. Support for the gathering was provided by the Museum of Northern British Columbia.

Another highlight of the Collaborative Exchange program during the past year was CyberPowWow 2K, an on-line project that addresses issues of contemporary First Nations art, politics and digital technology. The project combines the social and cultural elements of a traditional powwow with a virtual gallery and library, and on-line discussion group (www.cyberpowwow.net).

The Aboriginal Peoples Collaborative Exchange program assists individual artists or artistic groups from Aboriginal communities to travel to other Aboriginal communities to share traditional and / or contemporary knowledge or practices that will foster development of their art. In addition to this networking, the program supports projects that develop an understanding of an artistic discipline in the community.

NATIVE TO CANADA

KANENHI:IO



LUCIE IDLOUT



CALVIN VOLLRATH



WHITEFISH JRS.



WILLIE DUNN

Native to Canada, a showcase of Aboriginal musicians, stormed Berlin – and the international music trade – in October 2000. Organized by the Canada Council for the annual Worldwide Music Expo (the world's largest trade show dedicated to world, roots, folk, ethnic and traditional music), the initiative was meant to help Canadian artists launch international careers. The contingent included Whitefish Jrs., Cree singers and drummers from Big River First Nation in Saskatchewan; Kanenhi:io, women singers from the Wahta Mohawk Territory in Ontario; Willie Dunn, a folk singer from Ottawa; Calvin Vollrath, a Métis fiddler-composer from St. Paul, Alberta; and Lucie Idlout, an Inuit folk/rock singer-songwriter from Iqaluit. The appearance led to various engagements in Norway, England, Italy, Germany, Sweden and Finland.

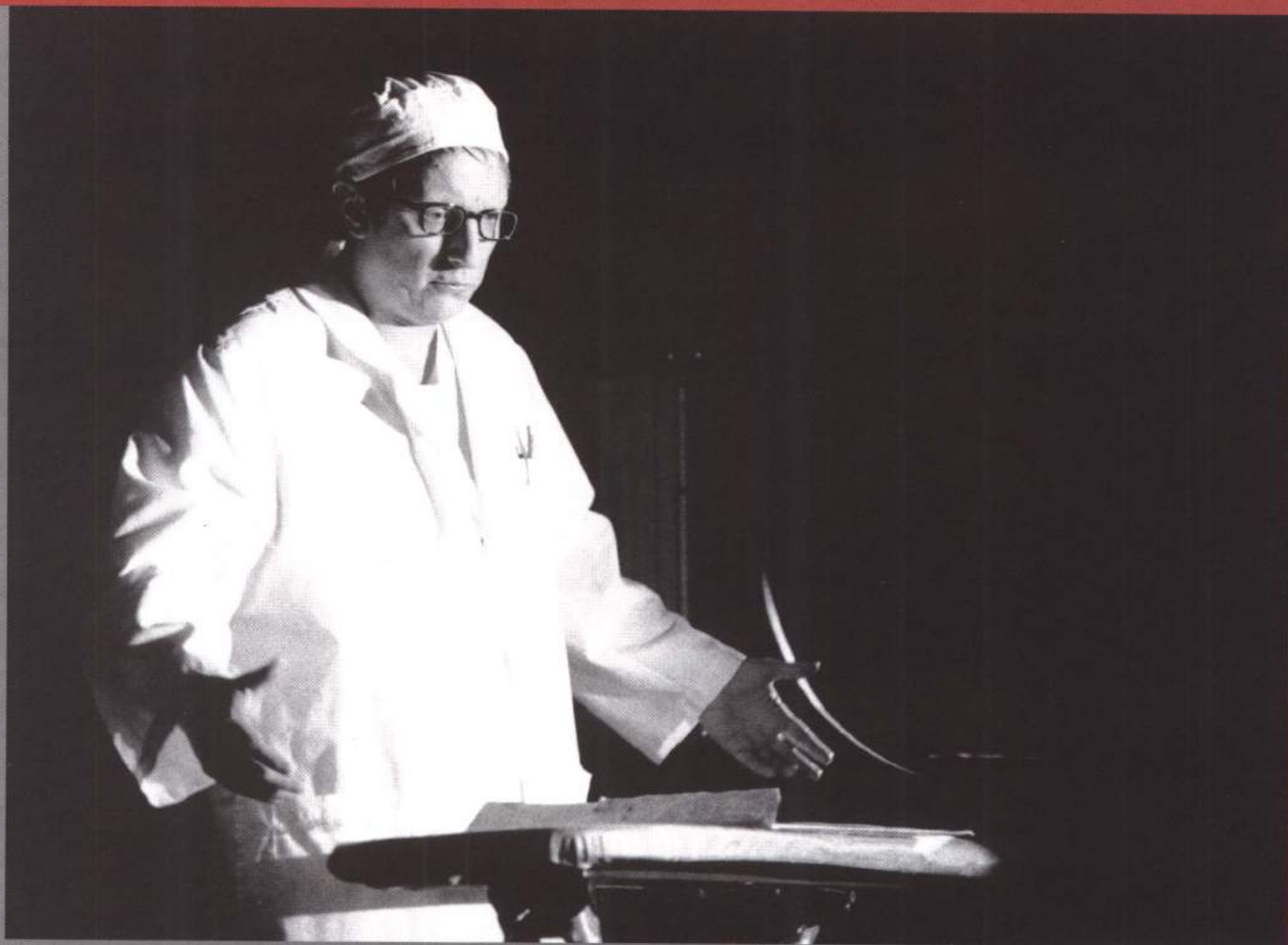
■ Connecting artists to audiences

The Canada Council continues to make efforts to help artists expand their audiences. The Outreach program provides travel assistance to increase programming options for presenters and curators of professional Canadian artists and to assist professional artists and their managers to develop and reach new audiences and markets in Canada and abroad.

The highlight of the past year was the Canadian Aboriginal music showcase, *Native to Canada*, at the Worldwide Music Expo (WOMEX) 2000, held October 19 to 22 in Berlin, Germany. Five Aboriginal artists and groups highlighted the diversity and vitality of Canadian Aboriginal music. The artists were selected from among 45 submissions judged by peer review. WOMEX 2000 is the world's largest trade show dedicated to world, roots, folk, ethnic, traditional and local music.

The Canada Council organized *Native to Canada* to help Aboriginal artists launch their international careers. The artists had an opportunity to perform before broadcasters, managers, event programmers, artistic directors, presenters, agents and recording company representatives from around the world. It was the first time that the Canada Council has sponsored a project of this kind outside Canada. All five groups signed contracts with European labels, and festival engagements have since been confirmed in England, Italy, Germany, Malaysia, Norway, Sweden, Finland and Bosnia.

Meanwhile, the Outreach program continues to organize workshops throughout Canada. Early in 2000, workshops were held in Mistissini, Nemiscu and Chisasibi, in northern Quebec, on how to present professional music artists to local communities and how to link these rural communities into the touring network of artists travelling between Montreal and Quebec. Other workshops were held at the Vancouver International Children's Festival, at the International Showcase of Performing Arts for Young People (Mississauga) and at Six Stages (Toronto) on how to develop new audiences and new international markets for Canadian professional performing artists, specifically work for young audiences.



PLAYWRIGHT-ACTOR ROBERT LEPAGE, IN HIS PRODUCTION OF *THE FAR SIDE OF THE MOON*.

THE FAR SIDE OF THE MOON

Two faces, two brothers, two other brothers — enemies — and two countries trying to take over the moon. The free association of ideas characteristic of Robert Lepage's creations is expressed here through confrontation. Between the visible and the invisible, the spoken and the unspoken, the terrestrial and the sidereal, Lepage creates a space elevator, a journey to the infinite, a terrestrial poem recited to potential extra-terrestrials. *The Far Side of the Moon* has already completed several revolutions of the Earth. The Millennium Arts Fund helped to get this project off the ground and the production has picked up numerous theatrical awards along the way.

■ The Millennium Arts Fund enriched artistic life in hundreds of communities

The Canada Council's Millennium Arts Fund closed its doors at the end of 2000. At closing time, the MAF had funded 187 projects in several hundred communities in every province, as well as in the territories. A total of \$9.2 million was distributed.

The scope of the projects was vast. At one end of the spectrum were the likes of Pacific Opera Victoria's mammoth operatic production of *Erewhon*, based on Samuel Butler's 19th century tale, Robert Lepage's *The Far Side of the Moon*, an award-winner in Quebec theatre this year, and *Atanarjuat*, the Inuktitut-language film by Zacharias Kunuk that won the Prix de la Caméra d'or for best first feature at the 2001 Cannes Film Festival. At a more popular level were projects like Millennium Flags, in which several hundred Nova Scotia communities designed their own millennium flags or heraldic images; the event coincided with a festival of tall ships in Halifax.

The Millennium Arts Fund was created by special funds provided by the federal government to support artistic projects marking the new millennium. Professional artists and arts organizations in all artistic disciplines were given the opportunity to create works that would have a lasting and positive impact, and enrich collections, repertoires and public places. The projects selected reflected the creativity of the Canadian arts and culture, and constituted a unique collection of Canadian experiences and aspirations enjoyed by thousands of people in hundreds of communities across the country.

The criteria for awards were artistic merit; relevance to the millennium and creative disciplines; potential audience reach and appeal to young audiences; and realistic budgeting and financial support from other sources.

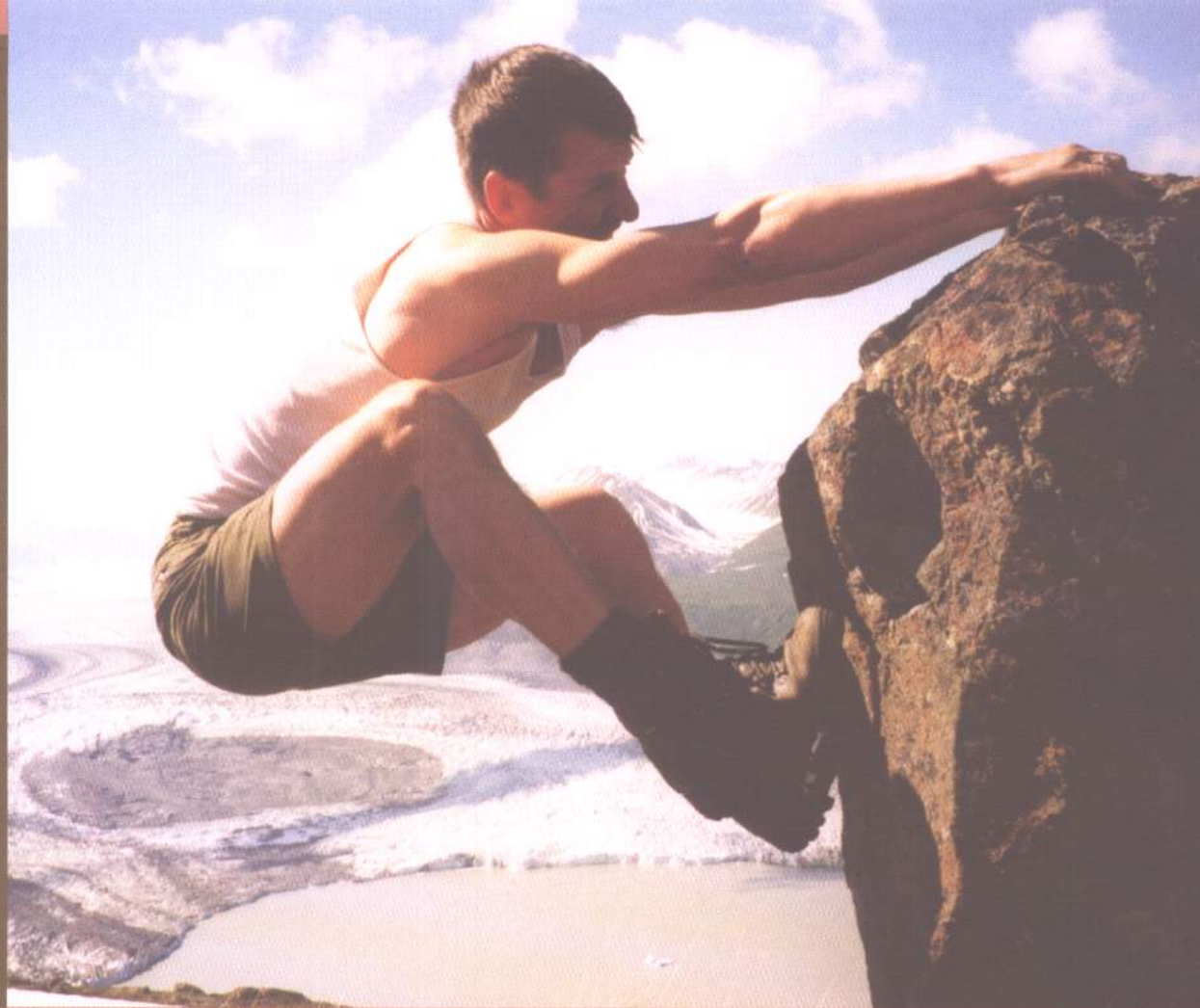
Descriptions of all Millennium Arts Fund projects are posted on the Council's web site (www.canadacouncil.ca/millennium).



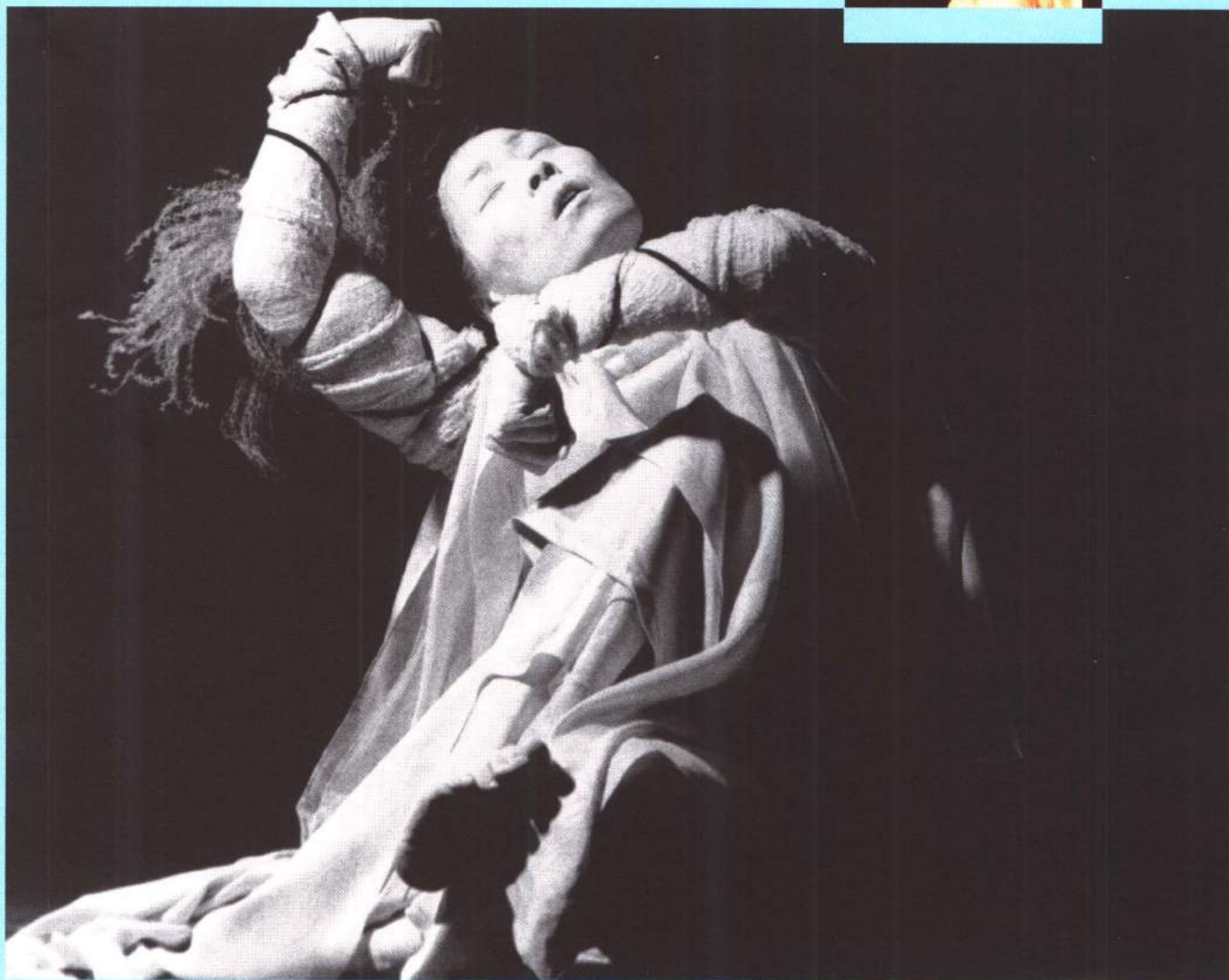
THE YUKON JOURNEY PROJECT

DANCERS LARA BARCLAY (ABOVE) AND JESSICA RUNGE IN THE TORONTO DANCE THEATRE PRODUCTION OF SEVERE CLEAR, BY CHOREOGRAPHER CHRISTOPHER HOUSE, BASED ON HIS EXPERIENCE IN THE MILLENNIUM ARTS-FUNDED YUKON JOURNEY PROJECT. PHOTOS: DAVID HOU
 FAR RIGHT: CHRISTOPHER HOUSE, IN THE YUKON.



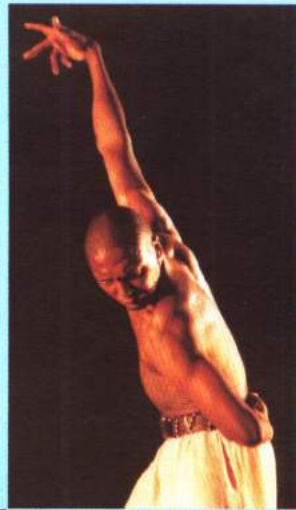


The *Yukon Journey Project* brought seven performing artists from across Canada to the Yukon for an 18-day wilderness tour. The artists were commissioned to create original works inspired by their journey. The project injected a unique northern perspective into the creation of new work by established artists and enabled Yukon artists to meet senior artists from across the country. Participating were John Mann of the Vancouver-based Spirit of the West, Jillian Keiley of Artistic Fraud Theatre in St. John's and Christopher House of the Toronto Dance Theatre. Chris Dray of the Yukon Arts Centre summed up the experience: "I think it's planting a seed for a new type of arts venture." The project obtained support from the Council's Millennium Arts Fund.



DANCER DENISE FUJIWARA, IN SUMIDA RIVER, A PRODUCTION OF FUJIWARA DANCE INVENTIONS. CHOREOGRAPHY: NATSU NAKAJIMA. PHOTO: CYLLA VON TIEDEMANN

TOP : VINCENT SEKWATI MANTSOE OF SOUTH AFRICA'S MOPHATONG DANCE COMPANY. PHOTO : COURTESY OF JOE INK DANCE COMPANY



3.4 Council's equity policies commended

This year, Canada Council was a finalist for the Canadian Race Relations Foundation's 2001 Award of Excellence. The Council was among the top organizations out of 78 nominated for the award, which recognizes excellence in combating racism through policies, programs and practices.

Additionally, the Council was profiled in the *12th Annual Report on the Operation of the Canadian Multiculturalism Act, 1999-2000*. The report said: "There is much to learn from the Canada Council's work. A 1999 evaluation of its cultural equity work identified the following elements of its equity model:

- well-positioned leadership strength that has access to resources and authority;
- close links to the culturally diverse communities across Canada with access to consultative and participatory processes....
- a framework, for taking actions to implement and manage change, that explicitly values human relationships and thoughtful discourse;
- a critical mass of creative energy inside and outside the institution that facilitates risk-taking, is open to change, is curious about difference, is committed to continuous learning....
- a corporate flexibility that will venture beyond institutional hierarchy ... while maintaining institutional accountability;
- sufficient resources to respond to gaps or accelerate the pace of change....
- inclusive approaches that integrate meaningful representation of difference and racial diversity at ... decision-making levels."

See: www.pch.gc.ca/multi/reports/ann99-2000/contents_e.shtml

PRIZES AND ENDOWMENTS

Novelist Michael Ondaatje and filmmaker Alanis Obomsawin headlined an all-star cast of 108 Canada Council award winners this past year. Ondaatje received a Governor General's Literary Award for his novel *Anil's Ghost*. Obomsawin received a Governor General's Award in Visual and Media Arts for career achievement in documentary film.

The 64th Governor General's Literary Awards were presented to 14 outstanding Canadian authors and illustrators by Her Excellency Adrienne Clarkson, Governor General of Canada, and Jean-Louis Roux, Chairman of the Canada Council, on November 14, 2000. The English and French-language winners were: Michael Ondaatje and Jean Marc Dalpé (fiction); Don McKay and Normand de Bellefeuille (poetry); Timothy Findley and Wajdi Mouawad (drama); Nega Mezlekia and Gérard Bouchard (non-fiction); Deborah Ellis and Charlotte Gingras (children's literature - text); Marie-Louise Gay and Anne Villeneuve (children's literature - illustration); and Robert Majzels, and the team of Lori Saint-Martin and Paul Gagné (translation). The Bank of Montreal marked 14 years as sponsor of the awards. Winners received \$15,000 and a leather-bound copy of their work.



TOM DEAN



JAMELIE HASSAN



LIZ MAGOR

The 2nd annual Governor General's Awards in Visual and Media Arts were presented March 21, 2001. Prizes of \$15,000 and a specially-commissioned work of ceramic art went to six outstanding artists: visual artists Tom Dean, Jamelie Hassan and Liz Magor; architect Douglas Cardinal; filmmaker Alanis Obomsawin; and stained glass artist Russell C. Goodman. The award for outstanding contribution to the visual arts community was given to arts patron M. Joan Chalmers. The 2001 awards were marked by a special exhibition at the National Gallery of Canada.

Another highlight of the year was the creation of the new \$50,000 Walter Carsen Prize for Excellence in the Performing Arts, announced by the Canada Council and Toronto philanthropist Walter Carsen in February. The prize recognizes artistic excellence and distinguished career achievement by a Canadian artist in dance, theatre or music (creation or performance). The inaugural prize will be awarded to a dance artist in 2001. Walter Carsen, who has supported the arts for many years, has endowed the awards in perpetuity through a gift of \$1.1 million.

A brief selection of other prizes from 2000-2001:

Saidye Bronfman Award in fine crafts (\$20,000): to designer and furniture maker Peter Fleming of Toronto.

Prix de Rome in Architecture (\$34,000): to George Yu and Jason King of Vancouver.

Virginia Parker Prize (\$25,000) for young classical musicians: to conductor Yannick Nézet-Séguin of Montreal.

PHOTOS : METROPOLIS STUDIO, OTTAWA



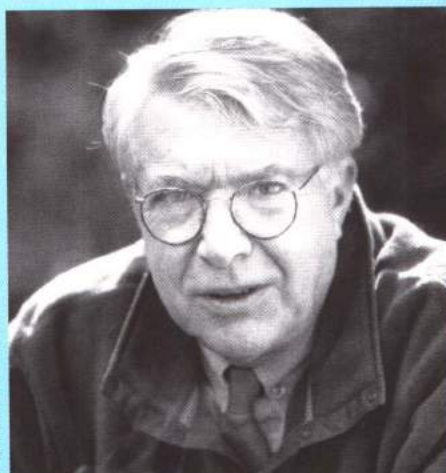
DOUGLAS CARDINAL

ALANIS OBOMSAWIN

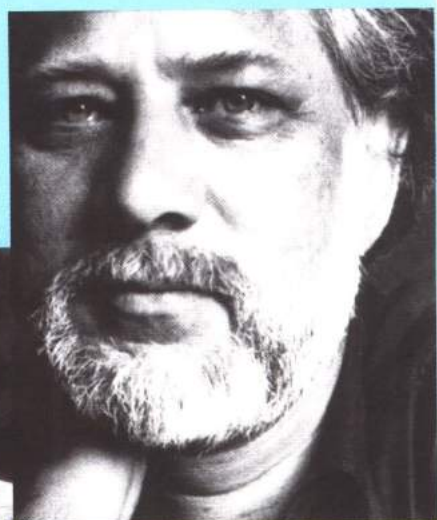
RUSSELL GOODMAN

JOAN CHALMERS

TIMOTHY FINDLEY



ELISABETH FERN

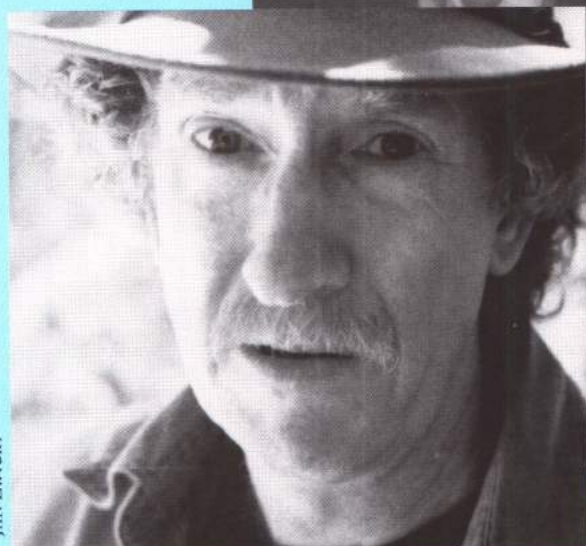


MICHAEL ONDAATJE

DEBORAH
ELLIS



DON MCKAY



JAN ZWICKY

NEGA MEZLEKIA



BERNHARD BOHN

MARIE-LOUISE GAY



ROBERT
MAJZELS

Sylva Gelber Foundation Award (\$15,000) for classical musicians under 30: to Jessica Linnebach of Edmonton.

The York Wilson Endowment Award (\$20,000): to the Art Gallery of Hamilton, to enable it to purchase a work of art, *Bruegel-Bosch Bus*, by Edmonton artist Kim Adams. (Mrs. Lela Wilson has increased the endowment by \$182,000; its current value is nearly \$650,000.)

Killam Prizes (\$100,000 each) in the natural sciences, health sciences and engineering: to Dr. Werner Kalow, University of Toronto pharmacologist, Dr. Ronald Melzack, McGill University psychologist, and Dr. Norbert R. Morgenstern, University of Alberta engineer. Scotiabank is a sponsor of these awards.

Victor Martyn Lynch-Staunton Awards (\$100,000 total): to visual artists Nobuo Kubota of Toronto and Eric Metcalfe of Vancouver (\$38,000 each), and musician Sergio Barroso of Surrey, B.C. (\$24,000).

Theatre for Young Audiences Prizes (\$30,000 total): to Carbone 14's *Tsuru* at Quebec's Soirée des masques; to Green Thumb Theatre's *Derwent is Different* at Vancouver's Jessie Awards; a third prize was to be presented at Toronto's Dora Awards in June.

Musical Instrument Bank: six artists won national competitions for the use of fine musical instruments for two or three years. They were cellist Denise Djokic (a 1696 Bonjour Stradivari cello), Annalee Patipatanakoon (a 1717 Windsor-Weinstein Stradivari violin), Roman Borys (an 1824 McConnell-Gagliano cello), Jasper Wood (an 1820 Pressenda violin), Julie-Anne Derome (a 1902 Enrico Rocca violin) and Kaori Yamagami (an 1830 Shaw-Adam cello bow). The combined value of these instruments is US \$7.5 million.

A complete list of Canada Council prizes can be seen at: www.canadacouncil.ca/prizes.



BUBBLE, BY KATHERINE KNIGHT, WINNER OF THE DUKE AND DUCHESS OF YORK PRIZE IN PHOTOGRAPHY; A RECENT ACQUISITION OF THE CANADA COUNCIL ART BANK

ART BANK

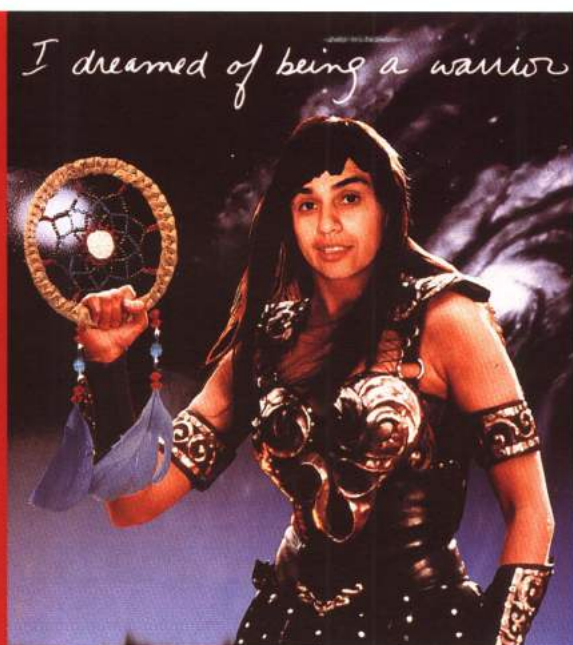
The Canada Council Art Bank, which houses a collection of 17,629 paintings, prints, photographs and sculptures, has been able to resume purchasing new works of art thanks to a break-even position in 2000-01. Purchases had been suspended several years ago amid budget cutbacks. Fifty-four new works were selected in April 2001 by the Art Acquisition Committee from over 400 submitted. The new purchases included works from Nunavut and the Yukon as well as a number of works by Aboriginal artists not represented in the collection, including Jim Hart, Larry Rosso, Rosalie Favell, Terry Starr, Enosik Ottokie and Frank Shebageget. Playful and vivid works by culturally diverse artists Neena Aurora, Sarinder Dhaliwal and Bernadette Phan were also added to the collection.

The new acquisitions, valued at \$140,000, were made possible thanks to revenues generated through a repurchasing program, which allowed artists represented in the collection to buy back their work. At year-end, 173 works had been repurchased by artists such as Christopher Pratt, Mary Pratt, Ivan Eyre and Richard Gorman. The repurchase program was recommended by a five-member Art Bank Advisory Committee, made up of: Matthew Teitelbaum, Director, Art Gallery of Ontario; Marcel Brisebois, Director, Musée d'art contemporain; Newfoundland artist Marlene Creates; Saskatchewan artist David Thauberger; and Olga Korper, Director, Olga Korper Gallery, Toronto.

With the funds from the repurchase program as well as revenue from a growing list of clients, including major national and international institutions, the Art Bank had revenues well in excess of costs for the first time ever. The number of works rented is also up, now amounting to roughly one-third of the collection.

The Art Bank also completed a systematic appraisal of its entire inventory. During the past year and a half, over 2,800 artists, dealers, collectors and curators were contacted – all with a view to assessing current market values. The new appraised value of the entire Art Bank collection – \$58 million – will help establish realistic rental fees and set appropriate replacement values for insurance purposes.

Perhaps the most important aspect of this process was the communication with the artists represented in the Art Bank collection. Many of the artists expressed



I DREAMED OF BEING A WARRIOR, FROM
PLAIN(S) WARRIOR ARTIST, BY ROSALIE
FAVELL, GRANT RECIPIENT IN
PHOTOGRAPHY. DIGITAL INKJET PRINT.

their pleasure at being consulted about their work. Norman Bates spoke for many artists when he wrote, "A call such as yours is a rare event for me here in the West ... thank you for searching me out."

Another important development was the implementation of a new computer system, ARCA (Art Rental / Client Activity), which allows Art Bank consultants to create a web gallery of works chosen from the entire collection. The web gallery's URL can then be sent electronically to a client anywhere in the world. It is a valuable resource that has allowed the Art Bank to streamline its business operations.

The Bank also continued a conservation and re-framing project begun two years ago, and provided new operating guidelines to all artists represented in the collection.

The most interesting art rental during the year was to Alliance-Atlantis, producer of the CTV television series *The Associates*, a drama about young Bay Street lawyers. Contemporary Canadian art by Jacques Hurtubise, Sheila Butler, Dominique Blain and Douglas Bentham brought colour and life to the program's legal offices and boardrooms. The association with the series produced a great deal of positive media coverage. The works can be seen on prime-time once again next season.

PUBLIC LENDING RIGHT COMMISSION

The Public Lending Right (PLR) Commission celebrated its fifteenth anniversary this year by distributing the largest amount of money ever to the greatest number of authors since the Commission was founded in 1986. In February 2001, payments of \$8,650,376 were provided to 12,740 authors. Five hundred and eighty-seven of these were first-time PLR recipients.

The Public Lending Right Commission, comprised of representatives of national writers', librarians' and publishers' associations, makes annual payments to Canadian authors for the availability of their books catalogued in Canadian libraries, according to eligibility criteria.

Authors register their titles with the Commission. The Commission in turn compiles a master list of titles which is checked annually against the holdings of a representative number of libraries (ten for English-language titles, five for French-language). An author is paid an amount per book each time the title is found in one of the sampled libraries. The 2000-2001 PLR payment ceiling – the maximum amount an author can earn from the program – was \$3,525.

Thanks to a budget increase in 2000-2001, authors have good reason to celebrate PLR's anniversary, since the program's hit rate (the amount paid each time a title is found in one of the sampled libraries) increased from \$34.45 last year to \$35.25 this year. This increase was due to an allocation of \$600,000 to the PLR Commission by the Canada Council for the Arts, which was given an additional \$10 million by the federal government in the February 2000 budget.

The PLR program is highly prized by the country's literary community. Writer John Ralston Saul described it as "a model for other countries. With public lending rights, Canadians have found a way to reward authors for their unrewarded contribution to the widening of the reading public. And it was done without damaging our public library system. In effect, we created the equivalent of a minimum wage for authors."

Award-winning author Marie-Claire Blais added that "the direct support provided by the PLR program is indispensable to all our authors: it is basic justice due to our artists, who represent the present and the future of our society."

On the occasion of the annual PLR payment, Commission Chair and writer André Roy described PLR as “an excellent example of the federal government’s commitment to our authors.” Mr. Roy also offered wholehearted thanks to the Canadian library community for its unstinting collaboration with the PLR Commission over 15 years.

More from notable authors on the importance of Public Lending Right can be found at the Commission’s web site: www.plr-dpp.ca.



OSCAR PETERSON WAS NAMED RECIPIENT OF THE 2000 INTERNATIONAL MUSIC COUNCIL/UNESCO MUSIC PRIZE FOR HIS CONTRIBUTIONS TO MUSIC AND TO HUMAN RIGHTS. MR. PETERSON IS THE FIRST CANADIAN TO WIN THIS PRESTIGIOUS PRIZE. PHOTO : AL GILBERT

CANADIAN COMMISSION FOR UNESCO

The Canadian Commission for UNESCO advises the Government of Canada on its relations with the United Nations Educational, Scientific and Cultural Organization. The Commission also fosters co-operation between Canadian organizations in civil society and UNESCO. The Commission was created in 1957 by Order-in-Council as a division of the Canada Council.

The Commission actively participated in the celebration of the second annual UNESCO World Poetry Day on March 21. In partnership with the Department of Canadian Heritage, the National Library, and the Writing and Publishing Section of the Canada Council, an information kit was sent to every secondary school in Canada. Literary magazines *Prairie Fire* (Winnipeg) and *Art Le Sabord* (Trois-Rivières) published special issues commemorating World Poetry Day and the International Day for the Elimination of Racial Discrimination. In collaboration with the Canadian partners and the 25 embassies of the Americas, a highly successful poetry reading was held before a standing-room-only audience at the National Library.

In December 2000, the Commission held its 41st Annual General Meeting (AGM) with thematic sessions on the Culture of Peace and Dialogue Among Civilizations. Keynote addresses were given by Hans D'Orville, Director of Strategic Planning, UNESCO (Paris), Bob Rae, former Premier of Ontario, and Marie-Claude Benoît, of the World March of Women. Over 250 people from across Canada and the United States attended the meeting, making it one of the largest AGMs ever held. The Commission was encouraged by both the attendance and the number of first-time visitors, indicating that it is reaching new audiences through communication and advocacy strategies.

The contributions of Canadians to the advancement of the ideals of UNESCO were recognized this year with the awarding of two major international prizes. Oscar Peterson won the 2000 International Council of Music / UNESCO Music Prize for his contribution to music and to the advancement of human rights. Mr. Peterson is the first Canadian to win this prestigious prize. Professor Toh Swee-hin of the University of Alberta won the 2000 UNESCO Prize for Peace Education. Professor Toh, an active member of the Commission, was singled out for his work in promoting peace education in Africa, Asia and the Caribbean.



CANADA COUNCIL CHAIRMAN JEAN-LOUIS ROUX ADDRESSES DELEGATES AT THE WORLD SUMMIT ON THE ARTS AND CULTURE, OTTAWA, DECEMBER 2000. PHOTO: VALBERG IMAGING

PROMOTING THE ARTS GLOBALLY

In December 2000, the Canada Council for the Arts hosted the first-ever World Summit on the Arts and Culture. The Summit brought together some 300 delegates and observers from some 50 countries to discuss issues ranging from cultural diversity to artists' intellectual property rights in the age of new information technologies. Some 40 international organizations and diplomatic missions also attended.

National arts councils and arts funding agencies agreed to form the International Federation of Arts Council and Culture Agencies, aimed at benefiting artists, arts organizations and artistic communities throughout the world. The new federation will be open to all national or international agencies that fund or advocate on behalf of the arts and culture. Some 80 countries currently have arts councils or similar agencies; many more have government departments and non-governmental organizations that support the arts.

The federation will be established as a not-for-profit corporation with a small, independent secretariat. It will be governed by a board broadly representative of its members. The board will meet every six to 12 months, and summits will likely be held every two years. Canada Council Director Shirley Thomson was chosen as interim Chair of the federation's board and Sarah Gardner, former Director of Strategic Initiatives at the Australia Council, was chosen Executive Director. Other interim board members are Risto Ruohonen (Chairman, Arts Council of Finland), Patricia Quinn (Director, Arts Council of Ireland), Doreen Nteta (CEO, National Arts Council of South Africa), Choo Thiam Siew (Director, Singapore National Arts Council) and Albana Perez-Suarez (Head, Private Cultural Foundations, National Council for Culture of Venezuela). The federation's interim secretariat will be located at the Australia Council in Sydney.

At its first full meeting in Johannesburg, South Africa in April, the interim board addressed issues raised at the Summit, including governance, membership and an action plan for the Federation. Other proposed activities include the creation of an on-line data bank on research, arts activities and information on international best practices in arts management.



DOREEN NTETA, CHIEF EXECUTIVE OFFICER OF THE NATIONAL ARTS COUNCIL OF SOUTH AFRICA, ADDRESSING THE WORLD SUMMIT ON THE ARTS AND CULTURE. PHOTO: VALBERG IMAGING

The Federation will provide an opportunity to assist newer arts councils and developing countries by sharing information and expertise. It will serve as a forum through which arts councils can develop collaborative projects, such as training and mentoring programs, residency programs for artists and staff exchanges. It will work to promote and support the work of artists in all parts of the globe.

FINANCIAL REPORT

Financial Overview	60
Management's Responsibility for Financial Statements	63
Auditor's Report	64
Financial Statements	65

Financial Overview

HIGHLIGHTS

THE COUNCIL'S PARLIAMENTARY APPROPRIATION OF \$127.4 MILLION REFLECTED AN INCREASE OF \$10.8 MILLION OVER THE PRECEDING YEAR. THIS ENABLED THE COUNCIL TO AWARD GRANTS AND PUBLIC LENDING RIGHT PAYMENTS OF \$27.9 MILLION TO ARTISTS, AND \$85.2 MILLION TO ARTS ORGANIZATIONS, AN OVER-ALL INCREASE OF 5.4% OVER THE PREVIOUS YEAR.¹

THE COUNCIL DERIVES INCOME FROM INTEREST ON ENDOWMENTS, BEQUESTS AND DONATIONS. IT HAD NET INVESTMENT INCOME OF \$24.4 MILLION IN 2000-01. WHILE THIS WAS A DECREASE FROM THE PREVIOUS YEAR – DUE TO VOLATILITY IN GLOBAL MARKETS – THE AMOUNT EARNED WAS NEVERTHELESS \$9.3 MILLION GREATER THAN BUDGETED.

THE CANADA COUNCIL ART BANK GENERATED NET REVENUE OF \$189,000, SURPASSING THE BREAK-EVEN OBJECTIVE. THIS PUT THE BANK IN A POSITION TO PURCHASE NEW ARTWORK FOR ITS RENTAL OPERATIONS.

¹ Excludes the one-time Millennium Arts Fund, the Killam Program and prizes awarded through special funds.

ADMINISTRATION

Administration expenses were \$1.3 million under budget. Actual expenditures were \$2.1 million higher than the previous year; \$1 million of this was due to one-time initiatives such as the World Summit on the Arts and Culture, the Canada Dance Festival symposium, an Aboriginal arts showcase, the Council's web site and other advocacy activities.

INVESTMENTS²

The market value of the portfolio was \$279 million at March 31, 2001. This was \$13.9 million less than the cost value, due to the deterioration in the global capital markets during the last six months of the fiscal year. The Council's funds nevertheless fared well when compared to the established benchmarks for the portfolio (see table below). During the year the Killam Fund trustees decided to adopt the same investment strategy as the Council on the endowment funds. This has simplified the investment management structure, as all funds under the custody of the Council are now managed with the same investment policies and goals. The Council changed its external investment management team during the year, replacing an active global equities manager with a passive global equities manager. The Council also invested a \$1.1 million donation (intended for a performing arts prize) from philanthropist Walter Carsen.

	Council and other endowments		Killam endowments	
	1 YR	4 YRS	1 YR	4 YRS
Total fund return	- 2.9%	8.6%	- 1.2%	7.2%
Total fund objective	- 15.7%	10.8%	- 9.5%	8.0%

GRANT EXPENDITURES

The Council awarded over 5,700 grants to artists and arts organizations and made public lending right payments to 12,740 authors (the latter totalling \$8.6 million). These disbursements, including Millennium Arts Fund grants, totalled \$117.4 million.

The number of artists and arts organizations funded continued to rise. Over 2,100 artists were supported (up 8% over the previous year and 69% since 1996-97). Almost 1,800 arts organizations were supported (up 4% over the previous year and 46% since 1996-97).

Almost 20% of Council funding for individual artists went to young and emerging artists. Funding for culturally diverse and Aboriginal artists, a corporate objective, represented 6.9% and 9%, respectively, of total funding for

individuals; this exceeded targets. Funding for dissemination (touring, festivals, readings, etc.) was \$18.8 million, an increase of 4% over 1999-2000.

ART BANK AND MUSICAL INSTRUMENT BANK

An appraisal of the entire Art Bank collection (18,000 works) was completed during the year. The new appraised value of \$58 million, a significant increase over the carrying value of \$19 million, will ensure that the Art Bank's level of insurance is adequate and that rental rates for its art works are more reflective of market value. The Canada Council's Musical Instrument Bank holds several quality fine-stringed instruments, which are appraised at \$12.8 million.

2 The Investment Committee consists of John W. Crow (Chair), Jean-Louis Roux, Chairman, Canada Council, François Colbert, Vice-Chairman, Canada Council, John H. Matthews, consultant, J. William E. Mingo, Partner, Stewart McKelvy Sterling Scales, Nancy Orr-Gaucher, President, Groupe Dynamix, Michel Thérioux, President, Jas. A. Ogilvie Inc. and Tania Willumsen, consultant. The Audit and Finance Committee consists of François Colbert (Chair) and fellow board members Jean-Louis Roux, Richard Laferrière, Nalini Stewart and Irving Zucker. (As of March 31, 2001)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Canada Council and all the information in this annual report are the responsibility of Management and have been approved by the Council.

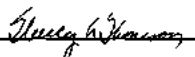

The financial statements have been prepared by Management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, Management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

The Canada Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the organization's assets are appropriately accounted for and adequately safeguarded.

The Council is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Audit and Finance Committee.

The Audit and Finance Committee is appointed by the Council and its members are Council members. The Committee meets periodically with Management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditor's report. The Committee reports its findings to Council for consideration when approving the financial statements.

The independent auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the Canada Council, and for issuing his report thereon.

	
Director	Secretary-Treasurer

May 25, 2001



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Canada Council
and the Minister of Canadian Heritage

I have audited the balance sheet of the Canada Council as at March 31, 2001 and the statements of operations, changes in equity and cash flows 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 Canadian 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 Council as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script, appearing to read 'R. Flageole'.

Richard Flageole, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 25, 2001

FINANCIAL STATEMENTS – CANADA COUNCIL

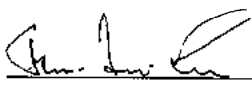
Balance Sheet

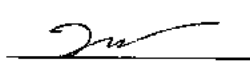
as at March 31, 2001

(in thousands of dollars)

	2001	2000
ASSETS		
Current Assets		
Cash and short-term deposits (Note 3)	\$ 5,330	\$ 9,658
Accrued investment income	1,499	2,732
Accounts receivable	2,586	1,520
Deferred charges	<u>761</u>	<u>1,120</u>
	10,176	15,030
Investments (Note 4)	292,884	268,073
Works of art and musical instruments (Note 5)	19,023	19,056
Other capital assets (Note 6)	<u>4,227</u>	<u>4,899</u>
Total Assets	<u>\$ 326,310</u>	<u>\$ 307,058</u>
LIABILITIES		
Current Liabilities		
Grants payable	\$ 19,286	\$ 21,757
Accounts payable and accrued liabilities	<u>1,750</u>	<u>2,170</u>
	21,036	23,927
Employee termination benefits	976	881
Deferred credits	2,239	2,412
Deferred contributions (Note 7)	<u>4,711</u>	<u>5,210</u>
Total Liabilities	<u>28,962</u>	<u>32,430</u>
PRIVATE ENDOWMENTS (Note 8)	<u>80,710</u>	<u>71,654</u>
EQUITY		
Endowment		
Original contribution	50,000	50,000
Appropriated surplus	<u>136,070</u>	<u>126,770</u>
	<u>186,070</u>	<u>176,770</u>
Surplus		
Invested in works of art and musical instruments	19,023	19,056
Unrestricted	<u>11,545</u>	<u>7,148</u>
	<u>30,568</u>	<u>26,204</u>
Total Equity	<u>216,638</u>	<u>202,974</u>
Total Liabilities, Private Endowments and Equity	<u>\$ 326,310</u>	<u>\$ 307,058</u>

On behalf of the Council:


 Chair


 Vice Chair

(See accompanying notes to the financial statements)

CANADA COUNCIL
Statement of Operations for the year ended March 31, 2001 *(in thousands of dollars)*

	2001	2000
REVENUE		
Net investment income (Note 9)	\$ 24,433	\$ 31,701
Net Art Bank revenue (costs) (Note 10)	189	(140)
Other	<u>1,929</u>	<u>1,657</u>
 Total Revenue	 <u>26,551</u>	 <u>33,218</u>
 EXPENSES		
Programs		
Grants (Schedule 1)	117,357	113,878
Administration (Schedule 2)	7,672	7,126
Services	<u>2,272</u>	<u>2,129</u>
	127,301	123,133
 Canadian Commission for UNESCO (Note 10)	 1,658	 1,283
 General administration (Schedule 2)	 <u>11,326</u>	 <u>9,746</u>
 Total Expenses	 <u>140,285</u>	 <u>134,162</u>
 Net cost of operations before parliamentary appropriation	 113,734	 100,944
 Parliamentary appropriation	 <u>127,431</u>	 <u>116,584</u>
 Surplus for the year	 <u>\$ 13,697</u>	 <u>\$ 15,640</u>

(See accompanying notes to the financial statements)

CANADA COUNCIL

Statement of Changes in Equity for the year ended March 31, 2001 *(in thousands of dollars)*

	<u>2001</u>	<u>2000</u>
ENDOWMENT		
Original contribution	\$ <u>50,000</u>	\$ <u>50,000</u>
Appropriated surplus		
Balance at beginning of the year	126,770	108,770
Appropriated from unrestricted surplus during the year	<u>9,300</u>	<u>18,000</u>
Balance at end of the year	<u>136,070</u>	<u>126,770</u>
Balance of Endowment at end of the year	\$ <u>186,070</u>	\$ <u>176,770</u>
SURPLUS		
Invested in works of art and musical instruments		
Balance at beginning of year	\$ 19,056	\$ 19,027
Net additions and adjustments during the year	<u>(33)</u>	<u>29</u>
Balance at end of the year	<u>19,023</u>	<u>19,056</u>
Unrestricted		
Balance at beginning of the year	7,148	9,537
Surplus for the year	13,697	15,640
Net additions and adjustments during the year	—	(29)
Appropriated during the year	<u>(9,300)</u>	<u>(18,000)</u>
Balance at end of the year	<u>11,545</u>	<u>7,148</u>
Balance of surplus at end of the year	\$ <u>30,568</u>	\$ <u>26,204</u>

(See accompanying notes to the financial statements)

CANADA COUNCIL			
Statement of Cash Flows		for the year ended March 31, 2001	
		(in thousands of dollars)	
		2001	2000
OPERATING ACTIVITIES			
Surplus for the year	\$	13,697	\$ 15,640
Items not affecting cash			
Amortization - other capital assets		1,299	1,147
Amortization - other capital assets - Art Bank		113	113
		<u>15,109</u>	<u>16,900</u>
Change in non-cash operating assets and liabilities		<u>(2,942)</u>	<u>(3,068)</u>
Cash provided by operating activities		<u>12,167</u>	<u>13,832</u>
FINANCING ACTIVITIES			
Endowment contributions received		<u>1,282</u>	<u>193</u>
INVESTING ACTIVITIES			
Deferred contributions transferred			
to private endowments		7,774	4,566
Net increase in investments		(24,811)	(21,037)
Acquisition of other capital assets		(738)	(2,938)
Proceeds from sale of other capital assets		<u>(2)</u>	<u>—</u>
Cash used in investing activities		<u>(17,777)</u>	<u>(19,409)</u>
Decrease in cash and short-term deposits		(4,328)	(5,384)
Cash and short-term deposits at beginning of the year		<u>9,658</u>	<u>15,042</u>
Cash and short-term deposits at end of the year	\$	<u>5,330</u>	\$ <u>9,658</u>

(See accompanying notes to the financial statements)

CANADA COUNCIL

Notes to Financial Statements

March 31, 2001

1. *Authority, Operations and Objectives*

The Canada Council, established by the *Canada Council Act* in 1957, is not an agent of Her Majesty and is deemed to be a registered charity for the purposes of the *Income Tax Act*. In accordance with section 85 of the *Financial Administration Act*, the Canada Council is exempt from Part X of this Act. The Canada Council is a national organization whose objectives are to foster and promote the study, enjoyment and production of works in the arts. The Council has been assigned the functions and duties for the Canadian Commission for UNESCO.

The Council achieves its objectives through a grants program to professional Canadian artists and arts organizations. The Council incurs administration and services expenses in the delivery of programs. Program administration expenses are detailed in Schedule 2 and represent the direct costs of program delivery. Program services expenses mainly represent the costs associated with the adjudication of Council's grants. General administration costs represent the costs related to corporate management, communications, human resources, informatics, finance, accommodation and amortization. These costs are also detailed in Schedule 2.

The Canadian Commission for UNESCO advises the Government of Canada on its relations with the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Commission also fosters co-operation between Canadian organizations in civil society and UNESCO.

2. *Significant Accounting Policies*

The most significant accounting policies are:

(a) Investments

Investments are recorded at cost and are written down to market value when the loss in value is considered to be other than a temporary decline.

(b) Other capital assets and works of art and musical instruments

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

Office equipment	5 years
Leasehold improvements	term of the lease

Purchased works of art and musical instruments are recorded at cost. Donated works of art and musical instruments are recorded at their appraised value. No amortization is recorded on these assets.

(c) Employee termination benefits

Employees are entitled to specified benefits on termination as provided for under conditions of employment. The Council recognizes the cost of future termination benefits over the periods in which the employees render services to the Council and the liability for these benefits is recorded in the accounts. The corporation's current year termination benefit expense is \$146,000 (2000 - \$209,000).

(d) Parliamentary appropriation

Parliamentary appropriation is recognized as revenue in the year for which it is approved by Parliament. Parliamentary appropriations intended for future years received from Parliament before the end of the year are recorded as deferred parliamentary appropriations.

(e) Contributions

The Canada Council follows the deferred contribution method of accounting for contributions.

Annual contributions are recognized as revenue in the year received or in the year the funds are committed to the Canada Council if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted net interest and dividends, unrestricted net realized capital gains or losses, Art Bank rental fees and other revenues are recorded as revenue in the year they are earned. Externally restricted investment income is recorded as deferred contributions and is recognized as revenue in the year in which the related expenses are incurred.

Endowment contributions are recognized as direct increases to private endowments.

Contributions received in a form other than cash are recorded at their fair value at the date they are received by the Canada Council.

(f) Pension plan

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the Council contribute to the cost of the Plan. Council's contribution has increased from being equal to the employees' share to 2.14 times the employees' share. Required contributions to the Plan are approved by the Treasury Board of Canada. These contributions represent the total pension obligation of the Council. The Council is not required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account. The corporation's current year pension plan expense is \$1,031,000 (2000 - \$406,000).

(g) Grants

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.

3. *Cash and Short-Term Deposits*

The Canada Council invests temporary surplus cash in a short-term pooled fund managed by Lancaster Investment Counsel. All instruments held in the pooled fund are rated R₁(low) or A₁(low) or better by a recognized bond rating agency. Except for federal and federally guaranteed instruments, no more than 10% of the short-term portfolio is invested with one issuer.

The net book value of short-term deposits as at March 31, 2001 and March 31, 2000 approximated the market value.

4. Investments

	2001		2000	
	Cost	Market Value	Cost	Market Value
Canada Council and Other Endowments	<i>(in thousands of dollars)</i>			
Pooled funds	\$ 219,005	\$ 210,894	\$ 179,401	\$ 198,634
Equities	942	862	—	—
Bonds	793	916	29,122	28,580
Mortgages	8	8	10	10
	<u>220,748</u>	<u>212,680</u>	<u>208,533</u>	<u>227,224</u>
	2001		2000	
	Cost	Market Value	Cost	Market Value
Killam Endowments				
Pooled Funds	72,136	66,339	18,119	19,813
Bonds	—	—	28,880	28,263
Equities	—	—	12,541	15,644
	<u>72,136</u>	<u>66,339</u>	<u>59,540</u>	<u>63,720</u>
Total investments	<u>\$ 292,884</u>	<u>\$ 279,019</u>	<u>\$ 268,073</u>	<u>\$ 290,944</u>

During the year the Council realigned its portfolio, investing in units of the following pooled funds: 42.0% in the global Templeton Master Trust – Series 2, 21.7% in the Barclays US Equity Index B Fund, 19.3% in the Barclays EAFE Equity Index B Fund, 15.6% in the Barclays Universe Bond Fund and 1.4% in the Barclays TSE 300 Equity Index Fund.

All bonds are rated “BBB” or better by a recognized bond rating agency. Except for federal and federally guaranteed instruments, no more than 10% of a manager’s portfolio may be invested with one issuer. As at March 31, 2001, the Canada Council and Other Endowments have one investment in a Government of Canada bond with an interest rate of 8.00%, maturing in June 2023.

The investment in equities represents a diversified Canadian common equity portfolio made up of companies listed on the Toronto Stock Exchange 300 Index.

5. Works of Art and Musical Instruments

The Canada Council Art Bank has the largest number of contemporary Canadian works of art in Canada. It includes about 18,000 paintings, sculptures, drawings, photographs and prints by over 2,500 artists. The Canada Council Art Bank rents the art works to interested parties and presently has about 6,200 works on rental to federal government departments and agencies, associations, hospitals, schools, municipalities and private corporations.

The Canada Council created the Musical Instrument Bank in 1985 and it presently owns a fine cello bow and four quality musical instruments: the Brott-Turner-Tecchler cello; the Windsor-Weinstein Stradivarius violin; the 1674 McConnell Petrus Ranta cello; and the 1824 McConnell Nicolaus Gagliano cello. In addition, the Council manages five instruments on loan from an anonymous donor until 2003.

6. *Other Capital Assets*

	Cost	2001 Accumulated amortization	Net Book Value	2000 Net Book Value
	<i>(in thousands of dollars)</i>			
Office equipment	\$ 6,592	\$ 4,360	\$ 2,232	\$ 2,361
Leasehold improvements	<u>5,816</u>	<u>3,821</u>	<u>1,995</u>	<u>2,538</u>
	<u>\$ 12,408</u>	<u>\$ 8,181</u>	<u>\$ 4,227</u>	<u>\$ 4,899</u>

7. *Deferred Contributions*

Deferred contributions represent unspent externally restricted net income on endowments and contributions received by way of bequest and donations that have been restricted for specific purposes. In addition, deferred contributions include other sources of revenue that have been restricted for specific purposes. The funds of the endowments are included with the Canada Council's investment portfolio and a proportionate share for each endowment is calculated based upon the market value of the investment portfolio at the time the endowment was received. The additions include net investment income (interest, dividends and net capital gains or losses) calculated annually as the proportionate share of each endowment plus any other sources of revenue. Use of funds is equal to the grants and administration expenses incurred in order to meet the specific purpose for each endowment.

Deferred Contributions				
<i>(in thousands of dollars)</i>				
Balance at beginning of year	Additions	Use of funds	Transferred to private endowments	Balance at end of year
\$ <u>5,210</u>	\$ <u>11,662</u>	\$ <u>4,387</u>	\$ <u>7,774</u>	\$ <u>4,711</u>

8. *Private Endowments*

Private endowments consist of restricted donations received by the Council. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by the donors. Also, the Council may transfer to private endowments a portion of the income earned on these donations.

Changes in private endowments are as follows:

	<u>2001</u> (in thousands of dollars)	<u>2000</u> (in thousands of dollars)
Balance, beginning of year	\$ 71,654	\$ 66,895
Add donations received during the year		
Walter Carsen Prize	1,100	—
York Wilson Endowment Award	182	182
Other	—	11
	<u>1,282</u>	<u>193</u>
Add		
Deferred contributions transferred to private endowments	<u>7,774</u>	<u>4,566</u>
Balance at end of year	\$ <u>80,710</u>	\$ <u>71,654</u>
 9. <i>Net Investment Income</i>		
	<u>2001</u> (in thousands of dollars)	<u>2000</u> (in thousands of dollars)
Net gains on disposal of investments	\$ 23,002	\$ 26,463
Dividends	5,893	7,069
Interest	4,807	5,032
Transferred to deferred contributions	(7,567)	(4,958)
Investment portfolio management costs	<u>(1,702)</u>	<u>(1,905)</u>
	\$ <u>24,433</u>	\$ <u>31,701</u>
 10. <i>Canadian Commission for UNESCO and Net Art Bank Revenue (Costs)</i>		
	<u>2001</u> (in thousands of dollars)	<u>2000</u> (in thousands of dollars)
Canadian Commission for UNESCO		
Program	\$ 661	\$ 347
Administration	<u>997</u>	<u>936</u>
	\$ <u>1,658</u>	\$ <u>1,283</u>

Program expenses mainly represent the costs associated with the Commission's activities at international meetings related to education, science and culture. Administration expenses represent the direct costs of delivering Commission programs.

Net Art Bank Revenue (Costs)

Rental revenue	\$ 1,460	\$ 1,242
Art work repurchases	258	—
Other income	125	48
Administration	(1,287)	(1,317)
Amortization	<u>(113)</u>	<u>(113)</u>
Net Art Bank revenue (costs) before deferred revenue adjustment	443	(140)
Deferred revenue adjustment	<u>(254)</u>	<u>—</u>
Net Art Bank revenue (costs)	\$ <u>189</u>	\$ <u>(140)</u>

Art work repurchases are the result of an opportunity made available to artists to repurchase their work. The amount includes the original cost of the works plus an administration fee. Also, during the year the Art Bank developed a contract management system that resulted in a one-time adjustment to deferred revenue and net Art Bank revenue.

11. *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, 2001 are payable as follows:

(in thousands of dollars)

2002	\$	28,253
2003		8,410
2004		6,721

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

(in thousands of dollars)

2002	\$	3,346
2003		3,346
2004		2,087
2005		362
2006		362
2007 - 2010		1,237

For the year ended March 31, 2001, the annual rentals have been reduced by \$3,402,000 (2000 - \$3,129,000) as a result of sub-leases with Public Works and Government Services Canada and The Encon Group.

12. *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.

13. *Comparative Figures*

Certain of the 2000 figures have been reclassified to conform to the presentation adopted in 2001.

CANADA COUNCIL

Schedule of Grant Expenses

by Section

for the year ended March 31, 2001

(in thousands of dollars)

<i>Arts Programs</i>	<u>2001</u>	<u>2000</u>
Music	\$ 21,044	\$ 21,092
Theatre	20,714	20,017
Writing and Publishing	19,225	17,850
Visual Arts	15,625	15,264
Dance	12,923	12,679
Media Arts	9,968	8,947
Public Lending Right Commission	8,653	8,053
Interarts	1,409	1,077
Millennium Arts Fund	602	3,720
Other	3,632	2,345
<i>Killam Program</i>		
Killam Research Fellowships	2,542	1,664
Izaak Walton Killam Memorial Prizes	300	300
<i>Other Prizes and Awards</i>		
Japan-Canada Fund	250	298
Canada Council Lynch-Staunton Awards	100	40
Commission Internationale du Théâtre Francophone	88	70
John G. Diefenbaker Award	75	75
Vida Peene Awards	66	97
Other prizes and awards < \$50,000	<u>141</u>	<u>290</u>
	\$ <u>117,357</u>	\$ <u>113,878</u>

CANADA COUNCIL

Schedule of Administration
Expenses

for the year ended March 31, 2001

(in thousands of dollars)

	2001			2000
	Program	General Administration	Total	Total
Salaries	\$ 4,861	\$ 2,853	\$ 7,714	\$ 7,055
Employee benefits	1,243	873	2,116	1,459
Office accommodation	56	2,993	3,049	2,735
Professional and special services	518	1,041	1,559	1,745
Amortization	—	1,299	1,299	1,147
Printing, publications and duplicating	180	854	1,034	967
Staff travel	533	160	693	582
Meeting expenses including members' honoraria	93	505	598	268
Communications	180	282	462	417
Office expenses and equipment	3	228	231	251
Information management	3	211	214	230
Miscellaneous	<u>2</u>	<u>27</u>	<u>29</u>	<u>16</u>
	<u>\$ 7,672</u>	<u>\$ 11,326</u>	<u>\$ 18,998</u>	<u>\$ 16,872</u>