



Statements and Speeches

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CANADIAN ARTS AND CULTURE – POLICY REVIEW

An Address by the Honourable Francis Fox, Minister of Communications, to the Canadian Conference of the Arts, Ottawa, May 7, 1981

I am particularly glad to be able to speak to you tonight. We share the same concerns. In many ways we face the same problems. These concerns and these problems are part of your professional lives. In the year since I became minister responsible for the arts they have become the core of my professional life as well.

Thirty years ago the Lévesque-Massey Commission took on the problems of its day. It must be with a joyous sense of fruitful work accomplished that Father Lévesque and the other members of the Commission look on the state of Canadian arts and culture today. Looking around you at all these artists, you must feel, Father Lévesque, as if you're looking at generations who owe their creative existence to your efforts – your spiritual descendants, so to speak. Granted we now face many difficulties. But these are mainly the heady difficulties that stem from very rapid expansion and very great success. And this extraordinary success story of Canadian arts is attributable in large measure to that work of 30 years ago. As indicated in the opening chapter of your *Strategy for Culture*: "We've come a long way in those thirty years."

The Canada Council's brief to the Federal Cultural Policy Review Committee gives some idea of just how far we have indeed come. Thirty years ago the total published literary output of English Canada was 55 books – 14 fiction, 35 poetry and drama, and six miscellaneous. The National Gallery had a paid staff of four. And most concerts in Canada were given in school gymnasiums, hotel rooms, and movie theatres rented for the occasion.

The more accomplishments there are, the more questions there are. The development of the arts, the support of the arts and the relationship of the arts to our society are fundamental questions we must assess once again. We are all looking for answers. Finding answers is all the more difficult because the picture is changing so fast. If we can't find all these right answers immediately, it is vital for us at least to effect some changes while we seek out better answers – and improved questions.

It is not coincidental that Canada is facing renewal on every front – from Constitution to culture. Our country is riding a wave of history. The wave is carrying us into a new era as a nation. We must see to it that we arrive from that ride renewed and strengthened – not fundamentally changed; but all the more Canadian.

What are the cultural ties that bind this nation, or any nation, for that matter? Cultural ties can be defined to include a number of common elements.

Common history, geography and backgrounds. Common customs and common modes of thought. Common habits, common languages and one other element not usually

added to all these — which, for want of a better expression I call: having regions in common.

Cultural regions

Let me clarify that. The importance of regional diversity to the nation goes far beyond being a nice blend of ingredients. On the contrary, it is precisely to the degree that it is not blended that the region gives strength to the nation. It is the special characteristics of each region which can enrich all the rest. Canada is only just beginning to define its cultural regions — just beginning to express them and to become fully acquainted with them. The individualistic nature of Newfoundland is as indispensable to the concept of Canada as are the tradition and dignity of Quebec City. Whether it's Happy Valley or Abitibi, Victoria or Thunder Bay — or Toronto, for that matter, which is also a kind of region of its own — the richness of this diversity enriches us all.

In this, Canada is not alone. Every country treasures its regional uniqueness as a component part of the whole nation. All of France has the Marseille of Pagnol and Fernandel, all of the United States possesses Dixie and all of Italy has Neapolitan street songs. And in that way a sense of belonging develops. The individual in the region feels a sense of belonging to the whole and the country in turn belongs to all.

In this sense the region feeds the nation and the nation feeds the region. Thus the multiple diversity of the nation's regions do not, in the final analysis, divide it, but unite it, because they are integral parts of the whole....

It is from the intercourse between these two sources — regional and national — that national culture and national art are produced. I mention culture and art as separate entities because, as you know perfectly well, they are not synonyms. Roughly speaking culture represents certain aspects of society, of social organization. Art represents the individual — the individual as artist, the individual as audience-member.

Art defines man

You can be sure, however, that I am not even going to attempt a definition of art. Too many have tried and failed. But I must confess that I was deeply moved by the statement made some time ago by an archaeologist on the most recent finding of cave drawings, which dated man's artistic accomplishments back several hundred thousand years earlier than had been previously estimated. He observed: "Evidently art is not characteristic of civilization; art is characteristic of man."

One can almost say, since art is characteristic of man, that art defines man — that man is an art-making creature. One can be even more specific and say that art not only tells us who we are, but also where we are. Michel Tremblay's *Marie-Lou** places the viewer as firmly in Montreal as the sight of St. Basil's cathedral places the viewer in Moscow.

In that sense, art is its own best self-defence against foreign cultural encroachment — no matter how powerful and all-pervasive the neighbour. One has only to look at the histories of the Czechs, the Hungarians or other art-cultures of the former Austrian Empire, or at the neighbours of Russia — such as Poland and Finland — to see how a

* *A toi pour toujours Marie-Lou*, a play.

characteristic and well-nourished national culture characterizes and nourishes its nation.

That is because art is of the spirit. It is the dream by which we all live. Man deprived of dreams, dies or goes mad. This is as true of nations as it is of individuals.

And, as with individual human beings, the development and cultivation of a powerful self-image — and national art can be so defined for nations — offers the best defence against encroachment and the best guarantee of fruitful relationships with other people and with other peoples.

Thus, while self-defence against foreign invading cultures is essential, it is not fundamental. It is the arts themselves which are fundamental. And in that sense, the work which artists do is a most important and significant work in defence of our national sense of belonging....

Today art must be able to take place within the context of the computer chip. The technological developments of the last decade, the last few years, indeed one can almost say the last few months, are producing mind-bending forces such as have not even been imagined, let alone existed. And these forces, if abandoned to multi-national control, can threaten both the emergence and the emerging strength of our national cultural and artistic community.

At the end of the ages of steam and electricity, in this age of the computer chip, the battles for the minds of men, for cultural, artistic, national integrity, are fought, in surprisingly large measure, by means of industries whose foundations lie in the arts and the work of the artists. They have begun to be commonly called the cultural industries. Because of the speed of technological change in this sector, the scope of the problem increases at the same hectic pace as the urgency of the need for solution.

Suddenly artistic, cultural, information, and commercial messages have become all-pervasive....

Suddenly the minds to be won and the moneys to be won can be universal; and cultural industries seem — but only seem — to be the battlefield where the winning will happen. Clearly, the cultural industries can be of immense support to the arts by offering creative opportunities, jobs and audience proliferation.

It is quite natural to be filled with enthusiasm for these novelties. It is also natural to be filled with more than a little apprehension at the possibilities for cultural invasion the marvels offer; cultural invasion not only from the south, but also from Europe — France and England — as is already happening, or about to happen *via* satellite. But whatever our reaction to this fascinating new hardware, we must never forget that it is only hardware. It is merely the container, not the contents. It is your work as artists which must make up the contents.

That said, there is a nevertheless. If the hardware is not in place and the producers are not there and the whole industry does not exist to offer its containers, there can be a

loss to artists. If the movie industry in Canada were not now flourishing there would not be a proper vehicle for artists such as Al Waxman and Denis Héroux. In the same way, if Hollywood's industry had not been in place, Chaplin might well have remained an obscure vaudevillian.

What must be noted, not only by us, here, but nationally as well, is that we now have in Canada this multi-billion dollar industry, which is called collectively "cultural industries", which has not been treated well as an industry and has not received the support it deserves. What's more, the importance of this industry goes beyond even its own broad scope because of the power of its economic impact nationally, because of its multiplier effects, because of its impact on tourism, and its manufacturing impact.

The support of this industry — like the support of any industry — ultimately benefits the economy of the whole country. The cultural industries actually benefit the individual taxpayer from two directions: through economic impact, and through spiritual impact. From both points of view, they help remake the quality of life.

The development of the cultural markets is essential in that it offers another means through which artists can now work. Just as the opportunities offered to artists by CBC radio — in the pre-television era — were essential to the lives and careers of previous generations of Canadian creative and performing artists, so the opportunities offered by the new technologies will be essential to this and the next generation of our artists.

This will, of course, only come about if we control our own technological markets, and our own place in the cultural mind-set of Canadians, and — as Canadians — in the mind-set of other nations around the world.

Given all these facts, as the federal minister responsible for arts and culture, I must take an interest, a fairly concentrated interest, in the technological and industrial developments of cultural industries. But the emphasis of my interest is on the culture, not the industry. The cultural industries are totally uninteresting from a cultural point of view, if there isn't any culture in them!

Of course I'm interested in the fact that these new technologies provide jobs, may eventually improve the balance of payments, and can encourage tourism. But none of these, not any one of these, is a purpose that can inspire a minister responsible for culture!

Support of the artist

My purpose, and the government's purpose, is the support of the artist. To paraphrase what Gratien Gélinas once said about playwrights — the artist is the spokesman for the people. The support of the artist and the work that artists do — that is the focus.

There are two ways we can support the artist in his work. One way is directly, through such means as copyright or Canadian content legislation, by actions that help increase his income, and through granting bodies — the Canada Council particularly — which pass funds along. It is in these direct ways that support can be channelled to the individual artists — the artists who work alone: painters and pianists, singers and sculptors.

The other way is indirectly through organizations. Today one can see two distinct organizational structures in the Canadian cultural-artistic world. On the one hand, there are those which are profit-oriented and governed by the laws of the market-place — that is, cinema, records, books, periodicals. Then there are the not-for-profit organizations, which cannot function without subsidy, even when they are successful at the box-office. These include ballet, theatre, opera, and orchestras.

Yet the divisions between the profit-oriented and so-called "pure" art organizations are not always clear-cut, as witness the subsidies needed by such for-profit enterprises as publishing; or — as a far-fetched example — witness the trade motto of one of the world's oldest and strongest cultural business enterprises, MGM, which is: *Ars gratia artis*. In other words, "Art for art's sake," says the slogan around the lion's head. You just have time to read it before he roars....

Questions involving artistic judgment should remain absolutely at arm's length. These activities of the agencies must be kept at arm's length and thus free from political interference. As I said in a speech in August 1980, "culture can only flourish in an atmosphere of freedom.... We must preserve this principle with great care. ... (This) means a framework that is conducive to free expression. Politicians sometimes find that this is a principle that is difficult to live with. But I believe strongly that it is the strongest basis on which we can establish our policies." And it is precisely because I have such a determined conviction on this issue that I wrote to Lister Sinclair on February 18, to say: "I have initiated discussions with my Cabinet colleagues, with a view to ensuring that our Crown corporations' policy will not alter, in any significant way, the present status of the cultural agencies, pending the outcome of the cultural policy review."...

Review
committee

Probably the most important of the things done was the restructured Federal Policy Review Committee, whose work is not in full swing. Calls for a review had come repeatedly from both inside and outside the artistic and cultural community. You yourselves were among the first to call for it. The response of the country to the committee has been extraordinary. Over 1,400 briefs have been received by them in preparation for their nation-wide hearings, which are now in progress. This makes a striking contrast with the 460 odd briefs received by the Lévesque-Massey Commission 30 years ago....

I understand that some members of the Canadian Conference of the Arts have expressed a need for clarification concerning the policy process to be followed at the close of the review committee's hearings.

The plan calls for the committee to prepare a report on the hearings as soon after them as possible, in order that the public may have the benefit of a concise overview of what happened at the hearings and what was contained in the briefs. This will be available to the public and I plan to table it with the Standing Committee on Culture and Communications.

Subsequently the Cultural Review Committee plans to publish its principal statement, or final report, which is to contain their recommendations to government. The com-

mittee expects this to be ready early in 1982. As I said July 10, 1980 during my appearance before the Standing Committee, this report will be made public. It too will be tabled before the Parliamentary Committee.

Finally...I will be preparing a White Paper on cultural policy which I hope to table in the House in the early summer of 1982.

I want also to repeat that I stand strongly behind this process, the work of the committee, and their report, and I look forward to receiving it....

In the meantime there are urgent matters in the cultural world that brook no waiting. The Canadian Conference of the Arts has shown that it fully recognized this urgency by the determination and the speed and efficiency with which it conceived and produced *A Strategy for Culture*. I know I speak for the whole department when I say that we applaud and admire your very special, and understandably costly effort. And I am pleased to be able to help in its financing with a grant under the Special Initiatives program of \$102,895....

The government fully agrees with you when you say in the conclusions to the *Strategy*: "There are too many urgent problems affecting Canadian cultural activities that must be dealt with now...for us to be able to accept inaction until after publication of the White Paper in 1983."...

**Financial
assistance**

One of the matters mentioned at that time, whose impact has touched all aspects of the Canadian artistic-cultural world, was the use of lottery revenues. It has now been four months since I announced the Special Program of Cultural Initiatives, a program of financial assistance to Canadian artistic and cultural organizations. The program has a budget of approximately \$40 million over three years to 1982-83 inclusive. Its funds accrue from the federal portion of the revenues of Loto Canada under the federal-provincial agreement on the dissolution of Loto Canada. In the context of this program I am pleased to announce that 73 grants totalling \$11,253,771 have been approved to date, and a complete list of all of these is available here tonight.

Since the program was set up in order to respond to urgent and immediate needs, it emphasizes project funding rather than any ongoing operating assistance. It has four components: First, deficit reduction. Matching provincial participation is a condition of this portion of the program. To date I have approved 33 grants totalling \$1,843,388 to organizations whose accumulated operating deficits add up to \$5,468,844: for example, a grant of \$242,815, to the Winnipeg Symphony Orchestra, and one to La Compagnie Eddie Toussaint in Montreal for \$12,240.

Secondly: Management development in performing arts organizations. This includes both management development projects and grants to performing arts organizations without a deficit. To date, 30 grants totalling \$485,000 have been approved, to organizations such as Le Théâtre des Filles du Roy, in Hull, Quebec, the Toronto Symphony Orchestra and the Globe Theatre in Regina.

The third component is: Capital assistance to cultural institutions, both non-profit

organizations for the performing arts and custodial institutions. Among these are the Vancouver Art Gallery — \$4.5 million; the Thunder Bay Arts Centre — \$3 million; and the Sudbury Theatre Centre — \$500,000...

And the fourth component is assistance for special cultural activities of national significance or character. Among projects funded to date in this area are: Onstage 81 — the Toronto International Theatre Festival — up to \$250,000; Creative Canada Créative — the cultural component of the Canada Games — \$250,000; Canadian Association of Professional Dance Organizations — for a national dance spectacular — \$71,500; and the Concours de musique du Canada — for finals of its national music competition — \$216,135.

Important as these large and immediate grants to organizations and institutions may be in their direct and indirect effects on artistic and cultural life in Canada, the primary concern of the government has been and must continue to be to improve the status of the artist, whose condition still has not reached acceptable levels of income. In this primary concern the government acts most directly through the Canada Council.

This is the quickest and most effective way to reach out. Therefore the government has, even in this period of restraint, granted \$52,941,000 to the Council for 1981-82. Of this, \$49,941,000 was its original appropriation, an increase of nearly 12 per cent over the previous year's amount, plus an additional \$3 million, which was added to its base budget. That comes to 18.5 per cent over last year's figure on my pocket calculator.

Other, more indirect support, is also already in place. For instance, the Canadian book publishing program is now in its second year. Under the sales incentives component of the program \$3.7 million was disbursed to 67 publishers. These funds will help Canadian-owned publishing firms to increase their promotion, marketing, sales and distribution capabilities. More than \$125,000 has been awarded to the Book and Periodical Development Council for a project on electronic book-ordering and distribution. And \$91,000 was given to the Société de développement du livre et du périodique for a marketing study.

In the area of support for commercial films, I will announce very shortly the details of changes in the capital-cost allowance, which will put even greater emphasis than before on the support of Canadian creators and creativity in film production.

That gives you a quick view of the most important things that we have been able to accomplish so far. It is not as much as I would have liked. There are however a number of areas where new measures are on the threshold of being implemented.

Of those, the two most directly supportive of the artist, and of particular interest to you are: tax status — the so-called Disney Report — and the reform of copyright regulations.

Tax status

As most of you are aware an interdepartmental committee has been studying a previously commissioned report on the subject of artists' tax status.

Certain of the committee's recommendations would require changes in tax legislation; and even though such changes would be of minor significance and mean only a small increase in tax expenditure or revenue cost, their approval by my colleague, the Minister of Finance, is the prerequisite of a favourable decision by the Cabinet.

It seems clear that the present treatment of the artist-as-employee, as regards the deductibility for tax purposes of his professional expenses, acts as a deterrent for the artist to seek employee status. The committee is proposing that provision be made in the Income Tax Act for the artist-as-employee to write off all allowable expenses incurred in practising his or her profession, in the same manner as if he were self-employed. To facilitate this process further, the committee is proposing that arts organizations that are being supported by the Canada Council (and which are employing the services of artists) should receive additional financial assistance, where required, to help defray the additional cost to them of employers' contributions to the unemployment insurance fund.

Although the committee was not able to go along with every solution in the dozen or so issues dealt with by the Disney Report, its message to government is unmistakable: action to improve the lot of the Canadian artist should be taken.

There are some other changes to the Income Tax Act which I am interested in seeing made. These have to do with the provisions for deducting from income donations to organizations that are registered as charities, which include all performing and other arts organizations, museums and galleries. As Secretary of State I am responsible for co-ordinating the development of federal government policy on voluntary action. My officials and I are currently considering a number of proposals for change in the incentives within the tax system. These changes would encourage charitable giving to qualified organizations and thus increase the revenues of these organizations and consequently their independence of direct support by government.

As for copyright legislation, it is of fundamental importance to cultural and communications policy and is central to many of the considerations of the Review Committee. Indeed, I understand that many of the briefs to the committee deal with copyright and the need for revision. I fully support the necessity of an appropriate revision of the law. This is a priority for me in the coming year.

There are two major areas of cultural activity that are now under active review by the department: broadcasting and recording.

Broadcast programming

I want to turn first to broadcasting and what I perceive as the greatest challenge facing our broadcasting system — programming....

We can justly boast about the hardware side of our broadcasting system and related production facilities. But programming is the problem. When I say that the difficulty facing us is a matter of content or programming, I know that I am not saying anything new. Yet, it's a recurring problem.

Only gradually has the broadcast industry become aware that the 100 per cent

capital-cost allowance on the investments in certified film and videotape productions can be used for television programming. And certification for non-feature film and videotape projects, which are mainly television productions, rose from about \$9 million in 1978 to about \$35 million in 1979 and to an estimated \$50 million in 1980.

We must also look at the cable television industry. This system of distribution has increased or improved the circulation of television programming. But it has not contributed significantly to the solution of the content problem.

It has, in fact, been very tempting to feed our distribution system with content easily available from our neighbours. After all, they are the largest source of cultural products in the world.

But can a country remain vigorous and independent and successful if it has little to say for itself? Can we simply sit back and watch and listen to what others have to say? My own answer is no — no, not only as Minister of Communications but also no as a proud Canadian.

For the time being, individual or incremental solutions must not be underestimated. Among these are extension of service, pay-TV, additional provincial educational networks, interprovincial educational networks, new Canadian content rules and better use of the capital-cost allowance. Moreover, such solutions need not wait for the elaboration of an over-all strategy. Nevertheless, the elaboration of such a strategy must be undertaken. If we are to solve the basic problems, we will have to move boldly.

At the request of Cabinet my department is now actively developing, as an important element within its cultural thrust, a broadcasting policy for the 1980s. And there is a role for you to play.

...First, I suggest that we should start by analyzing the North American environment with its growing European components very carefully — as it develops from day to day.

Second, we must realize that we will be operating in a much more competitive environment where audiences will be more fragmented. We must look at the opportunities of world markets for some of our programs.

Third we should try to determine more precisely what our objectives and targets ought to be. What kind of Canadian programming do we want? We are doing reasonably well in news, public affairs, documentaries and sports. We are, however, doing rather poorly in variety, drama, and children's programming.

Fourth, once we have established some targets, let's establish the cost.

Fifth, what are the sources of potential revenue? What projections can we make concerning subsidies from government — both federal and provincial? What are the projections concerning advertising revenue for broadcasting? Are broadcasters investing as much as they could in program production? What kind of fiscal incentives might be

considered to encourage private broadcasters and producers to produce more? What should be the role of a new copyright act? How much will pay-TV bring to the economies of program production? Are there taxes — federal or provincial — applying to broadcasting now which inhibit program production? Are there fiscal powers in the hands of the provinces which could be used to encourage program and film production? Should cable television be required to contribute to the financing of program production?

What forum should we use to answer these questions? I don't think that such a discussion should be undertaken in isolation by politicians or government officials. It is imperative that our strategy be developed in consultation with all interested parties who are responsible for this industry, and who care about Canadian broadcasting. I would certainly welcome all the views that you may care to express to me in letters or briefs or in meetings such as this one.

Pay-TV

And now, a particular word about the immediate problem of pay-TV. I have read and taken note of your concerns regarding the importance of funds going into production, regarding the importance of developing jobs for artists, and the particular concern you have about Canadian content on pay-TV.

As far back as August of last year I indicated that the introduction of pay-TV was a matter of urgency. And several months later, in October, I said that "in my view, the prerequisites for Canadian pay-TV are as follows:

- " — Canadian pay-TV must contribute positively and significantly to broadcasting in Canada.
- Canadian pay-TV must include the use of Canadian resources.
- Canadian pay-TV must stimulate the Canadian program production industries.

"Pay-TV, properly introduced in this country, will contribute significantly to meeting the programming and content challenges which we face. A properly designed pay-TV system will provide a new and financially rewarding outlet for Canadian production. It will provide a direct injection of programming funding from consumers to supplement conventional investment from advertising revenues and government in this area."

I am aware that some of you have expressed concern about the CRTC (Canadian Radio-Television and Telecommunications Commission) position. In that context I am also pleased that the CRTC has left itself open, as is its usual procedure so that it is in a position to consider new ideas, participations, initiatives, concerns, views and contributions.

Sound recording

Perhaps next in financial importance to broadcasting is sound recording.

As many of you will remember, on February 5 of this year, at the Juno Awards, I announced that the Department of Communications would soon be undertaking a major study on the Canadian sound recording industry. Preparations for the study are nearing completion. It should focus on the Canadian-owned and -controlled sector, the two language markets in Canada, the influence of foreign control, and inter-

national influences on domestic performance.

It must be pointed out that the work undertaken in the last decade, or even in the past 15 years in the various spheres of culture represents the continuum from which our present actions proceed. Whether it is in the national grid of museum activities, in staunch upholding of the performing arts, or in the conservation work of libraries and archives, government support will continue.

The research and development capabilities of the world of culture, and the knowledge and information aspects of culture are other fields in which new sciences and techniques are bringing about even greater change....

The networking of library and archival materials through these new techniques can have immense significance for artists throughout the country. Imagine the inspiration and usefulness to an isolated creator in, say, Flin Flon (Manitoba), to be able to have at his disposal the masses of material available from the total, accumulated resources of all the libraries and reference facilities in Canada.

The eventual establishment of a Canadian bibliographic network, a library resource-sharing network and other similar facilitators, will do just that.

The number of international cultural exchanges is growing and the demand for cultural products from other countries will increase as the technological means for their distribution advances. Although this development can pose a threat to the development of culture in Canada, it also offers a challenge to us to increase Canadian cultural consumption and to promote the export of Canadian cultural products.

The distribution of Canada's culture abroad will be achieved not just by the traditional means of government support to, or sponsorship of, tours or displays of cultural products, but also by using more commercial methods.

My colleague, the Minister for External Affairs, has already commenced a broad inquiry into the international activities, needs and requirements of the performing and visual arts throughout the country, as they bear on the programs of his department. This inquiry is being conducted with the help and co-operation of the provincial cultural departments, the educational and training institutions and the arts community itself.

While the government is preparing to increase its cultural exposure abroad, it is also necessary to strengthen the national cultural institutions in the National Capital Region particularly with a view to improving the accommodations of the national collections....

The cultural institutions of Ottawa are in the forefront of our national institutions. The National Gallery, the National Museums, the National Arts Centre, and the rest, are our showcase.

They provide an opportunity to reach a significant number of Canadians — and

visitors – and to increase their awareness and appreciation of the capital as a national symbol as well as of Canada's cultural heritage. At present many of these institutions, the National Museums and the National Gallery most particularly, suffer from what could at best be described as inappropriate accommodations, which do not permit them to display their collections properly – or to protect them adequately.

There have been many comments made that the conditions prevailing in the National Gallery are, shall we say, inadequate. I do more than share this view. I am at present working hard to resolve this problem. And I can say that I am now optimistic about a solution.

Tonight, I have tried to draw up a kind of balance sheet of the past year, and to express to you my intention to be an aggressive and determined attorney on behalf of Canadian arts. But I do need your partnership and your support....

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