Federal Arts Policy 1957-2014.
The Rhetoric & The Reality

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Abstract

This dissertation is concerned with the question: what evidence exists to underpin the claim that 21st century Canadian arts policy is delivering the support necessary to maintain and build a vigorous and sustainable professional arts sector?

To answer this question, this study begins with a retrospective examination of the Canada Council of the Arts, the principal instrument of federal policy for the professional arts celebrating its 60th anniversary in 2017. It also offers an intensive review of a recent program, the Marquee Tourism Events Program (MTEP), a multi-million-dollar federal program that ran from 2009 to 2010 and funded arts festivals on the basis of their tourism potential.

Close analysis of both the Canada Council’s history, and of a recent short-term policy initiative, the MTEP, reveals the major characteristics of the federal government’s shifting approach to the professional arts sector. The dissertation shows how the formation and management of arts policy moved away from an emphasis on an arms-length approach to the professional arts and turned to programs like the MTEP for which economic rationales were paramount although their economic impacts were poorly documented. To reach these conclusions, I conducted a content and document analysis of the federal major policy documents 1957-2014. I then compared these arts policy documents against the Canada Council Annual Reports over the same period. The policy documents and Annual reports were then triangulated against Library & Archives Canada material, Library of Parliament Reviews and relevant media in order to distinguish the economic rhetoric from the reality.

In 2009 and 2010, the MTEP delivered $100 million in financial support to events and arts festivals across the country. Using a Freedom of Information request to access completed MTEP application forms, ministerial briefing notes, economic impact studies and Canada Revenue Agency data I evaluated the program’s specific goal of attracting cultural tourists. The MTEP case studies examined include Canadian Film, Folk Music and Jazz Festivals as well as The Shaw and The Stratford and Luminato Festivals.

The dissertation exposes the increasing dominance of policy rhetoric over substance, with a neoliberal influence on engaging the arts for non-artistic purposes such as encouraging tourism. My review of these MTEP events and the inconsistent and sometimes missing reporting from them reveals a failure of accountability in economically orientated federal arts policy design and evaluation. These conclusions provoke a reconsideration of fundamentals in the design, implementation and evaluation of professional arts policy in Canada. The study concludes with a series of policy recommendations.

Keywords: Arts and Cultural Policy; Professional not for profit arts; cultural tourism; creative class; creative city; amenity / density bonus; public funding agencies.
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<th>Term</th>
<th>Initial components of the term (examples are below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA</td>
<td>Canada Revenue Agency</td>
</tr>
<tr>
<td>CTC</td>
<td>Canadian Tourism Commission</td>
</tr>
<tr>
<td>AG</td>
<td>Auditor General</td>
</tr>
<tr>
<td>SFU</td>
<td>Simon Fraser University</td>
</tr>
<tr>
<td>MTEP</td>
<td>Marquee Tourism Events Program</td>
</tr>
<tr>
<td>AHR</td>
<td>Applebaum-Hébert Report 1982</td>
</tr>
<tr>
<td>ECOC</td>
<td>European Capital of Culture</td>
</tr>
<tr>
<td>CC of C</td>
<td>Cultural Capitals of Canada</td>
</tr>
<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic and Community Development</td>
</tr>
<tr>
<td>DCH</td>
<td>Department of Canadian Heritage</td>
</tr>
<tr>
<td>TIFF</td>
<td>Toronto International Film Festival</td>
</tr>
<tr>
<td>VIFF</td>
<td>Vancouver International Film Festival</td>
</tr>
<tr>
<td>LAC</td>
<td>Library and Archives Canada</td>
</tr>
<tr>
<td>CCI</td>
<td>Cultural or Creative Industries.</td>
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</tbody>
</table>
**Glossary**

**Arts and Culture** “is on the one hand, a universal experience, encompassing everyone’s everyday societal experience whilst, on the other hand, takes another form through the creative expression of the professional artist. This dual position was summarized as “the set of beliefs, traditions, customs, etc. which identify a group and bind its members together; art is a particular manifestation of these shared experiences which expresses something about the human condition interpreted by artists” (Throsby, 2003 p.279).

**Commodification** Commodities are objects produced for the purpose of being exchanged (i.e., traded) and commodification is the process in which both tangible (e.g., physical goods or services) and intangible (e.g., experiences) elements are combined to produce a product or commodity that may be sold (Williams, 2009).

**Creative Class** The Creative Class is a posited socioeconomic class identified by American economist and social scientist Richard Florida, a professor and head of the Martin Prosperity Institute at the Rotman School of Management at the University of Toronto.

**Creative City** Creative cities is a concept developed by Charles Landry in the late 1980s, encouraging a culture of creativity in urban planning and solutions to urban problems. It has become a global movement that inspires a new planning paradigm for cities and it is related to the concept of learning cities.

**Cultural or Creative Industries** in which culture is viewed as an ‘industry’ capable of demonstrating commercial viability and success within the constraints of broader consumer culture (Craig, 2007; Holden, 2004).

**Cultural and Festival Policy** "deliberate action in the cultural field undertaken by governments and business and civil society around the conditions and consequences of culture.” (Olsen, 2012). Also ‘public policy pertaining to festivals and other planned events is generally fractionalized … not comprehensive … and fails to integrate events effectively with all the relevant policy domains’ (Getz, 2009 p.62).

**Cultural Policy** " deliberate action in the cultural field undertaken by governments and business and civil society around the conditions and consequences of culture” (McGuigan, 2005).
Cultural Tourism is one of the largest and fastest growing global tourism markets and the cultural and creative industries are increasingly being used to promote destinations. The increasing use of culture and creativity to market destinations is adding to the pressure of differentiating regional identities and images, and a growing range of cultural elements are being employed to brand and market regions. (OECD, 2008 p.10)

Cultural Tourist There has been much confusion as to what exactly constitutes a ‘cultural tourist’. For the purpose of this paper I have selected the ‘narrow’ ‘sectorized’ definition of cultural tourism (Hughes, 2000 p.53) where the focus is on the arts alone (theatre, art, music, poetry) making a distinction with heritage (historic sites, monuments, castles, churches). Hughes made the distinction between cultural tourism with a performing arts focus as either Arts Core or Arts Peripheral. He then went further making the distinction between Holiday and Non Holiday in terms of Arts Core and Peripheral.

Festivalization “Festival tourism” is an important element in “event tourism”, so much so that the term “festivalization” has been coined to suggest an over-commodification of festivals exploited by tourism and place marketers. Indeed, a trend toward treating festivals as commodities has emerged (Quinn, 2006; Richards, 2007)

Globalization is both a system of interlinking dynamic components where any change in one affects the whole system, and a process of global activity and interaction that takes place within the system (George, Reid, & Mair, 2009)

Neoliberalism “a process of governmental restructuring in which the state withdraws from the direct provision of social welfare services to citizens and in which it transfers public resources to private individuals and corporations in the name of unleashing entrepreneurial activity. Thus citizens are politically reconfigured as consumer” (Harvey, 2005). Also “the increasing corporate sponsorship of culture that might previously have been funded by public subsidy, an increasing emphasis on running public sector cultural institutions as though they were private businesses, a shift in the prevailing rationale for cultural policy, away from culture, and towards economic and social goals of ‘competitiveness and regeneration’” (McGuigan, 2005 p.238).
Great culture, like great statesmanship, extends vertically through time: that is its longest dimension. Ordinary politics and bureaucracy with their usually very high rates of time-discount, are by contrast much more time-horizontal. The public for great culture -- the actively appreciative beneficiaries of it -- is many millions strong; but only a tiny fraction of it is available to vote in any one election. That is one way of posing the problem of cultural policy in a democratic state (McQueen, 1981 p.9).
Chapter 1.

1.1. Thesis Statement

As we approach sixty years of federal arts funding initiatives it is time to both ask and try to answer the question: Does the existing public funding system, with the Canada Council as its primary mechanism, work to the maximum benefit of professional artists, audiences and educators across the country?

Using examples of both ‘long term continuous’ and ‘short term time restricted’ policy vehicles this dissertation conducts an in depth longitudinal analysis of the content and data contained in numerous Canadian ‘policy milestone’ reports, studies and initiatives of the last sixty years, that pertain to the success or failure of federal arts funding initiatives.

This dissertation’s examination of examples of both ‘long term continuous’ and ‘short term time restricted’ policy initiatives has found the present professional arts funding system to be vulnerable on a number of levels. This dissertation highlights the systems’ failings by separating the rhetoric from the reality and concludes by offering a series of recommendations to improve the system for the well being of Canada’s next generation of professional artists, audiences, and educators.

1.2. Introduction

This dissertation is an extension of the professional arts research I undertook for my Master of Urban Studies degree where I focussed on a single mega-event, *The 2010 Vancouver Cultural Olympiad*. In that instance I was interested in determining how a
single mega event would impact a local arts community and as the event came and went what the remaining arts landscape would look like (Low, 2010; Low, 2012; Low, 2015). My research demonstrated that the pre-Olympic rhetoric surrounding the mega event did not match the post-Olympic reality in arts funding, international profile or increased audiences for the local arts community. This led me to consider whether the design, implementation and evaluation of arts policy itself could have similar impacts to that of a mega–event on an arts community.

The impetus for this research was to move beyond the single event itself and explore the changing dynamics of arts policy design, implementation and evaluation and its impact on a national professional arts sector. The implementation of the Marquee Tourism Events Program (MTEP) in 2009 and its provision of $100 million to arts festivals and events for the sole purpose of delivering cultural tourists provided a capstone case study through which I demonstrate the culmination of longstanding trends.

The MTEP was a federal policy initiative. I made an early decision to focus on federal cultural policy that embraced the entire nation rather than try to examine the entire spectrum of municipal, provincial and federal policy, a task so broad that I realised early on would probably never reach completion. Little did I realise that just looking at federal cultural policy would be almost as daunting. As I outlined my work plan, I had to narrow the scope of examination from all aspects of federal cultural policy to the two areas that form the basis for this dissertation: the Canada Council for the Arts as a continuing policy institution, and the MTEP as a time-restricted policy initiative.

The selection of these two policy initiatives enabled me to conduct a longitudinal study that moves from the general to the specific and back to general arts policy. I first examine the continuous policy arc of the Canada Council to identify the prevailing policy influences over the period 1957-2014. This allows me to locate the MTEP within the wider continuous policy spectrum. I then examine the MTEP to assess that policy’s objectives and to determine what, if any, lessons could be taken forward for the next generation of policy initiatives.
I believe that the conclusions that flow from my research may help shed light not just on these specific policy positions, but also to the wider arts and cultural policy system operating in Canada in the 21st century. I will say more about this in the Recommendations Section of this dissertation. But first I would like to draw some threads together regarding the arts policy shift from the intrinsic approach to the professional arts in the mid–20th century to the instrumentalism on display at the beginning of the 21st century. The shifting emphasis has been ever-present throughout the period under observation, but I will argue that the period 2006-2014 has shown some dramatic, perhaps even radical changes in the design and implementation of Canadian cultural policy.

1951 saw the birth of the modern era in Canadian cultural policy with the Massey Commission and its recommendation for the creation of a national funding institution *The Canada Council for the Arts* whose charter’s aim was to increase the accessibility of the professional arts to the public, to improve standards in the arts and to encourage people to participate in the arts through public funding of the arts.

As the 20th century progressed, we saw a shift in focus, accessibility and participation for everyone but also that the arts have become the default tool for economic development. One of the clearest examples of this changing emphasis is the relationship between the arts and cultural tourism as demonstrated with the MTEP.

I will argue that The Federal Cultural Policy Review Committee’s (FCPR) 1982 report was one of the most significant documents examining this changing relationship between the government and the arts and that the report forms the foundation for many of the conclusions of this dissertation. The significance of the FCPR in the 21st century policy discussion is its recognition of in-built contradictions that exists between the Canadian state and the professional arts. The underlying warning for the purpose of this document was what if that situation changed and the government of the day was to replace the ‘arms length’ principle with cultural policy that began to encroach on artistic
activity? I believe, if this arts policy scenario surfaced, this could become a problem for a professional arts sector.

Chapter 2 examines, through the literature review, the changing nature of Canadian cultural policy for the period 1951 – 2014. In Chapter 3, I outline my proposed methodology focussing on a content and document analysis of official papers, documents and data relating to the two selected policy instruments.

Chapter 4, through its examination of the Canada Council for the Arts, provided a catalogue of skirmishes between the federal government and the Canada Council over the principles highlighted by the FCPR. The FCPR considered the relationship between cultural activity and government, specifically focussing on issues of where conflict of interest existed between the government and cultural policy. The report asked where, in the complex relationship between government and public funding bodies, ultimate authority lay: with an arms-length cultural organization’s board of directors or the government minister? Issues surrounding ‘arms length’ artistic activity, arts funding allocation and power struggles have been central to this on-going relationship. I demonstrate how every major report commissioned to examine the role of the professional arts sector in the late 20th century agree on a number of principles, including the fact that the growth of Canada’s professional arts sector since 1957 has been continuously underfunded and that it is, to some extent, the artists themselves who are subsidizing the national arts sector. At the same time, as the century progressed, we saw the birth of cultural industrialism, the development of the cultural and creative industries and the territorial battle to place professional arts policy as a mere adjunct in the wider creative economy policy debate.

Chapter 5 focuses on the MTEP, in particular, its instrumental policy aim to use arts festivals to attract cultural tourists. I question the policy aim and also seek to assess the success of the policy, both in its short-term objectives, but also in the wider cultural landscape.
In Chapter 6, I demonstrate that after 2006 during the new Conservative government, the characteristics of instrumentalism were evolving to display signs of encroachment\(^1\). I also outline my research conclusions, specifically addressing the research questions posed in section 1.3. In Chapter 7 using the data gathered from this research, I outline a series of policy recommendations for future consideration. Chapter 8 provides some final reflections on the journey that this research has taken me.

Before the reader moves forward, I should stress that it is imperative at the beginning of this dissertation to define the term ‘cultural policy’. Defining cultural policy has plagued generations of arts practitioners and policy makers. In fact, an examination of the literature surrounding the subject leads me to conclude that it would be possible to devote this entire study to the discussion surrounding the definition of the term ‘cultural policy’.

In 2013, I attended a conference in Vancouver B.C. organised by the Alliance for Arts and Culture to discuss the formulation and implementation of a province-wide cultural policy. During one of the breakout discussion sessions, my group struggled with both the concept and definition of cultural policy. Two contributions that remain at the forefront of my recollection were the discussions surrounding whether stampedes and ice hockey were core-activities and should, therefore, be included in any discussion surrounding provincial cultural policy.

The use of the term cultural policy in this dissertation relates to ‘professional arts policy’ that was expressed most clearly in the 1982 document: *The Canada Council in the 1980s: The Applebaum-Hébert Report and Beyond*. The document devotes a section to the issues, many problematic, that surround the term ‘culture’. It talks of how discussions that surround the term culture often breakdown because of disagreement

\(^1\) Definitions of Encroachment: a gradual advance beyond usual or acceptable limits "encroachment of habitat"; an intrusion on a person's territory, rights, "encroachments on individual liberties"; any entry into an area not previously occupied. [http://www.thefreedictionary.com/encroachment](http://www.thefreedictionary.com/encroachment)
about what the term means how tradition, geographic, heritage, language, ethnicity and religious influences all compound the difficulty in arriving at an agreed definition.

The document clearly states that the Canada Council’s mandate is to support the professional arts, and that they must therefore devote its resources to the development and maintenance of the professional arts in Canada. The most important statement being that, “Culture, of which the arts are one vital link, is a far vaster domain” (Moore, 1983 p.4).

I take the same position for this dissertation all references to cultural policy in this document relate to the experience, development and well-being of the professional arts sector as affected by government policy.

This statement in and of itself leads to the need for the further defining of artists and professional arts. In 1980, UNESCO held an international conference on the status of the artist. It defined an artist as any person who creates or gives expression to, or recreates works of art, who considers his [sic] artistic creation to be an essential part of his life, who contributes in this way to the development of art and culture and who is or asks to be recognized as an artist, whether or not he is bound by any relations of employment or association (6), a definition which covers an enormous spectrum. In 2003, Throsby and Hollister conducted an extensive survey looking at the economic experience surrounding professional artists in Australia. They concluded that the UNESCO definition was too vague and general to be used in an examination of professional artists. They developed an arts categorization for their research which consisted of identifying 120 artistic occupations which were then grouped into eleven categories: Writers, Visual artists, Craft practitioners, Actors, Directors, Dancers, Choreographers, Musicians, Singers, Composer and Community cultural development workers (formerly known as community artists). They said:

To summarize, this survey, like its predecessors, is concerned with serious, practicing professional artists. The seriousness is judged in terms of a self-assessed commitment to artistic work as a major aspect of the artist’s working life, even if arts-related work is not the main source of income. The
practicing aspect means that we confine our attention to artists currently working or seeking to work in their chosen occupation. The term professional is intended to indicate a degree of training, experience or talent and a manner of working that qualify artists to have their work judged against the highest professional standards of the relevant occupation (Throsby & Hollister, 2003 p.14).

For the purpose of this dissertation, I have, in part, adopted the Throsby/Hollister definition of artists and professional arts based on artistic ‘intent and purpose’ as a baseline. That said, I would add that intent and purpose alone does not guarantee a professional artist classification or access to public funds. To use a sporting metaphor, thousands of Canadians have both the intent and purpose to play in the National Hockey League, but only a very small percentage have the skill and expertise to achieve their goal. So it is with professional artists.

Lastly, the preamble to this dissertation would not be complete without a brief discussion of the terms cultural and creative industries that form the basis for the modern creative economy discussion. Two concepts that especially need to be defined because continuing political discussion surrounding the development of Canadian creative and cultural industries, has, I argue, damaged the stability of the ‘not for profit’ professional arts sector in modern society. It was Max Horkeimer and Theodor Adorno of the Frankfurt School\(^2\) that used the term ‘culture industry’ to express the paradox between the idea of arts and culture and industrial production. They proposed that post war popular culture was similar to an industrial production process mass producing films, TV programs and other cultural products. This post war term has since morphed from the singular ‘culture industry’ into the current cultural and creative industries. The creative economy has become one of the most misconstrued terms of the 21\(^{st}\) century, neatly summarized as follows: “There may be no other sector of the economy that is more elusive, more difficult to “measure” and more plagued by tensions than the creative economy” (Gollmitzer & Murray, 2008 P.8). The effect is that “what counts as a creative

\(^2\)The Frankfurt School, also known as the Institute of Social Research, is a social and political philosophical movement of thought located in Frankfurt am Main, Germany. It is the original source of what is known as Critical Theory.
industry is not commonly agreed upon and has fundamental consequences for the economic significance, expressed in employment numbers and GDP, of the creative economy” (Gollmitzer & Murray, 2008). The creative vs. cultural definitional debate is on-going and involves scholars from all points of the academic spectrum politics, economics, urban studies, cultural studies and economic geography (Flew, 2012; Hesmondhalgh, 2013; Potts & Cunningham, 2008; Potts, 2009).

When it became increasingly difficult in the early eighties to successfully ‘argue the arts’ to government purely on the basis of the community welfare model, bureaucrats, practitioners and academics began to shift towards using a language that described the arts and an industry and developed the economic/cultural model. This led to the use of terms ‘cultural industries’ in Australia or in the United Kingdom ‘creative industries’ to describe all activities connected with the arts, as well as sectors far removed (Caust, 2003).

This definitional debate has been responsible for considerable confusion between arts, cultural and creative practitioners. We only have to visit the Statistics Canada site to see this confusion at work when defining what types of employment constitutes a cultural industry worker. The impact on the professional arts sector of this creative versus cultural debate cannot be understated as across Canada artists, performers, managers, directors, and writers were steered by politicians and cultural bureaucrats to discuss the economic value of their sector (employment, economic impact, output, size and market profile of audiences and consumers of arts) as opposed to the artistic value. This scenario was neatly stated in the article A good economist knows the true value of the arts where the author, a respected economist talks of the fallacy of economic impact studies in relation to the arts and culture sector:

> Activities that are good in themselves are good for the economy, and activities that are bad in themselves are bad for the economy. The only intelligible meaning of “benefit to the economy” is the contribution – direct or indirect – the activity makes to the welfare of ordinary citizens (Kay, 2010).

Using the above definitions of cultural policy, artists, creative and cultural industries this dissertation focuses its attention on the professional arts sector. I am interested in trying to separate the rhetoric from the reality of the past sixty years of federal arts policy through an examination of the issues surrounding the construction,
implementation and assessment of arts policy related to the not for profit professional arts sector.

1.3. Research Questions

What evidence exists to support the premise that 21st century arts policy initiatives, both time-restricted and continuing, are delivering the support necessary to maintain and build a vigorous and sustainable professional arts sector?

• How have government policy formulation, implementation and evaluation changed over time, long term and short term?

• What impact have recent cultural policy initiatives had on the overall health and well being of the professional ‘not for profit’ arts sector?

• Using examples of past and present Canadian cultural policy, is it possible to assess the characteristics of effective arts and cultural policy to aid the design and implementation of future arts policy?

• Why has cultural-tourism come to play a dominant role in 21st century Canadian cultural policy?

• With the ever-increasing pressures on public funding in Canada, how would the Canadian Tourism industry benefit from a better-funded professional arts sector producing events and festivals based upon artistic excellence?

In order to examine the impact of the relationship between government cultural policy, the professional arts and cultural tourism sectors to answer the above research questions, I plan to explore Canada’s artistic landscape from two policy perspectives, both set against the background of Canada’s approaching 150th birthday and the Canada Council for the Arts 60th anniversary. The two policy perspectives being, firstly, ‘continuous or long-term’ cultural policy delivered through the continuous assessment of
existing policy, and the formulation and delivery of new cultural policy over an extended period of time by the instruments of policy as stated in the Arts and Cultural Policy Act, and, secondly, ‘limited or fixed term’ cultural policy.

The implementation of cultural policy in the arts sector is essentially the responsibility of the Department of Canadian Heritage and two cultural agencies, the Canada Council for the Arts and the National Arts Centre. These last two are arm’s length cultural agencies, which report to Parliament through the Minister… The arm’s length principle is one of Canada’s cultural traditions; it lies at the very heart of artistic freedom and freedom of expression (J. Jackson, 1993).

For the purpose of this dissertation I will concentrate on the Canada Council of the Arts as the example of ‘long term’ cultural policy delivery mechanism and MTEP as an example of limited or fixed term’ cultural policy.
Chapter 2. Literature Review: The arts, cultural policy and cultural tourism.

2.1. Introduction

In this literature review, I will examine the changing nature of Canadian cultural policy for the period 1951 – 2014 and show how the cultural policy focus has moved from the intrinsic to the instrumental. Policy makers have adapted cultural policy to encompass a variety of changing environments: urban regeneration, the role of festivals and mega-events, the relationship between economic impact and the arts, the growth of cultural tourism and the creative concepts of the Creative Class and the Creative City. The relationship between the government, professional arts sector and cultural tourism is complex. This literature review looks at a number of relationships the professional arts sector is engaged with in order to develop a picture of the complex environment in which the professional arts operate in Canada.

2.2. Historical Overview

Younger artists and younger scholars maintain the challenge set down by an earlier generation, confronting those among us who still insist on reducing our invention and art to entertainment and souvenir, producing cultural sentimentality and nostalgia for our amusement and the delight of our visitors. For artists do not amuse or entertain. Artists are engaged in a learned practice. They pose difficult questions (Edythe GoodRidge. Globe and Mail Obituary – July 7th 2014).

1945 saw the birth of the modern era in Canadian cultural policy. The war years had seen the mobilization of many sectors of society, the arts and culture being just one force that was harnessed. This mobilization demonstrated that the arts played an important role in national cohesion and was an important step in making the support of
arts and culture a core duty of government transforming cultural policy from a makeshift exercise into “a cornerstone of public policy” (Vance, 2009 p.336).

Discussions surrounding the politics of culture and, in particular, the cultural policy dichotomy of identity versus universalism states that “government should seek to empower the individual by changing structures, but also help individual reach their authentic self by realizing their own distinct cultural lifestyle and choices” (Mirza, 2012b). Cultural policy is, like other areas of policy such as health, law, and housing, often perceived differently as the characteristics of society change (Mirza, 2012b).

The period under discussion is characterized by the changing emphasis placed upon certain aspects of the cultural policy debate. There have been a number of academic and policy documents that illustrate these changing characteristics and reflect both the period, the prevailing issues and the modification in thinking driving the cultural policy initiatives of the day. Some examples include The Massey Commission Report 1951, A Global Cultural Budget 1969, The Applebaum-Hebert Report 1980 (Federal Cultural Policy Review), The Bovey Report 1986, Vital Links 1987, Richard Florida’s publication The Rise of The Creative Class 2002, The Creative City movement and the Marquee Tourism Events Program (MTEP) 2009 to name a few.

The post 1945 period has provided two clearly identifiable stages or platforms representing the changing dynamics between government policy and arts funding: the first period, 1945-1980, could be characterised as a period where cultural policy focused on universal public access to artistic practice, where artistic excellence was a keyword within the professional arts community, and the second period, 1980 – 2006, saw cultural policy adapt to the changing economic climate becoming both the instrument of and a default tool for economic development (Moretti, 2012). I will argue, that post 2006, the characteristics of instrumentalism evolved to display characteristics of cultural policy encroachment.

The period 1945-1980 was dominated by the arts protagonist, such as Vincent Massey, who advocated for the creation of a publicly funded council to promote
Canadian arts and culture stating “if we in Canada are to have a more plentiful and better cultural fare, we must pay for it. Goodwill alone can do little for a starving plant; if the cultural life of Canada is anaemic, it must be nourished, and this will cost money” (Massey Commission, 1951).

The thrust of the Massey report published in June 1951 was that “Canada’s culture was either crumbling through lack of support or slipping inexorably into foreign hands” (Vance, 2009 p.360). The Massey commission, through its 146 recommendations, represented the first tangible moment in which “nation-building intertwined with cultural activities in shaping the tone and temper of nationhood” (Edwardson, 2012), and also saw the lifting of restrictions on aboriginal social and cultural celebrations under the Indian Advancement Act 1884.

Although very different in nature these two important acts clearly show how historical cultural tensions were being played out in ‘time’ and ‘space’ in post war Canada. The Massey commission identified a number of major problems that centred around the fact that Canada was “a small scattered population in a vast area clustered next to a much more populous country of far greater economic strength” (Cohnstaedt, 2007 p.16).

The Forces of Geography chapter of the report demonstrates the dichotomy facing any future cultural policy initiative; on the one hand, “Canadian civilization is all the stronger for its sincere and unaffected regionalism” whilst, on the other, “the isolations of this vast country exert their price” (Massey, 1951 p.12) recognising that isolation could cause disunity and that, in order to overcome this possible threat, culture would be the glue that bound the regions together as a nation.

The Second World War had revealed the negative ways in which totalitarian regimes had mobilized culture as an instrument of government. The ghost of this recent threat reinforced the belief in the ‘arms length’ approach to the delivery of cultural policy and funding. The recommendations to establish the Canada Council of the Arts and the
National Library would also be ‘arms length’ instruments allowing the two-way implementation of, and a response mechanism between, government and the public.

The commission referenced a number of differences in areas of Canada and US policy. For example, it talked of the fact that “modern governments are increasingly becoming patrons of the arts” but noted that the US was a noticeable exception to this trend, stating that “in no other country in the world are there still vast reservoirs of private wealth from which cultural and intellectual life is nourished” (Massey, 1951 p.273). The Massey report also referenced the fact that the US was at the cutting edge of technological change and the development of its cultural industries, implying that it would be all too easy for Canada’s cultural development to become dependent upon its neighbour” and that “our society is being challenged to defend itself against a barbaric empire which puts its faith in salvation by the machine” (Massey, 1951 p.272).

Massey outlined the need to develop Canada’s cultural and national identity and that, to do so, would be a necessary and expensive proposition, but an act which would be of great benefit to the Canadian citizens and its culture.

[the] Canadian state’s formal entry into the production of culture marks the moment when the government shifted from a preoccupation with sovereignty – that is, territorially defined through the communications apparatus – to the tactics of governmentality: the use of culture as a disciplinary regime to ensure the development of a distinctive and, therefore, defensible character of the Canadian state (Dowler, 1996 p.338).

The argument being that the Canadian communication system of rail, radio and broadcast provided the channels through which “a vast and disproportionate amount of material coming from a single alien source [the US] may stifle rather than stimulate our own creative effort”, “We are now spending millions to maintain a national independence which would be nothing but an empty shell without a vigorous and distinctive cultural life” (Massey, 1951 p.18).

Although, the Massey report generated enormous interest across the country, so much so that the government had to print a second edition, there were supporters and
detractors. Many of those groups who normally were uncomfortable at the prospect of government funding for culture gave their support because the “report was so successful in linking culture with nationalism that potential critics were willing to see government patronage, even of high culture, as a public good” (Vance, 2009 p.363).

The Massey recommendations did not lead to action overnight; two years after publication only twelve recommendations had been implemented. It was to be six years before the Canada Council came into existence, but the die was cast cultural policy and government were inextricably linked.

It is interesting to note that the issue of ‘space’ would again come to the forefront when it became clear that the council decisions could not be based purely on merit, that “the geographic origin of any funding request had to be considered along with its artistic value” (Vance, 2009 p.367), a fact that has dogged future arts funding decisions.

The report also referenced that as the Royal Commission travelled the country they were impressed to hear from representatives of the two Canadian cultures, French and English, and that the coming together of these two cultural elements would provide “true Canadianism” (Massey, 1951 p.271). The practice of dual language institutions, established with the CBC/Radio Canada, is one of the foundational considerations in any Canadian policy area.

The Canadian model closely mirrored cultural policy development in Britain where, in 1946 the original charter of the Arts Council of Great Britain had similar goals, “to increase the accessibility of the arts to the public; to improve standards in the arts; to encourage people to participate in the arts.”

The Canada Council for the Arts was established by an act of Parliament in 1957. The mandate of the new crown corporation was to foster and promote the study and

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3 First nations culture was excluded from the Massy report.
4 http://www.artsprofessional.co.uk/magazine/article/arts-policy-special-keyness-dream-still-alive - sthash.kxh2olF6.dpuf
enjoyment of the arts, and production of works of art. This theme laid down in 1957 has been a consistent thread through Canadian cultural policy. Fifty years later, the auditor general, in a Special examination Report of the Canada Council, stated:

The creation, production, and dissemination of works of art help to develop a society that is creative, innovative, and open to the world. By financially supporting Canadian artists and arts organizations, the Canada Council contributes to this development and brings together citizens of diverse backgrounds and circumstances. The Canada Council aims to support artistic excellence: therefore, it must ensure, through its management systems and practices, that it awards financial support to the most deserving artists and arts organizations, and that it does so in a fair, consistent, and objective manner (Ricard, 2008 p.1).

As we shall see later in the dissertation, the Canada Council’s first board of directors were intimately aware of the challenges the organization faced, challenges that would have significant impact upon developments that were to take place in the 21st century.5

The next significant cultural policy milestone in the historical journey for the professional arts was the Federal Cultural Policy Review (FCPR), commissioned by the government in 1980; the FCPR was the first national review of Canada’s cultural institutions and policy since the Massey Report, thirty years earlier. The FCPR conducted hearings in eighteen cities and accepted over fourteen hundred submissions. The report, commonly known as the Applebaum-Hébert Report (AHR), was delivered in 1982. Unlike the Massey Commission, the FCPR was not a Royal Commission but was the work of the Federal Department of Communications committee. The report examined the

5 First Board of the Canada Council 1957: The Honorable. Brooke Claxton, Chair; the Very Reverend George Henri Lévesque, Vice Chair; Mrs. R. Reginald Arkell (Vancouver); Mr. Jules Bazin (Montreal); Mr. L.W. Brockington (Toronto); Mr Samuel Bronfman (Montreal); Mr. Fred Emerson (St, Johns, Nfld); Mr. Eric Harvie (Calgary); Dr. Frank Leddy (Saskatoon); Mrs. Angus Macdonald (Halifax); Dr. N A McKenzie (Vancouver); Dr. Frank MacKinnon (Charlottetown); Dr. W.A. Mackintosh (Kingston); Sir Ernest MacMillan (Toronto); Dr. Eustice Morin (Quebec); Miss Vida Peene (Toronto); Mr. John A Russell (Winnipeg); Mr. E P Taylor (Toronto); Mrs. Alfred Paradis (Montreal); Major General George P Vanier (Montreal); Mr. David H. Walker (St Andrews).
relationship between cultural activity and government, specifically focussing on issues of ‘conflict of interest’ that may arise from cultural policy.

The Applebaum-Hébert Report (AHR) marks a watershed moment in Canadian cultural policy, touching upon the shifting focus from the intrinsic to the instrumental.

The significance of the AHR is the recognition of in-built contradictions and potential for conflict that exists between the state and the professional arts and cultural sector. The danger, in the eyes of the AHR authors, being that whilst recognising that cultural policy flows from government action in an effort to influence cultural activity, the state may develop cultural policy not intended exclusively for artistic activity but for the purpose of “economic growth, or social justice, or national unity” (Applebaum & Hébert, 1982 p.19).

Herein lies the contradiction that is both, at the core of the AHR and this dissertation. The AHR authors firmly believed in the ‘arms-length’ principle of arts funding and that the essence of any successful cultural policy lay in opening lines of communication between artists and anyone who wished to ‘see, read, or hear their message’. The authors also recognised that it was essential that these artistic works be unrestrained by political, social or economic limitations, whilst also acknowledging that cultural policy that involved public money must ultimately be accountable to Parliament.

The themes outlined in the FCPR form a central pillar to the arguments presented in this dissertation, and as such is discussed in some detail in chapter 4.

A brief look at the Massey Commission Report and the AHR illustrate the shifting sands surrounding cultural policy. This was clearly elucidated by Professor David McQueen in his essay to the Federal Cultural Policy Review Committee in 1981. (Although never formally presented to the FCPR, the essay attracted considerable attention at the time and has been preserved by York University Archive). In the essay McQueen states:
.... the place of the arts and of culture generally in Canadian society has changed dramatically since then (i.e. since the Massey-Lévesque Commission of 1949-1951) (McQueen, 1981 p.17).

McQueen then proceeds to discuss how the Canada Council was born from the Massey Commission report. He argues that the early days of cultural policy that flowed from the Massey Commission achieved some considerable success. But that with the passing of time and the increased participation of the bureaucrat came the increased assertion “that culture has become too big and too complex an operation to be compatible with such an idiosyncratic personal styles” (McQueen, 1981 p.22). His concern was that this shift in management style would mean that increasingly people acting as little more than accountants would make policy decisions. “If bookkeepers are given too prominent a say in exactly how it is to be controlled they will end up, de facto, redefining the objectives and making over the policy” (McQueen, 1981). This change described by McQueen is a part of the re-weighting of policy from intrinsic to instrumental.

2.3. The Economics of Canadian cultural policy

This section of the literature review is comprised of eleven constituent sub-sections. In order to avoid duplication I will divide these sub-sections into two groups. The first group that includes the subject headings Value and Measurement, The Arts and Economic Development, The Cultural versus Creative Industries debate, Festivalization and the Cultural Tourist, A Critical and Economic Analysis of Festivalization, The Urban Regeneration Debate and The Economic Impact debate will be covered here in Chapter 2.

The second group that includes the subject headings The Creative Class Debate, Economic Development: the Creative Class and the Creative City, Artists Involvement in formulating Cultural Policy and Artists and the Arts: Consumption and Production will be covered in Chapter 5 Section 5.8 The Luminato Festival. The reason is that Luminato case study (Toronto’s Festival of Arts, Culture and Creativity) provides an operational example of these aspects of the economics of Canadian cultural policy.
2.3.1. Value and Measurement

Why does a modern society support a professional arts sector? The common justification for public support of the professional arts is that they provide a positive externality to society that the ‘market’, left to its own devices, either cannot or will not provide. The rationale being that the benefits of these public or merit goods outweigh their loss due to market failure. The debate surrounding public arts funding is ongoing, but a strong rhetorical consensus still exists that there is not any serious challenge at present to Keynes’ core argument that “public funding of the arts is justified because it delivers a range of public benefits” (Bakhshi, Hargreaves, & Mateos-Garcia, 2013).

How does a modern society evaluate its professional arts sector and by extension its cultural policy? The criteria used for artistic evaluation are ever changing as society places varying values on cultural artefacts or events at different points in time. From a Canadian perspective, this is apparent through the cultural experiences of the Canada’s First Nations and the Dominion Day celebrations (Canada Day from 1982) that provide an invaluable insight into the prevailing ‘models of national identity’.

July 1st 1958 was the first time that the government had used the Dominion Day celebration as a symbol of nationhood. The 1958 celebrations were the first nationally simulcast television broadcast in Canadian history. Governor General Massey’s ‘live’ address completely ignored Canada’s First Nations talking only of the “two great streams that had influenced Canadian history – the English and the French” (Hayday, 2010). Seven years later, the 1965 Dominion Day celebration provided further cultural insight, the performance started with the “Cariboo Indian Girls Pipe Band, a dozen tartan clad teenaged girls from the Shuswap First Nation who performed traditional bagpipe music” (Hayday, 2010). When considered in the context of the 1867 First Indian Act, one could conclude that the goal of assimilation, as laid out in the original act and as demonstrated by the Cariboo Girls Pipe band, was complete. Yet, fast-forward to the 1991 Canada Day celebration and one sees a very different spectacle where Juno Award winning Aboriginal Canadians were, ‘maintaining the language of their ancestors and fusing Western rock music with First Nations’ themes and language’ (Hayday, 2010).
The question of ‘value’ is counter-balanced by that of ‘measurement’. When asked: how does a society value its arts, the question is inextricably linked with how does a society measure or quantify that value? Historically, this question has proved to be both an important and elusive factor in the debate, as an artistic experience often provokes widely divergent reactions, making the design of a common evaluation formula problematic (Jancovich, 2013).

Recent examples of the fluctuating weight placed upon aspects of artistic evaluation include: excellence, access, diversity, community engagement or economic impact, with the emphasis on each shifting dependent on the historical period. In a recent article, a journalist wrote, “[at] the root of the debate are the economic principles of cost and value. They’re related, but they’re not the same thing. Cost is what we give up to get something, and it’s usually captured by the dollar price of the good. Value reflects how useful, essential or emotionally appealing something is, and that can differ wildly between individuals and circumstances” (Hirsch, 2013). Or put another way:

In simple terms, the Valuing Culture debate is an argument between two concepts, both of which have a valid claim on the formation of cultural policy: Value for Money and Money for Values (Hewison, 2012).

‘Value for Money’ is centred round the concept of public accountability whereas ‘Money for Values’, while endorsing accountability, also endorses the principle of public funding that arts expenditure reach beyond narrowly instrumental social and economic impacts towards aesthetic, emotional, even spiritual effects. Here are two examples that illustrate the complexity of the debate.

Prime Minister Harper has sparked a culture war in the federal election campaign with a claim that "ordinary people" don't care about arts funding…Harper shrugged off his opponents as elitists preoccupied by "a niche issue" (Toronto Star September 24th 2008).

Prime Minister Harper’s Government recognizes that arts and cultural activities enrich our lives immeasurably, as individuals, as communities and as a country. They express Canadian diversity and strengthen Canadian identity (Conservative Party of Canada 2011).
This debate is also dependent upon the status of artists and the availability of public funding at any given time. Again, as the above examples demonstrate, the response often fluctuates between arts as ‘elitist’ or ‘essential’ when considering which artists merit public funding. More often than not, “Value for Money demands quantitative measures, Money for Values calls for qualitative judgments” (Hewison, 2012).

Examining the cultural value debate from an anthropological perspective shows how a society’s position can change over time. One theory is that the accumulation of cultural knowledge is socially transmitted through society.

![Logic Model](Image)

Logic Model (Kreidler, 2013)

This Logic model forms the basis for the ‘supply-side priming’, the original philosophy at the core of many public funding programs such as The Canada Council.

This supply-side model advocates that public investment in art leads to an ‘arts’ educated community that, in turn, increases the demand for arts and so on. A key and continuing concern of this model are issues of ‘high’ or ‘elitist’ versus ‘low’ or ‘mass’ art, and who decides which cultural practice merits public funding and which does not. The debate surrounding elitism, artistic value and public subsidy in the ‘arts for arts sake’ debate is on-going (Bakhshi, 2012; Baumol, 1966; Belfiore, 2002; Garnham, 2005).

Also, at the core of this current debate is the definitional re-evaluation of what constitutes cultural activity and arts participation e.g. listening to downloaded music vs.
reading a newspaper. Current discussion revolves around the potential failure of ‘priming’ the supply side and the “need to recalibrate the arts agenda from “supply” to “demand” (Canada Council for the Arts, 2012).

David Stevenson suggests that there is a case for re-configuring the entire debate surrounding the public funding of the arts paradigm:

If the “problem” was understood as a need to provide equality of access to culture rather than state funded culture, then those who implement policy would be free to focus less on maximizing access to those organizations and activities which, for other valid reasons, the Government funds, but that the majority of the public are not interested in attending. They would be able to think creatively, instead, about how to facilitate the deepening of an already present cultural democracy (Stevenson, 2013).

The debate concerning the value and measurement of the arts is closely related to the question of economic development.

2.3.2. The Arts and Economic Development?

How did the arts become synonymous with the new wave of economic policy and practice? How did we move from “what is the value”, to “what is the economic value” of the arts? This ‘instrumental view’ of culture, based on economic impact, product, consumers and investment was epitomized by The Economic Importance of the Arts in Britain (Myerscough, 1988) that endorsed the belief that in a time of industrial decline the arts would be part of the economic and urban regeneration providing employment and attracting tourists (Belfiore, 2002; Belfiore & Bennett, 2010; Belfiore, 2012; Comunian, 2009; Currid, 2010; Glasmeier, 2000).

When did Canadian cultural policy and the arts make the transition from being an instrument of social cohesion and nation building to an economic tool? The first national gathering of artists in Kingston to discuss the “welfare of art” and ‘the value of the artist

6 http://hillstrategies.com/content/arts-attendance-and-participation-0
in a climate of free enterprise” (Cohnstaedt, 2007; Edwardson, 2012) took place in 1941. The Massey Commission, appointed in 1949 and reporting in 1951, recommended the creation of an independent arts funding institution The Canada Council for the Arts that was formerly established in 1957.

Less than 20 years later in 1973 the government established the cultural statistics unit at Statistics Canada, and when in 1980, culture was placed under the Department of Communication, speculation increased as to whether the nation-building lens had been replaced with economic indicators. During the 1980’s there was increased pressure to group arts funding together with economic development e.g. the 1984 Canada-Manitoba Economic Regional Agreement (Jeannotte, 2010). In 1990, when the Business Development Bank of Canada introduced the Cultural Industries Fund, the transition or transformation was complete:

The early role of cultural institutions and cultural policy as instruments of nation building has been supplanted by the assumption that cultural policy is an economic tool as well as an instrument for social cohesion (Cohnstaedt, 2007).

The last two decades of the 20th century saw a dramatic shift into the use of cultural policy as an ‘instrument’, steering the arts and cultural debate in a very different direction, one that has centred on the concept of the ‘value’ of goods or services such as art in the wider role of urban regeneration and the new economy debate (Goff & Jenkins, 2006).

Arts as ‘instrumental’ accompanied the financial crisis of the eighties and was epitomized by the decline, or to be precise, the outsourcing of the western manufacturing base as well as a slowdown in traditional industries such as coal mining and forestry. It should be noted that the arts sector actively participated in this transition by placing the emphasis on artistic activities as a contribution to the wealth of the nation (Belfiore, 2002).
This period saw large areas of urban wasteland emerging in what once were thriving industrial centers. It was this shift in manufacturing and the accompanying financial gloom where policy makers increasingly saw the arts as an instrument to be deployed to other policy agendas. The arts moved from a passive player to an active tool for helping to address some of the problems of the late 20th century. Examples of these ‘arranged marriages’ include arts and urban regeneration, the new economy, the creative class, new industries, mega events such as Cities of Culture, Olympics and Pan-Am Games, Garden City Festivals that all incorporated the services of the arts in their re-visioning process.

The mixed results of these artistic enterprise partnerships since 1980 have brought us to a central theme of the argument: how does or should a government quantify and evaluate a successful arts and cultural policy? This often polarizing debate, as to the place, purpose and value of arts and culture in current society has found prominent advocates for the various positions at the forefront of the debate.

2.3.3. The Cultural versus Creative Industries debate

The opening line in the book ‘Measuring the Value of Culture’ states “[t]he interesting thing about culture, and its expression, the arts, is that it is nearly always contested and a site of struggle” (Snowball 2008) which set the stage for the discussion of the cultural and creative industries and their place in the creative economy. The difficulties surrounding the definitions and interpretations of this term were neatly summarized as follows: “There may be no other sector of the economy that is more elusive, more difficult to ‘measure’ and more plagued by tensions than the creative economy” (Gollmitzer, Murray 2008).

Many scholars are involved in the on-going cultural versus creative industry debate (Hartley 2005, Flew 2012, Potts 2009, Comunian 2009, Hesmondhalgh 2013). At the core of this discussion is both the role cultural and creative industries play in the new economy, and, which activities merit inclusion in the various classifications currently in existence.
From a performing/visual arts perspective this discussion has proved confusing. For example the UK Department of Culture Media and Sport’s (DCMS 1998) creative industry definition includes those activities that have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property (Flew 2012). Under the DCMS classification the performing arts are listed as one of the core creative industries whilst another classification system places the performing arts in the ‘peripheral’ as opposed to the ‘core’ cultural industry (Hesmondhalgh 2013).

Another protagonist in this debate is David Throsby who has outlined his ‘concentric circle’ model, that consisted of four circles with Core creative arts (including the performing arts) at the centre; then moving outwards to Other creative arts (including film and galleries); Wider cultural industries (including television); and finally Related industries (including architecture) (Throsby 2010). Throsby’s concentric circle model has been refined and modified by other groups including the Work Foundation (The Work Foundation 2007).

The point to note from this twenty year examination of cultural, creative industry definitions is that during the debate a fault line has materialized between the ‘not for profit’ performing arts that take into account the ‘expressive value’ of an art-form and the more commercially orientated creative industries such as video games, film and TV and their place within the wider creative/cultural industry. Indeed, a recent update of the NESTA’s Dynamic Mapping process of the creative industries has gone further saying that the current methods of defining and categorizing creative industries is causing concern because “uncertainty is a defining feature of emergent areas subject to persistent structural change like the creative industries, and should be dealt with in a systematic way” (Bakhshi, Freeman et al. 2013).

When it became increasingly difficult in the early eighties to successfully argue the arts to government purely on the basis of the community welfare model, bureaucrats, practitioners and academics began to shift towards using a language that described the
arts as an industry and developed the economic/cultural model. This led to the use of terms ‘cultural industries’ in Australia in the 80s or in the United Kingdom ‘creative industries’ in the 90s to describe all activities connected with the arts, as well as sectors far removed” (Caust 2003).

The concern for many is that this evolving definitional debate can impact the day-to-day operations of arts organizations, particularly those in receipt of public subsidy. Across Canada artists, managers, directors, writers, and cultural planners were redefining their terminology prioritizing the economic value rather than the artistic, social and educational value of their work in applications for funding to public agencies.

This highly contested debate as to the definition of an arts vs. cultural vs. creative industry and their relationship to a nation’s economic well-being is ongoing. (Flew, 2012; Hartley, 2005; Hesmondhalgh, 2013; Potts, 2009; Throsby, 2010b). But the promotional rhetoric was heightened with the conceptual imports delivered by US Urbanist Richard Florida in his 2002 book *The Rise of the Creative Class*. Florida’s theories and his subsequent move to join Toronto’s intelligentsia are discussed in depth in Chapter 5.

### 2.3.4. Festivalization and the Cultural Tourist

An integral part of the economics of Canadian cultural policy debate is the question of how urban arts festivals fit within this ever-changing economic and social landscape, from “1980s onwards cultural tourism became viewed as a major source of economic development for many destinations” (OECD, 2008 p.19). This changing landscape has resulted in a reassessment as to both the purpose and perceived value of a festival to its community. There appears to have been a reset where the emphasis has been placed on justifying events on the grounds of their imputed economic benefits, including tourism and place marketing (Getz, 2008).

As governments at all levels struggled with the issue of community and economic rejuvenation, focus turned to a city or region’s cultural ‘event portfolio’. The term, ‘event portfolio’ was coined by Getz when he outlined how, since the mid 90’s, event tourism
was becoming an increasingly important political tool in a government’s economic and employment toolkit.

A city or region’s event portfolio is categorized into sports, business and cultural events, which includes festivals. It then is further categorized by size and economic stature with mega-events at the top of the pyramid followed by periodic hallmark events, regional events and local events. As one travels from mega/tourist to small/local, the economic and tourist aspects shift from high to low value.

As the concept of ‘festivalization’ becomes increasingly synonymous with tourism, as outlined above, then it can be argued that, as a city or region develops its event portfolio to maximize economic impact, it potentially moves further from its citizen base. In fact, festivalization could be responsible for stifling local artistic expression and reinforcing conflicts that may exist between arts festivals, cultural events, tourism, and economic impact and government policy. Given the move toward an economic focus and appealing to tourists, local events risk commodification (Getz, 2009; Getz, 2010; Getz, 2008; Gursoy, Kim, & Uysal, 2004; Quinn, 2005; Quinn, 2006; Quinn, 2010).

We are witnessing more advanced examples of rifts appearing between the festival organizers and their community when commodification occurs as a result of economic pressure to increase revenue. Often the process to increase revenue is closely tied to the tourist market that often has larger disposable income (Quinn, 2006).

2.3.5. A Critical and Economic analysis of ‘Festivalization’

A recent study examined the relationship between economic factors and the establishment of festivals using the following Four E’s matrix as indicators of cultural policy determinants: Economic Impact, Entertainment, Empowerment and Enlightenment (Olsen, 2012).
The researcher then goes on, using Raymond Williams’ (1984 cited in McGuigan 2004 and Olsen 2012) to make the distinction between cultural policy ‘proper’ and cultural policy as ‘display’ to further define municipal cultural policy as falling into one of two categories:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 - PROPER</td>
<td>Artistic freedom, public subsidy and artistic protection</td>
</tr>
<tr>
<td>C2 - DISPLAY</td>
<td>Cultural flagships, economics, tourism.</td>
</tr>
</tbody>
</table>

Olsen talks of the policy shift over the last twenty years from the C1 to C2 type coinciding with increased neoliberalism and the changing attitude of government towards the role of the arts festival i.e. festivalization’ as part of a city’s policy agenda geared towards re-imaging for tourism. The research developed a framework to assess whether modern festivals are economic tools of city planning and policy or for the public’s social and cultural aims.

Her research examined four comparative festival case studies in four cities in order to answer the following incisive question: festivals have proliferated over the last 20 years but have they flourished? The results demonstrated that politicians and
municipal cultural planners responded more positively to festivals displaying economic and tourism indicators (C2) than those displaying artistic and community-based indicators (C1). The overall effect being that the creative voice of the local arts community was being influenced by funding decisions based upon economics and tourism, which begs the question: “Is the city a product to be sold on the tourism market and/or a location in which to invest money? Or is a city a place to live, where people can express themselves, even if it is in terms of resistance to, rather than rejoicing in, a dominant culture?” (Holcomb, 1999 p.54).

The academic debate continues as to the accurate assessment of the relationship between festivals, tourism, and the new economy. There has been an acknowledgement among academics that there needs to be a reappraisal of the concept of ‘creative’ as tourists relates to cities. “The focus of economic strategies and policy has been on what a city should have in order to be or to become ‘creative’. These policies are often replicated without taking into consideration the distinctive aspects of places and circumstances” (Comunian, 2011 p.1157).

Festivalization can result in both beneficial and detrimental impacts to both an urban population and arts community. It is a very fine balance. Anne Markusen, during her time as UK Fulbright Distinguished Chair, 2010-11 in Glasgow hosted a series of conversations that reflected on the City of Glasgow’s experience at both ends of the urban regeneration spectrum: from the decimation of the ship building industry through to the city’s ‘festivalization’ as the first UK city to secure the European City of Culture in 1990. In conversation with cultural and community leaders examining the city’s cultural rejuvenation there was disagreement over the strategy of targeting tourist or the regions current residents.

Designing arts capacity around tourism is a poor route to success – if your own population does not embrace and patronize your arts sector, people from outside will not be attracted. Because of its climate Glasgow only attracts tourist for four months. Its arts and cultural offerings have to survive for the rest of the year on local patronage. (Markusen, 2012 p.39)
There can be no doubt that assertions re the concepts of creativity, creative class, creative city and festivalization have been widely adopted by policy makers across the country. However, the empirical impacts of this policy adoption are still little understood, hence the need for original program evaluations, like this dissertation, to try and determine whether the new perspective is a positive influence for artists, arts organizations and artistic creation.

To summarize, as a society moves away from the dependence on traditional manufacturing industries, the arts, cultural and creative sector’s perceived status increases in impacting a city’s or region’s economic well-being. The core component being that the creative class is attracted to regions that have embraced the accoutrements of the new economy (Florida, 2002; Meric S. Gertler, 2004). At the same time many advocate that the creative class theory has negatively impacted arts and cultural communities and their ability to positively influence regional development in their own right (Leslie & Rantisi, 2012; Markusen, 2006; Markusen, 2007; Markusen & Gadwa, 2010; Markusen. Ann, 2005; Mirza, 2012a; Moretti, 2012; Peck, 2005; A. C. Pratt, 2008; A. C. Pratt, 2009).

2.3.6. The Urban Regeneration debate

Urban environments are constantly changing. The decline and relocation of the old manufacturing resulted in large tracts of industrial wasteland in many urban centres. Arts and cultural policy has provided one instrument of urban regeneration in many declining and de-industrialized areas (Boggs, 2009; Boland, 2010; Coafee, 2008; A. Pratt, 2008). The shipyards of Glasgow and the Temple Bar docks area of Dublin are two examples of this phenomenon (McCarthy, 1998: 3). Closer to home, Vancouver’s waterfront development including Granville Island, Concord Pacific Place and Coal Harbour are also examples of urban regeneration (Bain, 2013 p.17).

A synergy exists between urban cities and arts and cultural centres, each attracting the other. Whilst there are many examples of successful arts operations in rural areas, the worlds leading centres or art tend to be located in high-density urban centres. Arts
centres require population density and diversity in order to flourish. Urban density is a pre-requisite, or the foundation, upon which urban regeneration through arts and culture and the pursuit of the urban tourist can take place.

It is the process of de-industrialization that has focused the drive for rejuvenation. Andrew Thornley sums this up when he said, “in the post industrial city economic survival depends upon growth in the service sector” (Thornley, 2000:689). It has been argued that this thrust for regeneration was led by the building of large office developments, like Canary Wharf. Following the development of large office centres, urban managers started to explore new markets, “keen to exploit other opportunities and find niche markets for their particular cities” (Thornley, 2000:689).

One of these ‘opportunities’ has come in the form of tourist related cultural icons, places that attract the tourist, both for business and pleasure, and the increasingly important tourism economy that will continue the process of economic rejuvenation, leading to new economic urban models. Many observers believe that securing a mega event e.g. an Olympic or Pan-am Games represents one of the greatest opportunities for tourist related development (Holcomb 1999: 69).

There is a wide range of existing literature that has explored the process of de-industrialization and regeneration using the arts and culture sector. Christopher Bailey, Steven Miles and Peter Stark have been closely involved with a ten-year research project looking at the regeneration of the Gateshead Quayside. Following the decline of the north east of England’s traditional industrial base (shipbuilding) the quayside has been a regeneration project to provide a modern environment for arts and culture (Bailey, Miles, Stark, 2004:51).
Two other prime examples of ‘arts and culture led regeneration’ are the cities of Liverpool and Manchester in the UK. By promoting culture as a means of urban regeneration, authorities concentrated on a number of areas: the inclusion of urban industrial buildings within the new cultural sector; the link between culture and job creation; the development of social capital, using culture to install feelings of local pride, involvement and belonging; the link between universities and cultural regeneration and
the combination of these leverages enabling cities to alter the public perception of them as urban environments (Robson, 2004:249).

Others go further and say that “cities, like living organisms, exist in a constant state of flux and change”, (Lim, 1993: 590) and that it is this process of change that led people to look in other directions for the re-birth. “These include a rise in the importance of all service related activities including arts and culture, blurring of the distinction between the function of cities as centres of production and of consumption, and the geographical mobility of commercial activities”(Lim, 1993: 590).

Glasgow and Birmingham are often identified as areas that have been through the successful process of urban regeneration with arts and culture at its core. It is also interesting to note that in Birmingham’s case it was their unsuccessful bid for both the Olympic Games and the UK City of Music that played a pivotal role in their regeneration. This leads us to ask the question, “Does a city have to actually secure an event or is the process of bidding for an event itself a catalyst for urban regeneration?” When Toronto’s Olympic bid failed in 2008 it was reported in The Toronto Star, that the bid, “did serve a civic purpose” because “it allowed the imagination to soar” (cited in Oliver, 2008: 282). The mega-event cycle is continuous; as one bid falls another opportunity appears on the horizon as demonstrated with the recent Globe and Mail article that ran under the following banner “Toronto should be wary of Expo 2025 The city already has trouble paying for infrastructure and transit, top civil servants says. So why spend money on a flashy affair? (Gee, 2016 p. A7).

There have been some widely differing results with some notable success stories such as the Lowry Arts Centre at Salford Quays that has attracted subsequent shopping and commercial sectors to a former derelict site. There have also been some ‘white elephants’ most notably the Millennium Dome, London and Montreal’s 1976 Olympic Stadium nicknamed the “Big O” for its circular shape and the “Big Owe” for the amount of debt it incurred, about $1 billion that was paid off thirty years later in 2006 (Quirk, 2012).
It is this mix of success and failure of such stimulative projects around the globe that indicates that just the building of arts and cultural infrastructure and investment in cultural industry alone does not guarantee success, that the success or failure of any urban regeneration project using an arts base depends on an assessment of the local area and a strategic plan that brings together investment and community on the ground.

It is necessary to distinguish between two components of artistic led urban regeneration. The first are ‘capital projects’ in the form of new, modernized or updated buildings and sectors, one example is the Distillery District in Toronto where an entire section of the city was transformed into a cultural district. The second being urban rejuvenation through the creation of arts and cultural festivals and events.

Both of these examples of regeneration often fall under the heading of ‘flagship’ or mega –event projects. The important point to be made here is that, although ‘flagship capital projects’ can have success there is a body of literature that highlights some of the potential pitfalls to this regeneration strategy. One body of opinion is that urban led regeneration through arts and culture is based upon an untested assumption that a ‘trickle down’ effect flows from the development, whereby the local population benefits from the economic effects of increased visitors and tourism. In reality there have been cases, Newcastle and Gateshead, where culture led urban regeneration occurred simply because there was no industrial alternative.

“The reality is that culture is not the unifying force we might like it to be. In many cases, cultural strategies simply reflect the utter absence of new industrial strategies for growth. In turn, the potential economic benefits of cultural appropriation as a strategy for enhancing economic values are counter balanced by the erosion of local distinctiveness.” (Bailey, Miles, Stark, (2004: 48).

Another concern often raised, particularly in the case of the Olympics, has been the fact that the intensity of competition from other international urban centres to secure a ‘bid’ demands quick implementation of projects thereby placing an unelected body, the Olympic committee, in the role of determining cultural and other infrastructure project priority (Low, 2010). These in turn lead to undemocratic procedures that are often employed to bypass any potential opposition and prevent delays. Once the bid is
successful this potentially can exacerbate negative impacts and reinforces the alienation between ‘flagship’ development and local citizens. In Canada we recently saw an example with regard to the location of a new National Portrait Gallery where eight cities were involved in a bidding process that recently collapsed. The rush to secure bids ultimately caused the process to fail. (Globe & Mail 16\textsuperscript{th} Nov, 2009:9)

This alienation can be compounded with the tension and conflict manifesting itself in several ways: “The need to project images conducive to inward investment has meant that most cultural projects tend to take the form of prestige arts events or flagship developments. These often cater to a select audience with a high level of economic and cultural capital (Lim, 1993: 593). These “flagship” projects often coincide with a reduction in public subsidy for smaller community-based arts operations. Whilst these may not be causally linked, the perception of linkage can lead to disaffection and antagonism. Recent cuts in BC gaming funding in the run up to the 2010 Winter Olympics are an example of this potential antagonism (Globe & Mail 29\textsuperscript{th} Sept, 2009). Another example was the announcement that whilst Olympic infrastructure spending will continue there may have to be cuts in “non essential spending” (Economist Sept 3\textsuperscript{rd}, 2009).

There is also the point to be made that in order to be economically viable these “flagship” developments must have critical mass in terms of size and activity, again demonstrating how certain areas of a city, and certain groups within the city, have the potential to be negatively impacted by large-scale regeneration using an arts and cultural base. When looking at these regeneration projects that use the arts and cultural sector at their core, there has been the overwhelming use of ‘flagship’ infrastructure projects or as others like to say, a preference for the “high arts” over “low arts”. (Robson, 2004: 246)

There is often a lack of clarity as to which groups within a city will actually benefit and that those least likely to benefit are often those in most need. There is also a danger that tourism may accelerate the process of gentrification and actually harm
existing residents. This raises the issues of economic impact that are examined later in this literature review.

One of the inferences that can be drawn from this literature review is that it may be too early to draw conclusions about the results of urban regeneration through arts and culture; certainly some studies being presented, as examples of positive results are inconclusive. It seems that sometimes, the strategic and cultural planners are blinded by the concept of “flagships” and what results is a large and expensive project which fails, due to lack of strategic planning process.

Perhaps the best examples of the large debate that exists as to the role of arts and cultural policy in urban regeneration can be found in the Liverpool experience with the European City of Culture 2008 (ECOC). The City of Liverpool commissioned the city’s universities to conduct longitudinal research as to the impacts of the ECOC on the City of Liverpool. The data that flowed from this project (Impacts 08) has been overwhelmingly positive. The final report states:

The city has undergone a remarkable image renaissance locally, nationally and internationally. Local opinion leaders give more credibility to the city’s cultural assets and to the cultural sector as a source of civic leadership; national media in the mainstream, as well as in specialist domains, have got used to presenting a richer picture of Liverpool as a multi-faceted and contemporary city with ‘world class’ assets and an ability to build on them; internationally, the city has been rediscovered as a tourist destination beyond football and the Beatles, and its approach to ECoC delivery is held as a key reference by other European cities to maximise citizen participation. (Garcia, Melville, & Cox, 2014 p.60)

Alternatively, Philip Bolan, writing in the Journal of Social and Cultural Geography ‘Capital of Culture—you must be having a laugh!’ In challenging the official rhetoric of Liverpool as the 2008 European cultural capital he lays out the alternative argument that the 2008 ECOC exercise was an exercise in re-branding the city for a national and international tourism market. The overall effect best summarized by the comedian Alexi Sayle who:
During his televised return home comedian Alexei Sayle postulated: ‘Culture is big business . . . Culture could be Liverpool’s salvation’; he also noted the irony of wealth expected to flow from culture whereas in the nineteenth century culture flowed from wealth (cited in BBC 2 2008a; also Mirza 2003).

The real irony being that, as this dissertation will demonstrate, it is often professional artists working below minimum wage that subsidizes the arts sector in general. The article talks of gentrification rather than rejuvenation citing numerous examples of the upgrading and development of the city centre for the middle class incomers and the re-branding of the city image. One example being the development of a billion pound high-end shopping centre ‘Liverpool One’ by a London Based development company. The financial hardship suffered as a result of the 2008 investment, and the damming evidence that large parts of the city and large sections of the local population were excluded (Boland, 2010). Perhaps the strongest indictment comes from the suggestion that Liverpool’s 2008 ECofC venture represented a confirmation of the suggestion that ‘cultural festivals are social control mechanisms for including and excluding people from spaces in the city’(Waitts, 2008). The Liverpool example provides clear example of the continued debate as to the role and value of arts and cultural policy in urban rejuvenation.

2.3.7. The Economic Impact debate.

Inextricably linked to the question of generation/regeneration through arts, is that of economic impact and what role the arts and cultural sector play in the economic success of any city. There is a large body of literature that looks at the question of the economic impact of the arts through festivals and events (Langen & García, 2009). One of the challenges of economic impact assessment is the methodological weakness associated with economic impact studies of arts festivals. Calculating the economic impact of an arts festival is difficult and the reliability of the final figure depends very much on the validity of the variables used in the research (Snowball, Antrobus, 2002: 2).

One of the major methodological problems is concerned with defining one’s area of study. One example is the current debate regarding the concept of the creative class, where membership is attributed to academic qualification. Others respond by saying that
Florida’s definition of the creative class, which includes large occupational categories that are defined by the government agencies, are largely based on educational attainment and credentials equating creativity with educational attainment, therefore excluding all creative workers without degrees (Markusen, Wassall, DeNatale, Cohen, 2008: 26).

Any economic impact study that concentrates on organizations or sectors and ignores individual artists is, potentially, underestimating the overall economic impact through the “Artistic Dividend”. The argument is that the artistic dividend is better served when concentrating urban economic development on individual artists rather than large new “flagship” performing arts facilities or festivals and that the artistic dividend is better served through artists and small well-used artist run centres rather than large, under-used, artistic monuments (Markusen, Schrock, 2003: 1163).

Another methodological concern is that economic impact studies often include local spectators who would spend their income in the city or region anyway. Any economic impact assessment due to an event or festival can only be determined by net ‘new money’ attracted or generated specifically to or by an event or festival. Often when expenditure by local residents is excluded the resulting figures are so small that they become unacceptable to those commissioning the study (Crompton, 1995: 26).

The inclusion of ‘time switchers’ expenditure in an economic impact study is also problematic for the same reason. ‘Time switchers’ are people who would have visited the city but just changed their date of visit to ‘take in’ the festival. Again this revenue cannot be claimed as new or that it results directly from the festival under study.

Once visitor numbers and expenditure have been calculated, a multiplier is used in order to arrive at the final economic impact figure. The multiplier recognizes that changes in the level of economic activity created by visitors to a sports facility or event bring changes in the level of economic activity in other sectors and, therefore, create a multiple effect throughout the economy. Many economic impact studies select multipliers that produce questionable results. (Compton, 1995: 18). In his 2006 paper ‘Economic
Impact Studies: Instruments for Political Shenanigans? Crompton goes further saying that:

“Most economic impact studies are commissioned to legitimize a political position rather than to search for economic truth. Often, this results in the use of mischievous procedures that produce large numbers that study sponsors seek to support a predetermined position. (Crompton, 2006)"

He then goes on to list and describe a number of ‘mischievous activities’ used in the gathering economic impact data designed to produce expected rather than actual results.

Mary Edwards makes the point that the economic impact study is becoming a widely used tool that one must treat with caution, that many urban entities are using the impact study as a “catch all” to show how tourism in particular brings new finance to a city or region. According to Albert Einstein, “Not everything that can be counted counts and not everything that counts can be counted” (Cited in Edwards, 2008:7). Caution is also urged as many studies use existing dollars not new funds and that economic impact must be based on new funding not existing funds. (Edwards, 2008: 4)

The importance, for the purpose of this literature review, is that a debate on the use of economic impact studies and the arts to gauge the success of arts festivals and events is taking place. Given the current debate, many argue that the most accurate impact assessment of an arts festival can be obtained by using a combination of research methods. The economic impact method is best used to measure financial or market benefits, while the Willingness To Pay (asking local citizens what they would be prepared to pay for an event or festival) method can provide data on the social or non-market externalities (Snowball, 2002: 12).

A 2004 Edinburgh Festivals study said that there are a number of issues relating to measurement that are becoming increasingly important for the festivals. Increasingly festivals are being seen and measured as tourism activities rather than mechanisms for supporting social inclusion, civic pride, creativity and innovation, multi-culturalism, promotion of the city or maintaining traditions for future generations (Edinburgh Festivals 2004/05: 9).
Whilst the economic impact debate centres on methodology and interpretative analysis, all participants in the debate agree that there is an economic impact to be delivered through the professional arts and cultural sector.

All too often we are witnessing that any major arts decision is premised by, or couched in, economic or employment indicators. When the City of Vancouver announced an allocation of downtown real estate for a new Vancouver Art Gallery the media discussion that followed centred not on artistic need but rather the potential economic impact (Bula, 2013 S1).

Perhaps the most vociferous critic of the use of economic impact study for the arts is John Kay the economist who argues that “the economic value of the arts is in the commercial and cultural value of the performance, not the costs of cleaning the theatre” and “the only intelligible meaning of benefit to the economy is the contribution – direct or indirect – the activity makes to the welfare of ordinary citizens” (Edwards, September 2008; Kay, 2010; Sterngold, 2004).

The economic impact debate continues and others argue that new methodologies should be developed in order to assess the value of arts and culture. These include proponents of the Contingent Valuation Method (CVM), or the Willingness to Pay (WTP) (Bakhshi, H., & Throsby, D, 2010; Pung, Clarke, & Patten, 2004; J. Snowball & Antrobus, 2001; J. Snowball & Antrobus, 2002; J. Snowball, 2008; Throsby, 2003; Throsby, 2010a).

It is widely understood that culture brings considerable economic benefit, including through the arts and creative industries. But there is also widespread agreement that to understand these benefits in economic terms alone is to miss some of the most important contributions that the arts and culture bring to individuals and to society. The challenge is to develop additional perspectives that are persuasive in method and offer compelling detail and substance (Arts and Humanities Research Council, 2012).

We are witnessing growth in new areas of research that question whether the short-term economic emphasis placed on art and culture has become too powerful or too all
consuming in the arts debate (Langen & García, 2009). The relationship between the arts and economic impact will continue for some time to come.

2.4. Canadian Cultural Tourism and the Professional Arts

Tourism is a major economic force on the world stage and is projected to continue its global expansion in the 21st century. According to the World Trade Organization (WTO) international tourist figures have expanded from less than 25 million at the end of the 1945 to 903 million in 2007 with current total tourism receipts estimated in excess of $US 1 trillion\(^7\). Another example of this changing industry is that in 1950 the top 15 destinations attracted 98% of international travellers. By 2007 this figure had dropped to 57% demonstrating the rise of new tourist destinations and emerging markets.

Tourism is an integral part of the process of globalization with an estimated 200 million people now directly employed by the tourism industry (Shaw & Williams, 2002; Williams, 2009). Canadian international figures have also risen, in 1972 there were less than a million international visitors (excluding US) rising steadily to peak at 4.78 million in 1996. The 2012 figures showing 4.59 million visitors\(^8\). The scale of this growth demonstrates, not only, the importance of the tourism industry to those directly involved, but to the country’s wider economic, social, cultural and political economy. Current tourism policy is closely connected with the management of other government departmental policy i.e. economic, natural resources, environment, industry, parks, multiculturalism, culture and heritage.

There has been some confusion as to what activity constitutes ‘cultural tourism’. Many scholarly definitions have been presented e.g. any person who visits a cultural attraction (Myerscough 1988). A Canadian study defined cultural tourism to

\(^7\) http://www.wto.org/english/tratop_e/serv_e/tourism_e/tourism_e.htm

\(^8\) Statistics Canada Table 427-0003
include visits to festivals and fairs, zoos and national parks and viewing wildlife or birds and attending aboriginal or native cultural events (McDougall, 1998). An Australian study defined cultural tourism as “an inbound visitor who attends at least one cultural attraction during his or her stay” (Foo & Rossetto1998). Similarly, other definitions focussed on heritage sites whilst excluding performance, whereas others have included both performance and heritage sites. For the purpose of this dissertation and consistent with my narrower definition of artistic occupations, I have selected the ‘narrow’ ‘sectorized’ definition of cultural tourism that includes both the arts and heritage (Hughes H. 2000). This definition embraces Canada’s historical threads of cultural tourism: through its journey to nationhood, as well as current aspects of cultural tourist activity including aboriginal (M. K. Smith, 2009), heritage sites (George & Reid, 2005; George et al., 2009; Stern & Hall, 2010), festivalization (Getz, 2010; Getz, 2008; Olsen, 2012; Quinn, 2006; Quinn, 2010) and performance based activities (Quinn, 2005).

2.4.1. A New Age of Cultural Tourism

The period under examination has seen tremendous changes in the country’s cultural tourism development. The stage was set in 1967 with Canada celebrating both its centennial and hosting the World’s Fair Expo 67 in Montreal. The 1967 World Fair was such a success that it not only put Canada on the world stage as a tourist destination, but also highlighted the importance of the global tourism market. The federal government responded with the creation of the Canadian Government Office of Tourism (Edgell & Swanson, 2013).

Two dramatic policy changes occurred around this time that would also impact Canada’s cultural tourism industry. The 1969 Royal Commission on Bilingualism and Biculturalism report recognized that many Canadians were neither of British or French descent recommending that, “these people be integrated into Canadian society rather than assimilated” (Dewing, 2013). This was followed in 1972 with the creation of a Multiculturalism Directorate within the Ministry of State and in 1982, with the adoption
of the Charter of Rights and Freedoms where multiculturalism was officially recognized in the Constitution.

On the international stage, the economic slump of the late 1980’s and early 1990’s brought dramatic social, economic and cultural change. Neoliberalism, globalization and deindustrialization combined causing governments, including Canada’s, to respond with privatization, deregulation and downsizing. The withdrawal of government support at the national and provincial level during the 1990’s resulted in a ‘downloading’ of services and responsibilities, the result of which was to thrust municipal government more into the role of economic development, one central component being tourism development. This economic recession had a dramatic effect on Canada’s tourism industry. The sinking economy raised concern that Canada risked losing its share of the global tourist market. The government, in partnership with the tourism industry, developed plans to broaden both the appeal and the image of the Canadian tourism sector. This included re-evaluating changing consumers’ tastes. As the tourist demographics changed, ‘baby boomers with disposable income’ entered the market placing “growing emphasis upon nature, adventure tourism and cultural encounters” (M.K. Smith 2009).

In 1995 the Tourism Industry Association published ‘Prosperity through Tourism’, a report that reviewed the entire industry and recommended the creation of a “national tourism authority jointly funded by the government and private-sector but whose decisions would be industry-driven” (Edgell & Swanson, 2013). The government responded by creating the Canadian Tourism Commission (CTC). The CTC, a crown corporation, represented the new era of the public–private partnership: industry driven and profit motivated with public investment heavily influenced by the private sector and a board of directors from the private sector.

The government’s recognition that they had to use every asset at their disposal opened doors for the aboriginal cultural tourism industry. The Aboriginal Tourism Association of BC was formed in 1997 and an aboriginal program was included in the CTC’s remit.
Similarly, this changing landscape increased pressures in other areas, such as heritage tourism. One of many examples from across the country is Lunenburg, Nova Scotia, a small fishing town that was designated a UNESCO world heritage site in 1995.

“[the] community’s living culture has now become objectified and separated from the original community and has been turned into a theatrical entity for tourist imagery and consumption” (George & Reid, 2005)

It is important to recognise that issues of assimilation and commodification are on going – tourism in all its forms is a commodity to be packaged and purchased. There is still much discussion within aboriginal and non-aboriginal communities as to the extent that tourism initiatives should be embraced and the economic versus cross-cultural learning opportunities that tourism could potentially deliver. (Goff & Jenkins, 2006; Hinch, 2004; Meethan, 2001; Shaw & Williams, 2002; M. K. Smith, 2009)

Creativity and tourism are cited as critical components of a successful 21st century contemporary service-led economy (Scott 2006; Markusen 2008, 2010; Getz 2008; Quinn 2010). There is, however, some debate as to whether tourism policy is influencing arts policy (Olsen, 2012) or whether local cultural policy should principally be directed at local residents or potential tourists (Markusen, 2012; Quinn, 2010).

There are several highly competitive globalized strategies to attract tourists, including increased cultural tourism through the staging and promotion of arts festivals, often used by all levels of government as an essential component in the search for the 21st century tourist. However, these strategies can cause tension within local communities whose primary focus is more neighbourhood than tourist orientated (Holcomb, 1999; Markusen, 2012; Morgan, 2004; Quinn, 2005; Quinn, 2006; Quinn, 2010).

As economic pressure increases to attract tourists there is an increased risk of the ‘commodification’ of cultural events and ceremonies (Shaw & Williams 2004; (Williams, 2009). Donald Getz in ‘Event Tourism’ outlines the mounting tension that exists between the arts and tourism sectors giving rise to “declining cultural authenticity” and “festivalization” that sometimes accompanies increased tourism activity. This dichotomy
is clearly advanced by the following positions - “Tourism commodifies events and corrupts their authenticity” with events being created “for commercial and exploitative reasons” juxtaposed with “tourism helps preserve traditions and meanings with festivals and cultural celebrations” (Getz, 2008; Quinn, 2010; Richards, 2011).

Why is tourism often the preferred solution for policy makers? Essentially, the tourism industry is seen as one with ‘easy access’ a clean industry that doesn’t require high skill levels (Canadian Tourism Research Institute, 2012b; George et al., 2009; Minister of Industry, 2010; Throsby, 2010b). Some argue that the main aims of tourism policy is economic diversification, economic renewal and, to a lesser extent, to address social divides. (Morgan, 2004)

OECD Tourism Trends and Policies indicate that governments are becoming increasingly aware of the importance of tourism as an economic driver and for achieving their stated economic development policies and goals. There is also an understanding of the need to incorporate tourism thoroughly across all arms of government in policy development and implementation, and to co-operate effectively with the private sector. (OECD, 2012)

The influence of neoliberal ideology and global restructuring has impacted tourism policy, moving it from government policy for public good to a business centred corporate model focused on investment and return or from a ‘public welfare state to the ‘enabling state’ (George et al., 2009; Gilbert & Terrell, 2002; Hall & Jenkins, 2004).

The first decade of the 21st century has seen several examples of government driven policy development that reflect this changing cultural tourism landscape - the blurring of the lines between professional arts and tourism.

2.5. Conclusion

The professional arts and cultural sector in Canada and the relationship with government through ‘arms-length’ funding as envisaged through the 1951 Massey Report to foster and promote the study and enjoyment of the arts, and production of works of art, has dramatically changed. The arts sector has, and continues to be, increasingly
interwoven with the wider political and economic spectrum: tourism, urban regeneration, economic impact and development and festivalization to name a few. Evidence is mounting that government departments, at all levels municipal, provincial and federal, are appropriating the arts and cultural sector as a multifaceted instrument to achieve their policy ends, one that is having some unexpected results on the arts themselves and their audiences. (Comunian, 2011; Getz, 2009; Greg Richards, 2011; Markusen, 2012; Olsen, 2012; Quinn, 2010).

Given the increasing evidence of arts policy being willingly deployed at the municipal, provincial and federal level as an instrument of urban regeneration, as an economic booster or as a cultural tourism asset, one would have to ask: how can the professional arts sector successfully navigate this increasingly complex funding system whilst maintaining professional integrity?
Chapter 3. Methodology

This dissertation centres on an examination of government arts policy documents and reports. Access to government documents and data was therefore a key component of my dissertation. Given the perceived low-level security risk of arts documents I had anticipated that the process of obtaining and examining the necessary government documents and accompanying data would be relatively simple. However, it turned out to be one of the largest challenges to the successful completion of this dissertation.

The MTEP was an important arts policy because it characterized the prevalent neoliberalism influences of the time as embedded in “cultural tourism”, “creative cities”\(^9\) and the “creative class”\(^10\) policies. The MTEP was an example of instrumental arts policy initiated by a conservative government, which since their election in 2006 had had a strained relationship with the professional arts sector due to the cancellation of professional arts programs such as Trade Routes and references to the arts sector as ‘tax payer subsidized elites’. The MTEP was an Industry Canada Initiative designed primarily for political and economic objectives. The MTEP was restricted to two years (2009 & 2010) and carried strict guidelines with respect to eligibility, application procedures, and most importantly, that all successful applicants were obliged to commission an economic impact report as part of their funding agreement. The MTEP was a ‘hands on’, as opposed to the ‘arms length’ funding model. Finally, MTEP funding levels of up to $3 million per year placed them outside the purview of the normal arts funding programs.

\(^9\) See Glossary
\(^10\) See Glossary
Together this provided a unique research opportunity to examine instrumental federal arts policy in real time. The program offered the opportunity of examining, over a four-year time-span 2008-2011, individual arts festivals operational activity to assess the impact a time-restricted cash infusion had on their organization before, during and after the program. Similarly the MTEP was a perfect vehicle to compare recipient festivals with similar arts festivals across the country that did not receive MTEP funds.

However, this research methodology alone would not provide any insight into the prevailing political, economic and social conditions that would cause a government to implement a time restricted policy like the MTEP. Similarly the narrow policy focus would not answer the question of why the existing ‘arms length’ arts funding mechanisms were not included in the program’s design and implementation.

So, to fully understand the importance of MTEP it was necessary to use a mechanism that would position the MTEP in the wider Canadian arts policy context. Once that decision was taken, the next decision was to select the starting point for the ‘longer policy arc’. After much deliberation the natural ‘starting point in time’ for the current Canadian arts policy arc was 1957. Why? The publication of the Massey report in 1951 laid the foundations for the creation of the Canada Council in 1957 that formed the centrepiece of Canada’s arts framework for the next sixty years.

As a result my research’s methodological framework works in two directions:

1/ From the general to the specific. Using document and content analysis I will conduct an examination of the continuous policy arc from 1957-2014 in order to position the MTEP within the wider historical policy framework. I will also identify the prevailing political, economical and social conditions necessary to support the MTEP implementation and to determine what, if any, distinctive characteristics the festivals that received support displayed.

2/ From the specific to the general. Again using document and content analysis I will conduct an examination of the time-restricted policy to determine what, if any,
observations can be garnered from its implementation. I also ask: were there any lessons that could be taken from the MTEP to better understand and improve future continuous arts policy design and implementation?

This methodological framework addresses my core research questions that ask whether current arts policy initiatives, either continuous or short-term, are delivering the necessary support for a professional arts sector.

3.1. **Continuous or Long-Term Cultural Policy: The Canada Council for the Arts**

For the continuous or long-term policy perspective of my research I examined various aspects of the historical relationship between professional arts organizations and the federal government through the Canada Council for the Arts to determine how policy initiatives, funding fluctuations and trends impact both the long term sustainability of the arts sector and impact programming choice. For example, the Canada Council for the Arts in its inaugural year 1957 awarded the Stratford Festival a grant of $50,000. In 2010 the Stratford Festival was awarded $1 million by the Canada Council and $3 million in MTEP funding. I look at various cultural policy initiatives emanating from the federal government over the period under examination in order to try and determine both the cause and effect of various cultural initiatives in order to answer the research questions posed.

This continuous or long-term policy perspective again provides a unique research opportunity to explore arts policy across the spectrum from policy rhetoric to reality: from a political perspective, from a policy design and implementation perspective, and the policy relationship between the professional ‘not for profit’ arts and the arms length instrument of policy delivery – the Canada Council for the Arts.
3.1.1. **Methodology – Document and Content Analysis**

Canadian Cultural Policy history, like all historical threads contain ‘moments in time’ – a series of events or documents or policy declarations that offer an insight into the policy initiatives of the day. Examination of these events, documents and declarations offer insight into the rhetoric and the reality of cultural policy. By examining these ‘moments in time’ I aim to assess the effectiveness of the policy during this period.

The ‘moment in time’ documents selected as starting points for this examination are broken down into four categories to enable my analysis to cross-reference or triangulate the findings. All the selected events and documents reflect important moments in Canada’s cultural policy history and which impacted the decision to focus this section of my research on The Canada Council for the Arts.

3.1.2. **Category One – Parliamentary Acts and Reports**

The first category of documents selected to represent post war Canadian cultural policy are drawn from a series of Act of Parliament, government and independent reports produced over the period 1951 – 2014. This category of documentation was certainly the easiest to access for the purpose of research. For this chapter I have provided a list of the documents I will examine as part of the overall longitudinal study of Parliamentary Acts and Reports. In depth discussion of these documents will take place in the appropriate chapters.

<table>
<thead>
<tr>
<th>Year</th>
<th>Document</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>The Massey Report</td>
<td>The Massey Commission, formally known as the Royal Commission on National Development in the Arts, Letters and Sciences, was officially appointed in April 1949. The Commission was chaired by Vincent Massey and delivered its final report on 1 June 1951.</td>
</tr>
<tr>
<td>1957</td>
<td>Canada Council Act</td>
<td>The Canada Council for the Arts was created in 1957 by the Canada Council Act. The Council’s object is fundamentally cultural: “to foster and promote the study and enjoyment of, and the production of works in, the arts (Government of Canada, 1957).”</td>
</tr>
<tr>
<td>1980</td>
<td>Special Program of Cultural Initiatives</td>
<td>A two-year program managed by the Department of Communications. With a total budget of $29.4 million</td>
</tr>
<tr>
<td>Year</td>
<td>Document</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1982</td>
<td>Cultural Initiatives</td>
<td>The Special Events of a National Character was so successful it was renamed the Cultural Initiatives Program in 1982 and ran for the next 20 years, when in was repackaged as part of the Arts Presentation Program.</td>
</tr>
<tr>
<td>1982</td>
<td>Federal Cultural Policy Review (FCPR)</td>
<td>The FCPR was the first national review of Canada’s cultural institutions and policy since the Massey Report, thirty years earlier. The FCPR conducted hearings in across the country and accepted over a thousand submissions. The report, commonly known as the Applebaum-Hébert Report (AHR), was delivered in 1982.</td>
</tr>
<tr>
<td>1986</td>
<td>Bovey Report</td>
<td>A task force, chaired by Edmund Bovey, was brought together to examine the funding of the arts in Canada. The report, entitled ‘Funding of the Arts in Canada to the Year 2000’ was delivered to the government in June 1986.</td>
</tr>
<tr>
<td>2001</td>
<td>Tomorrow Starts Today</td>
<td>The Tomorrow Starts Today program was announced on 2nd May 2001 by the then Prime Minister Jean Chretien and Minister of Canadian Heritage Sheila Copps. The program was wide ranging and multi faceted drawing together the many arts and cultural promises outlined in the Liberal Party’s Red Book drawn up for the 2000 election.</td>
</tr>
<tr>
<td>2008</td>
<td>Auditor General’s Report</td>
<td>On the 26th June the Office of the Auditor General of Canada reported that they had completed their audit on the Canada Council for the Arts and submitted their findings. The auditor general’s report asked the question Why is it (the Canada Council) important?</td>
</tr>
<tr>
<td>2008 &amp; 2012</td>
<td>Organization for Economic Community Development.</td>
<td>The OECD produced two reports that examine the relationship between tourism and the arts during this timeframe: <em>The Impact of Culture on Tourism</em> (OECD, 2008) and <em>Tourism Trends and Policies</em> (OECD 2012).</td>
</tr>
<tr>
<td>2012</td>
<td>2012 Paradigm Shift in the Arts and Cultural Heritage: from Supply to Demand and the Demand to Supply</td>
<td>David Walden, Secretary-general of the Canadian Commission for UNESCO delivered a keynote address at the <em>Heritage Conservation 20/20: Hindsight and Foresight Round Table</em> in Montreal. In this address Walden laid out the changing nature of arts delivery mechanisms from supply to demand and demand to supply.</td>
</tr>
<tr>
<td>2013</td>
<td>Shared Platforms</td>
<td>Jane Marsland’s <em>Shared Platforms</em>, commissioned by the Metcalfe Foundation, is an important milestone because it provides context to the problems surrounding 21st century Canadian cultural policy initiatives through the recognition that insufficient funds are a major part of the problem.</td>
</tr>
</tbody>
</table>
3.1.3. **Category Two – Library of Parliament Reviews**

This category comprises of two documents published by the Library of Parliament on cultural policy. The first document entitled *The Arts and Canada’s Cultural Policy* was published in 1999. The second document entitled *Federal Government Policy on Arts and Culture* was published in 2013. Both documents included the same forwarding statement:

Library of Parliament Background Papers provide in-depth studies of policy issues. They feature historical background, current information and references, and many anticipate the emergence of the issues they examine. They are prepared by the Parliamentary Information and Research Service which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations in an objective, impartial manner.

The methodological importance of these two documents is that they are written fifteen years apart and relate closely to the documents contained in category one. These ‘impartial’ documents provide valuable insight into the changing dynamics and importance of cultural policy from the government’s perspective. At the same time they provide a foundation for comparison to other documents of the period enabling detection and comparison of changing patterns.

3.1.4. **Category Three – Library and Archives Canada (LAC)**

The third category of cultural policy documents was sourced from the Library and Archives Canada, Ottawa. Over the course of eighteen months I had contact with several staff and library archivists at the LAC in Ottawa. Some of these communications were by email, some by telephone, and on two occasions, once in 2014 and once in 2015, I travelled to Ottawa and spent a number of days in the LAC building.

At the beginning of the methodology section I stated that access to government documents and data was a key component of my dissertation. I also expressed the opinion
that gaining access to government documents was to prove the greatest challenge for my research. This was particularly applicable to the documents housed in the LAC.

The experience at the LAC was particularly troublesome as the major hurdle was not so much accessing documents but trying to determine what documents were actually housed in the LAC. Then once I had managed to identify a series of documents for viewing it could take several weeks to determine whether they were available for ‘public access’.

Essentially, the process is as follows, you identify a number of boxes that you would like to access and make an online request. The documents are boxed under various headings:

<table>
<thead>
<tr>
<th>Box Content Listing – Folders</th>
<th>Finding Aid - 5747-43 4686931</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ban No # # - 2014-00911-2</td>
<td></td>
</tr>
<tr>
<td>Box ID number</td>
<td></td>
</tr>
<tr>
<td>File No</td>
<td></td>
</tr>
<tr>
<td>Primary Content</td>
<td></td>
</tr>
<tr>
<td>Subject</td>
<td></td>
</tr>
<tr>
<td>Categories of Information</td>
<td></td>
</tr>
</tbody>
</table>

The difficulty arises from the fact that the content listings are often so broad that it is difficult to ascertain whether the contents were relevant to my research.
Also, there was no way of knowing how many pages or what the exact content of each folder is. This is the reason that the LAC sets a daily limit of how many boxes (up to 10) that one is allowed to view on any one day.

The next difficulty is that, according to the reference archivist I spoke with, government departments increasingly have a tendency to mark all their archive documents as ‘secret’ or ‘restricted’. It is easier to mark everything ‘restricted’ rather than go through thousands of pages of material identifying which is ‘open access’ and which is ‘restricted’. Essentially, any file one orders to view that has been marked restricted must be individually reviewed and approved before the client can view the material or not as the case may be. The potential problem is highlighted by the following communication:

Dear Mr. Low,
At LAC, files restricted by law that are ordered by clients who have not been granted the legal rights to consult them are given a free, complimentary review by our ATIP division on a first-come, first-served basis. The number of boxes that need to be reviewed varies, and the length of time that clients must wait for their files to be reviewed therefore varies as well. We can therefore only provide our clients with an estimate of when their requested material may be ready to consult. Please note that it is possible that the files you wish to consult will remain restricted following our review process. In this case you may place a formal ATIP request for the material (it may remain restricted following a formal review as well).
If the files you requested are cleared for consultation, it is likely that they will be ready in time for your visit; however, I am sure you understand that we are unable to provide any guarantees.

Sincerely,

This situation is exacerbated by a declining number of LAC staff, add to this the fact that there are no time guarantees as to how long the review process will take, which may lead to the situation where one books an Ottawa flight and a hotel only to discover that the LAC process of review has not been fully completed.

I spent two weeks in Ottawa at the LAC reviewing the ordered documents. This search yielded thousands of pages of material; some of which was relevant to this
research. Again the documents revealed through the LAC process provide another valuable insight into the overall process.

Since writing up this section I have discovered that the Auditor General recently audited LAC. The essence of the report, and of my experience at LAC, is contained in the following:

Overall, we found that Library and Archives Canada was not acquiring all the archival records it should from federal institutions. It does not have up-to-date disposition authorities—that specify which records should be transferred and by what date—for all federal institutions. Of those records it had acquired, Library and Archives Canada had a backlog of some 98,000 boxes of government archival records as of April 2014, and does not know when it will be able to complete the processing of these records and facilitate public access to them. This is important because Canadians do not have knowledge of the government’s archival records that have not yet been transferred from the institutions to Library and Archives Canada, nor of records still in Library and Archives Canada’s backlog (Auditor General, 2014)

3.1.5. Category Four – Canada Council for the Arts Annual Reports 1958-2013

The fourth and final category of documents focuses on the organization at the centre of this section’s research focus, The Canada Council for the Arts. Category one and category two documentation both offer insight into the position of the Canada Council in the long-term policy picture providing insight into both the rhetoric and the reality of cultural policy. Category three documents provided an insight into the ‘behind closed doors’ aspects of government allowing access to the ministerial briefing notes and discussion documents surrounding issues or policies of the day.

For category four I drew upon The Canada Council’s annual reports dating from 1957-1958 (the first available) to present day. This cross referencing between cultural policy documents of the day or moments in Canadian cultural policy history with the Library or Parliament’s cultural policy review and what was happening ‘on the ground’ through the Canada Council reports offered insight into the prevailing question of cultural policy rhetoric versus reality.
I visited the Canada Council offices in Ottawa twice during my research and was granted access to their library. Two challenges arose during this section of my research. During face-to-face meetings when asking about arts funding process and funding documentation one often was met with a very polite, but clear ‘why do you want to know that’ attitude. There seemed to be an element of suspicion during these exchanges. One example was after reading the Auditor General’s 2008 report which questioned the process surrounding ‘director (of the Canada Council) grants’ which by-passed the peer jury system it took some considerable time to access a list of directors’ grants awarded during the period of audit.

The other challenge was trying to track funding patterns of the various arts disciplines and internal expenses through the Canada Council reports. Often I found that changes to the design, layout and the material included in the annual reports made it extremely difficult to track over time. I recruited the services of Carla Graebner, Data Curator and Digital Preservation Project Manager; Liaison Librarian: Economics and Government Information, at SFU. Carla recruited other colleagues to our search for arts funding data. At times the search was demoralizing and I was encouraged by the fact that Carla said to me how surprised she was at how difficult it was to access this data.

3.1.6. **Long-Term ‘Continuous’ Policy - Methodology - Summary**

This section describes the step-by-step process to enable an examination of the Canadian cultural policy focussing on the continuous policy initiative of The Canada Council for the Arts.

The overall research is not only asking: how is cultural policy created and implemented but also what materially is being allocated and whether cultural policy is actually achieving the outcomes laid down by the policy architects. If not, then the real question is how do we create and implement cultural policy that will actually have a positive impact for the professional arts sector.
This cross referencing between cultural policy documents of the day or moments in policy history with the Library or Parliament’s cultural policy review and what was happening ‘on the ground’ through the Canada Council reports provides insight into the prevailing question of cultural policy rhetoric versus reality. This methodological perspective is designed to seek answer to the question laid out at the start of this dissertation. Does the existing public funding system, with the Canada Council as its primary mechanism, work to the maximum benefit of professional artists, audiences and educators across the country?

3.2. Fixed Term Cultural Policy – Marquee Tourism Event Program (MTEP) 2009-2010

The Marquee Tourism Events Program (MTEP) is an example of a short or fixed-term cultural policy initiative. The program was unveiled as a component part of Canada's Economic Action Plan to provide $100 million over two years (2009/2010) for festivals and events that draw a significant number of tourists (Industry Canada). To contextualize this funding, over the two years the average MTEP award was $934,579, alternatively the average award for the Canada Council over the same period was $23,564. The program’s benchmarks for success were raising international profile through media attention, increased economic impact and economic stimulus by attracting international visitors to Canada.

The program illustrates both the changing cultural policy goals and the current debate surrounding the relationship between arts and tourism. The program highlights the differences between, on the one hand, a localized arts and cultural sector supported through long-term municipal, provincial and federal arts funding programs, and on the other hand, the promotion of a festival and mega-event-led cultural tourism sector supported by various government ministries i.e. Industry Canada and the Department of Canadian Heritage.
Over the program’s lifetime one hundred and seven existing festivals and events received MTEP funding to a maximum of $3 million per event per year. Each recipient was, as a condition of funding, “required to conduct and submit an independent study examining the overall attendance and point of origin of visitors attending the tourism event, and the economic impact of the tourism event” (MTEP Program Guide 2009).

The MTEP program provided a unique research opportunity to explore arts and cultural policy on a number of levels including: policy rhetoric (from a political perspective), internal government procedure (from a policy design and implementation perspective) and the policy relationships between the professional ‘not for profit’ arts, festivals and tourism sectors. Another interesting perspective is the fact that in 2008, prior to the MTEP’s existence, four folk festivals across Canada received similar funding from the three levels of government combined – Vancouver $351k, Calgary $310k, Edmonton $282k and Winnipeg $259k. This provided a unique research opportunity as it allows for comparisons to be made between arts organizations working within a similar genre that received MTEP support and those that did not, so permitting a more accurate overall assessment of the policy. MTEP status and funding was awarded to the Calgary Folk Festival which received $291,000 in 2009 and the Winnipeg Folk Festival which received $752,511 over two years 2009 and 2010. But the Vancouver and Edmonton Folk Festivals received no MTEP funding despite requests: what are the criteria that makes a folk festival in one part of Canada receive ‘tourism designated’ status and not another festival in other areas of the country and what implications does this have for professional arts communities? The MTEP program is littered with examples of these funding anomalies.

The MTEP also provided research opportunities in the areas of assessment and evaluation in that it was a two-year program directly aimed at a specific policy initiative with specific outcomes, to increase the number of tourists visiting Canadian arts festivals and events. The time-specific nature of the program allows me to examine the recipient organizations operational activities before, during and after the MTEP in order to assess the programs’ effectiveness and its long-term impact on the professional arts sector.
I devised a comprehensive research methodology / strategy employing document and content analysis where, using the data from the successful MTEP applicants economic impact reports, I could deliver an overall assessment of the program. The starting point was to access the data that flowed from successful applicant organizations through the applications and economic impact studies each was obliged to produce containing data concerning revenues, expenditures, employment and tourism.

3.2.1. Freedom of Information Request - The MTEP Economic Impact Studies

I lodged a Freedom of Information request with the federal government on the 12th July 2012 (see appendix A) seeking access to the MTEP information described in the program guidelines11. Section 7 of The Freedom of Information Act states: “Where access to a record is requested under this Act, the head of the government institution to which the request is made shall respond, subject to sections 8, 9 and 11, within thirty days after the request is received” (Government of Canada,). Section 8 outlines that under certain circumstances a time extension may be required to process the request, going on to add that the request should be serviced within “a reasonable period of time” (Government of Canada, ). When lodging my application I had no idea that it would take twenty-seven months to access the complete set of documentation consisting of 5000 pages of MTEP applications forms, ministerial briefing notes, discussions and eighty-one12 economic impact studies, finally delivered on 22nd October 2014.

11 All (MTEP) recipients will be required to conduct and submit an independent study examining the overall attendance and point of origin of visitors attending the tourism event, and the economic impact of the tourism event.

12 In a telephone discussion I stated that there were some MTEP recipients e.g. Canadian Grand Prix, Royal Agricultural Fair that were out with my research remit. Hence the delivery of 81 economic impact studies as opposed to the 107 MTEP recipients.
3.2.2. **Content Analysis - the MTEP guide.**

The Marquee Tourism Event Program guide (see appendix B) produced by Industry Canada was a nine-page document that outlined the program’s objectives, expected results, eligibility criteria and advised organizations how to apply for funding. There was also an in depth glossary of terms defining all aspects of the program. For example: a local visitor is one that lives within 80km of the festival, a domestic tourist is a resident of Canada that travels more than 80km to the festival and an international tourist is a non-resident of Canada who visits the festival. Similarly, the program guide provided a MTEP website link which detailed the exact data required by the government as part of a successful applicants economic impact study. This included data relating to revenue, attendance, tourists, employment, income and expenditure (see appendix C).

It had been my original intention to design an SPSS data system to assess whether the required information was provided through the economic impact reports. Given the government’s clarity in specifying which data was required in return for MTEP funding one would have expected the said information to be collected and verified. This was not the case. An initial scan of the documents showed-up very uneven responses by the various successful applicants in terms of information and data. I therefore decided the data could not support SPSS analysis but proceeded with an alternative assessment method: a series of case studies of MTEP recipients examining each step of the application process against the overall objectives of the program.

3.2.3. **Selection of Case Studies**

One hundred and seven existing festivals and events were awarded MTEP funding. Looking through the list of MTEP festivals my first ‘selection’ was centred on the professional performing and visual arts. I went through the MTEP list and excluded events like rodeo’s, stampedes, agricultural fairs, Grey Cup football, wine festivals, an international ploughing festival and indy-motor racing pursuant with my definition of

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13 For full list of MTEP festivals and events (English and French) see Appendix D
professional arts. Looking through the remaining economic impact (EI) studies my next ‘selection’ fell on the language divide. There were several arts festivals and events where the economic impact report was in French. My language skills were such that I decided to concentrate on English Language Professional Performing and Visual Arts centred MTEP events and comparisons (where applicable) to non-MTEP funded festivals and events.

The final list for this research contained the following 13 cases:

• Luminato – Toronto Festival of Arts, Culture and Creativity
• The Shaw Festival
• The Stratford Festival
• Toronto International Film Festival
• Vancouver International Film Festival
• TD Bank Vancouver International Jazz Festival
• TD Bank Ottawa International Jazz Festival
• TD Bank Toronto International Jazz Festival
• Sask-Tel Saskatchewan International Jazz Festival
• Winnipeg Folk Festivals
• Calgary Folk Festival
• Vancouver Folk Festival (not in receipt of MTEP funding)
• Edmonton Folk Festival (not in receipt of MTEP funding)

I added the Vancouver and Edmonton Folk Festivals that did not received MTEP funding to enable comparison of MTEP recipients with non-recipients.

3.2.4. MTEP Research Methodology – ‘step by step’

Any festival or event that successfully applied to the Marquee Event Tourism Program had to navigate a number of component parts: MTEP guidelines, application forms and EI reports. As a result there were a number of methodological stages that had to be undertaken in order to successfully examine and assess each of the selected case studies.
Step 1 - The MTEP Guidelines

As already mentioned (Appendix A) the program had an extensive set of guidelines that each applicant had to satisfy in order to both submit an application and, if successful, commission an independent economic impact study which conformed to a strict outline of data required by the government. The first part was to assess whether each applicant actually met the criteria to apply. Once again, it would be natural to assume that if a festival successfully applied to a government program it met the criteria. During the examination of the MTEP I found that this was not always the case and there were clear instances where organizations received funding to which their eligibility was questionable.

Step 2 - The MTEP Application Form

The next step in my research was to scrutinize the individual application forms lodged by the case studies to see whether the applications themselves met the criteria, conformed to the eligible activities and clearly laid out how the proposed project would tie in with the program’s aims and objectives. Most importantly the application forms would offer an insight into the projected outcomes i.e. if the application is successful and how the organization and the public it serves would benefit in the short term of the program years (2009 and 2010) but also the longer term impact indicators. The MTEP was a two-year program, and some of the case studies under examination received funding in both 2009 and 2010. For example, the Stratford Festival received the maximum amount: $6 million over two years. The importance for this dissertation was that for festivals that received funding in both years, the information contained in the 2010 application offered insight into the 2009 application. The success of a 2010 MTEP application was, to some extent, dependent upon the success of the 2009 MTEP funded project.

As previously stated, one of the over-arching difficulties in conducting this research was gaining access to the MTEP data. Upon analysis of the MTEP data from Industry Canada I discovered that a small number of applicant organizations had, during the FOI process, requested that the government withhold information contained in their
MTEP application forms under Section 20/1 C of the Access to Information Act, which states:

“Subject to this section, the head of a government institution shall refuse to disclose any record requested under this act that contains (c) information the disclosure of which could reasonably be expected to result in financial loss or gain, or could reasonably be expected to prejudice the competitive position of, a third party” (Government of Canada,)

As a result of this clause the Stratford Festival denied access to information such as the number of full and part-time employees, the number of volunteers and their overall budget. To overcome this setback I used the services of the Canada Revenue Agency.

**Step 3 - The Canada Revenue Agencies Charities Listing**

Canadian Festivals and Arts organizations, registered as charities must comply with the rules of the Canada Revenue Agency Charities Listings and submit an annual financial statement as to their activities of the previous financial year. As arts funding practice moves to increased levels of private funding most, if not all, not for profit arts organizations are also registered charities and must therefore submit an annual financial statement. Why is this important for this research? The Canada Revenue Listing service proved invaluable because it allowed for a cross-check or triangulation of the data drawn from the MTEP applications, economic impact studies and other data drawn direct from funding agencies. Whilst one may find examples of misrepresenting activity in an economic impact study commissioned by the organization itself – it would be another matter entirely to submit false information to the Canada Revenue Agency Charities Listing - which could risk an organization losing its ability to issue tax receipts in return for donations, the loss of which would make most arts organizations inoperable.

This cross check is also invaluable because the program was a fixed term. The charities listing data allows one to access the financial accounts of the festival case studies before, during and after the MTEP program so allowing an assessment of the impact of the program, as a short term cultural policy instrument and on the overall operation of the organizations.
The Charities Listings also enabled me to cross check MTEP recipients with non-recipient organizations. One example already referenced is the Canadian folk festival circuit. We can look at four folk festivals across the country, two of which received MTEP funding and two of which didn’t, and by comparing the festivals assess the impact of the MTEP program as a policy initiative.

**Step 4 - The MTEP Economic Impact Studies**

The next step involved an evaluation of the selected case studies economic impact reports. As stated, the government was very clear in laying out the data required to form the bulk of the economic impact assessment. Again this step provides insight into all aspects of the cultural policy’s implementation, assessment and evaluation. Was the government’s economic impact criteria adhered to? Did the recipient organizations comply with the stated procedures? Did the economic assessment provide valuable data in, on the one hand, helping to answer the question of economic value of the arts, or on the other hand, confirm the concept of misleading activity so eloquently described as “most economic impact studies are commissioned to legitimize a political position rather than to search for economic truth” (Crompton, 2006).

Crompton, in his article *Economic impact studies: Instruments for political shenanigans*, outlines several examples of mischievous activity used in the preparation of economic impact studies to influence the economic results. These include activities such as inclusion of local residents, time switchers and casuals, exaggeration of visitor numbers, ignoring opportunity or displacement costs and abuse of multipliers. I will use these mischievous activities as a methodology of triangulation throughout this research to test the veracity of the MTEP Economic Impact reports.

**Step 5 - Industry Canada’s in-house evaluation of the MTEP**

In the fall of 2010 Industry Canada conducted an in-house evaluation of the MTEP. Content analysis of this document will assist in the evaluation of whether this policy initiative was, in the eyes of the government, a successful tool that garnered positive results for both the not for profit arts sector and the tourism sector.
Step 6 - MTEP Methodology - Summary

This section describes the step-by-step process to enable an examination of the MTEP and the implications of the program in terms of wider Canadian cultural policy.

The overall research is not only asking: how is cultural policy created and implemented, but also, is cultural policy actually achieving the outcomes laid down by the policy architects. If not, then the real question is how do we create and implement cultural policy that will actually have a positive impact for the professional arts sector.

At the start of this section I expressed how obtaining access to government documents and data was one of the largest challenges to this dissertation. In the accessing of MTEP data I experienced time delays, redacted documents, files not included in the original delivery package and finally an element of obfuscation in the delivery of documents in that the material was delivered on two discs with no references. The first task was therefore to develop an indexing system of the 5000 pages of MTEP material, which highlighted a number of missing files that precipitated another FOI application.

3.3. Methodology - Overall Summary

The described methodology of examining the federal arts policy arc from 1957-2014 is designed to provide the research with both, a clear topography of Canadian arts policy and what political, economic, educational and social influences were being brought to bear upon both policy design and implementation over the period.

Then taking that information I focused attention on the time restricted MTEP program to analyse how the longer arc’s policy influenced and impacted the MTEP. This in turn enables an assessment the MTEP itself but also offers an opportunity to deliver an assessment whether current arts policy initiatives, either continuous or short-term, are delivering the necessary support for a healthy professional arts sector.
Chapter 4. Long Term structural changes in Canadian Cultural Policy sector – Federal Government

4.1. Introduction

I start this examination of Canadian arts policy focussing attention on long-term or continuous development of professional arts policy. The primary focus of my examination is The Canada Council for the Arts. I also refer, intermittently, to other federal instruments of cultural policy as realized by Canadian Heritage, whose departmental budget includes the line item for parliamentary allocation to the Canada Council. This will provide for further insight into both, the often-close working relationship, and at other times, the fraught oppositional relationship of Canada’s principal federal cultural policy departments and agencies.

Friday 14th March 2014 marked the start of a two-day conference at Simon Fraser University entitled “Where Next”. The conference was primarily to discuss the following:

Where Next BC will be a conversation among people deeply invested in strengthening BC’s arts sector that will bring together leading thinkers and practitioners from BC and beyond to tackle the big puzzles that confront the BC arts sector. Through interactive sessions and small task groups, Where Next BC will address such issues as the structural changes impacting BC’s arts sector, the challenges facing public funders, how to strengthen the capacity for adaptive change among funders and art organizations, and the role of the private sector in support of the arts.  

Bob Sirman, then Director of the Canada Council, in his opening address outlined the support the Canada Council provided to the professional arts sector in British

14 https://wherenextbc.wordpress.com/program/
Columbia, which in 2011-2012 amounted to just under $19.8 million. When first considering this statement, the relationship between the council and BC artists appears to be very healthy. But if we scrutinize the figure further another scenario emerges, the 2011-2012 population of British Columbia stood at 4.61 million\textsuperscript{15}. The $19.8 million in grants to artists and arts organizations represents a per capita investment of $4.30. Consider this against the fact that in 2014 the federal government spent $72.2 million on the operational funding of two Ottawa buildings, The National Arts Centre and The National Gallery. Ottawa’s 2014 Census Metropolitan Area population was 1.24 million representing a per capita investment of $62.44. Put this way one starts to see how relatively insignificant the Canada Council’s investment is for the overall health and welfare of the professional arts sector across different provinces.

I will first look at the Canada Council from three historical perspectives: the parliamentary allocation to the Canada Council, population growth in Canada and per-capita investment against inflation or in current versus constant dollars as described by the chair of the Canada Council in the 1980-81 annual report (See Appendix E).

Figure 1 shows the population growth of Canada between 1969 and 2013. The population has increased by 67% rising from 21 million to 35 million over the period.

\textbf{Figure 1: Canada Population 1969-2013}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{population.png}
\caption{Canada Population (Data Source - World Bank - last updated Mar 30, 2016)
Data from the World Bank}
\end{figure}

\textsuperscript{15} BC Stats
If we then compare the population growth of 67% with the Parliamentary Allocation to the Canada Council (figure 2) we see that the allocation has far exceeded the growth in population rising by 783% from $20 million in 1969 to $180 million in 2014. From this figure it would seem reasonable to conclude that the federal funding for the arts through the Canada Council’s allocation was strong placing the professional arts on a secure foundation.

**Figure 2: Parliamentary Allocation to the Canada Council 1969-2014**

![Graph showing Parliamentary Allocation to the Canada Council 1969-2014](image)

Source: Public Accounts of Canada

Figure 3 compares the federal government’s per capita investment in the Canada Council adjusted for inflation, from which a very different picture emerges. We see that from the early years of the Council’s operation the ‘constant dollar’ allocation has consistently fallen below the ‘current dollar’ figure for best part of the last half century.

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16 Current Dollars is the term describing income in the year in which with the Council received it.

17 Constant Dollars are terms describing income after adjustment for inflation.
Figure 3:  Canada Council's Parliamentary Appropriation per capita 1969-2013

Source: Public Accounts of Canada

Figure 4 (below) looks at the federal government’s annual allocation to the Canada Council from another perspective, as a percentage of Gross Domestic Product (GDP), which reinforces the image of declining real support for the Canada Council and, by extension, Canada’s professional arts sector. While the actual allocation has increased, when shown as a percentage of GDP the figure has fallen from 0.00002642% in 1969 to 0.00000987% in 2014 – a decline of nearly 150%.

Figure 4:  Canada Council Parliamentary Appropriation as a % of GDP

http://www.tradingeconomics.com/canada/gdp
Figure 5 looks at the Canada Council’s figures from 2006 – 2013 in terms of the total amount awarded to artists and arts organizations. When the 2006-07 allocation of $140.8 million is increased year on year according to the Bank of Canada inflation calculator another more ominous pattern emerges. We see that following the 2006 election that saw a minority Conservative government elected, the total grant allocated stayed ahead of the inflationary increase. The reverse of this, where the inflation-adjusted figure overtakes the allocated figure, coincides with the election of a majority Conservative government. Since 2008 we can see that the divide increased rapidly. The implication being that the allocation of arts funding can potentially be manipulated to accommodate political aims. This will be discussed in more detail in Chapter 6.

Figure 5: Total Canada Council Allocations 2006-2013

If we then factor in that the number of Canada Council grants awarded to artists and arts organizations has also rapidly increased in the last sixty years from 42 in 1957/58, 134 in 1958/59 to 5851 in 2012/13 (with a high of 6966 in 2007-2008) we are left with two important questions: How has this deteriorating financial situation been allowed to occur? Also, what are the policy implications for Canada’s professional arts organizations and artists over time? To answer these questions we must first look back to post war Canada.
4.2. 1950’s

4.2.1. The Massey Report 1951

The Royal Commission on National Development in the Arts, Letters and Sciences, unofficially known as The Massey Commission was appointed in April 1949. Chaired by Vincent Massey its final report was delivered on 1 June 1951.

The Massey Commission held public meetings across Canada and heard from some 1,200 witnesses. About 450 briefs were heard, and experts in various fields were invited to present special studies. In an article written soon after the announcement of the commission entitled *Massey’s Arts Enquiry Not Highbrow Affair*, he shuns the word culture. Massey was quoted as saying “I hope our findings will have a definite bearing in promoting opportunities for self expression for Canadian artists, musicians and writers. It will be our job to recommend how the arts can be developed still further” (Baldwin, 1949). The Massey Commission advocated for the federal funding of a wide range of cultural activities, and made a series of recommendations that resulted in the founding of several national institutions including the Canada Council for the Arts.

The 2nd June 1951 edition of the Globe and Mail laid out the Massey recommendations with regard to Radio Broadcasting, Television, National Film Board, National Gallery, National Museums, Federal Libraries, Public Archives, Historic Sites, Aid to Universities, National Scholarships and a New Council on Arts through “the establishment of a body to be known as the Canadian Council for Encouragement of Arts, Letters, Humanities and Social Sciences, Council to have 15 members to stimulate and to help voluntary organizations within those fields and to foster Canada’s cultural relations abroad” (Baldwin, 1951). It would be six years before the Canada Council came into existence.

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4.2.2. The Canada Council Act 1957

The Canada Council was created in 1957 by the Canada Council Act. The Council’s object was to nurture and endorse the study and enjoyment of, and the production of works in, the arts. The Council provided awards, endowments, grants and services to professional artists and arts organizations across Canada. The Council remains to this day the backbone of cultural policy in the professional arts sector, both because of the extent of the resources at its disposal and because its assistance programs and services have spill over effects on artistic creation and production.

The Canada Council operated on an, ‘arms length’ principle. It cannot be stressed enough how important this fact is. The ‘arms length’ principle has been continuously referenced and held up by a number of institutions and individuals. For example the Parliamentary Research Branch stated: “the arm’s length principle is one of Canada’s cultural traditions; it lies at the very heart of artistic freedom and freedom of expression” (Jackson, Joseph 1993). The question of independent peer assessment was also raised in the 2008 Auditor General’s report on their first Canada Council audit, to which I will return later in this examination (section 4.7.3).

4.2.3. The First Canada Council Annual Report 1957/1958

The first annual report delivered by the new board of the Canada Council is an important historical document offering an invaluable insight into the foundations of Canada’s cultural policy development. The document clearly states that, in the board’s opinion, the arts in Canada were flourishing across the country before the creation of the council. This is important as many assume that the creation of the Council itself was responsible for the development of a national professional arts framework. The report discusses the existing activities of the Stratford Shakespeare Festival, the Theatre du Nouveau Monde, The National Ballet, The Montreal Festival and Symphony Orchestras in Vancouver and Toronto. The report states “hundreds of organizations are developing good programs” (Canada council annual report 1958 p. 21).
Another essential element contained in the first annual report is the board’s recognition that the Canada Council was an organization without precedent. As a result precedents must be established and to this end the council discussed questions such as how the money should be divided between the arts, humanities and social sciences. What proportion of funds should be allocated to individual artistic genres? What proportion of funding should be allocated to organizations as opposed to individuals? Should the council disregard the geographic divisions of Canada and concentrate funding on quality of artistic activity? This led to discussions as whether this would lead to higher concentrations of funding in centres of population like Montreal and Toronto.

The council also asked the question “should the council meet the day-to-day costs of maintaining a local activity like a museum, library, choir or theatre group, heretofore met by local support?” (Canada council annual report 1958 p.19). These questions were not only fundamental to the council’s initial deliberations but would have far reaching policy implications for years to come. The inaugural council made some significant decisions, firstly recognizing that “the funds available could not be stretched to do everything which merited support and assistance” (p.19). Given the realization of the council’s inability to support the entire arts spectrum the council recognized that they had to concentrate their funds in such a way as to empower the brightest and best of Canadian talent. In this they recognized that an essential part of their operational success contained an element of risk analysis and risk assessment. The realization that to fund everything poorly would not best serve the majority was clearly established. The council recognized that they could not, and should not, be expected to support all the local activity. They concluded, “most if not all this kind of activity should look for and receive local rather than national support” (p.24).

The council laid out a set of sixteen guiding principles that flowed from their discussions. These guiding principles included that, as a general rule the council should not commission artists or organizations directly and that local activities should rely on local support. Perhaps the most interesting guideline was that “substantial assistance should be given to the two or three leading organizations in the country having world
standards, decided one assumes by peer jury, to enable them to reach more people and to stimulate improvement in standards of performance and appreciation” (p. 25). This is notable for a number of reasons; firstly because it implies that centres of artistic excellence requires substantial investment, secondly it recognizes that arts funding contains strong elements of risk and finally that the institutions with the highest artistic standards influence the country as a whole.

I was particularly interested in the report’s references to infrastructure, an issue that was consistently raised over the next 50 years especially after 2000. The council recognized that many communities need new buildings or equipment for theatres, halls, and museums, but argued that generally speaking these are local undertakings that can best be carried out with local support.

These guiding principles clearly indicate the thinking behind the council’s actions in terms of cultural policy for the path ahead.

4.2.4. The Second Canada Council Annual Report 1958/1959

The principles laid out in the inaugural report are again clearly visible in the second annual report. One could argue that the guiding principles of the first report were solidified in the second year of operation. This hardening is reflected in the tone emanating from the 2nd report. Some prime examples:

Obviously, to adopt the policy that grants are automatically renewable would be to discourage local activities and support, and in time to render the Council almost completely unproductive. Nothing could more completely prevent the Council from being the useful and constructive agent it has tried to be than to scatter its grants so thin that they do little good anywhere, and then to make those grants virtually permanent. That is not the way of progress.” (p. 11)

Direct assistance to the creative talent has been increased. It is of paramount importance, however, that every opportunity be given to our artists not only to develop the gifts they have but also to exercise them in Canada. (p. 25)

The problem raised by applications from groups in small communities whose programmes are entirely local in origin and influence continues to be solved by the arithmetic of the budget. The Council does not have funds at its disposal to
supply even a fraction of the needs and desires of all the smaller local orchestras, chairs, little theatres, museums, galleries, art associations, literary societies and other groups which could certainly make use of a little more money and would be pleased by the recognition which a Council grant would give them. Furthermore, quite apart from budgetary necessity, it seems entirely reasonable to take the view that the small local group ought to be able to send its roots down into local soil….The nature and purpose of these groups are such that the continued health of their programmes depends on local support. If this support is not available, there can be little justification for their existence, and none at all for help from an organization which of necessity must build its own programme on broader and sturdier foundations. The Council, however, has done what it can to assist groups and communities of this kind by helping various theatrical and musical organizations and art exhibits to travel across the country, or within a region, including as many small centres as possible. But the same budgetary problem unfortunately arises, for the great distances of Canada make this particular form of assistance extremely expensive.” (p. 26)

The above excerpts from the 1958/59 annual report clearly demonstrate the dichotomy of both the economic and geographic stress placed upon the newly formed Canada Council which appears to be resolute in their resolve that they must resist both the urge to expand their support to the point where they become an irrelevance, or where they are in fact unable to carry out the remit on which their foundation rests.

In the section that discusses a policy for the arts, two important points are reiterated. Firstly the relationship between grants and quality/standard of work, “Council has recognized excellence wherever it appears, has assisted organizations to improve the quality of the arts they present, and has avoided sustaining mediocrity” (p31). At the same time the report repeated a concern that will appear, in one form or another, with every major arts funding report to appear over the next fifty years, that of the ability for artists to make a living and the financial problems connected with the professional arts (p. 36).

4.3. The 1960s

The 1960’s represented a period of dramatic change, not just in Canada, but also around the globe. From a professional Canadian arts perspective this period centred on
two major events, the 1967 Centennial of Confederation and Montreal’s hosting of the world’s fair Expo ‘67 in that same year. These events were both a celebration and a catalyst for change. One aspect of this change was the growth of Canadian nationalism across the country and to an even greater degree, nationalism and separatism in Quebec. There were calls from the arts community for Canadians to be placed in the key positions of artistic and cultural identity construction and increased levels of Canadian content on both stage and screen. This local groundswell of opinion meant that the Canada Council had to adapt its traditional operational format and give greater consideration to Canadian talent, including the introduction of some form of quota or link between funding and Canadian content. In 1967 the Composers, Authors and Publishers Association of Canada (CAPAC) “issued a request for the council to begin giving greater consideration to Canadian content” (Edwardson, 2012 p.163). This debate at the Canada Council over Canadian content and quota systems took place over a number of years with arguments made both for and against, one annual report describing it as becoming the centre of a lively and sometimes angry public debate.

Although the Canada Council Act of 1957 created a federal funding mechanism for the delivery of ‘arms length’ government funding for the professional arts sector, the overall cultural remit at federal level remained with the Secretary of State. As Canada entered the 1960’s there was no overall federal cultural policy document. This would change when on the 17th June 1969 the Cabinet agreed that the Secretary of State should prepare a proposal for an overall policy on cultural matters for consideration by the Cabinet. The minister’s preliminary suggestions for a draft memorandum to Cabinet contained a number of musings, which offer insights into the debate at the time, and the role of the professional arts in that debate.

18 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (DL photo 5)
The minister stated “it is perhaps necessary to define what is meant, in this context by cultural matters and cultural activities, which extend throughout the whole portfolio of the Secretary of State.”  

The Secretary of State then proceeded to reference the diversity of programs that already fell under the government’s cultural banner: cultural matters in terms of “the evolution of the human spirit and the intellectual and social enrichment of Canadians at every level of society”, cultural matters that touch upon the diversity of programs that fall under culture – Canadian unity, bilingualism, codification and protection of human rights, preservation and protection of linguistic and minority rights, the development of the humanities and social sciences. Referencing the arts the minister refers to “the equalization of opportunity for enjoyment of and participation in the arts” which mirrors those aims stated in the Canada Council Act 1957.

The policy document itself also made reference to ‘harnessing the revolution in communication techniques for creative purpose’, which would become so dominant in the creative / cultural industries debate that it would take centre stage at the turn of the century. The Secretary of State recognized how decisions taken at that time would impact the cultural engagement of future Canadian citizens over the next twenty years, at the same time pondering how the cultural sector was “peculiarly vulnerable to the vicissitudes of a fluctuating economy, recognizing that in times of economic constraint the government tended to give priority to programs that “are demonstrably economically productive.”

After having examined the observations of the Canada Council in their first two annual reports regarding the precarious funding position of Canada’s professional arts and the dangers that could potentially arise from trying to fund everything with insufficient funds it is striking to see the council’s conclusions mirrored by the Secretary

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19 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (DL photo 6)
20 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (DL photo 7)
of State a decade later as he prepared an overall cultural policy document for consideration by Cabinet concluding that:

In these circumstances, the programs of the departments and agencies involved in cultural activities fail to attract adequate priorities when each is considered in isolation. In these areas, the great weakness of consecutive budgetary “freezes”, mitigated only by minimal percentage increases, is that they tend to fossilize existing programs and make it impossible to develop new or more effective approaches. Moreover in certain instances, there is no doubt that a dangerous gap is developing between the responsibility of these organizations to fulfill their statutory objectives and the expenditures authorized for these purposes.21

The document entitled “A Global Cultural Budget was presented on 15th July 1969”, and led with the following proviso “it has been suggested that proposals be submitted to Cabinet with the object of securing a higher priority for cultural expenditures, so that Treasury Board recommendations on budget levels can be more closely related to Ministerial statements of Policy objectives.” 22 The document continued:

“The portfolio of the Secretary of State encompasses many activities that are crucial to the achievement of national objectives to which the government attaches the highest importance e.g. the strengthening of Canadian unity, the promotion of bilingualism, to codification of human rights, the protection of minority groups, the resolution of youth problems, and the equalization of opportunity for educational and cultural enrichment at all levels of Canadian society… But when expenditures targets are being set on the recommendation of Treasury Board officials, very little weight attaches to these high-minded policy objectives. All too often increases of expenditure, if any, are calculated mathematically as percentages of an already inadequate base… A possible solution to this problem would be to establish the concept of a global cultural budget based on some long term economic growth factor; in this way cultural expenditures, which are largely long term in their effects, would be related to what the country could reasonably afford, and would be less subject to violent fluctuations in the budgetary situation form one year to the next. Perhaps the greatest advantage to a system of this kind would be to check the

21 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (DL photo 8)
22 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (DL photo 17)
This passage from the Secretary of State’s paper is important for this dissertation as it clearly demonstrates, as with the Canada Council reports already observed, evidence of an active debate surrounding both the rhetoric and the reality of Canadian arts policy at every level of the political system. The Canada Council reports (1957-1959) clearly outline the financial difficulties of successfully achieving the Council’s stated objectives. Here we see the same debate at Cabinet level, confirming that both processes determining adequate levels of, and allocation of funds were lacking. The Secretary of State confirming that cultural budgets based on annual increase, freeze or decrease do not or are unable to adequately satisfy the cultural funding requirements to ensure growth and vitality, instead arguing for “the concept of a global cultural budget based on some long term economic growth factors”.

From the professional arts sector perspective the challenges of this decade and the decade ahead were neatly captured in the 1969-1970 Canada Council Report. The report stated that over the last five years 1965-1969 federal cultural expenditures had increased steadily (see Figure 6 below). However, the report, echoing the words of the Minister of State, said that these levels of growth were unsustainable in the period of austerity that the country was then entering. The report stated the essential element of risk associated with the artistic enterprise was a core ingredient of the arts. That said, the instrumental undercurrents were also present, again highlighting the dichotomy of arts funding. The report recognised the necessity of risk but at the same time recognised that “performances of an unfamiliar opera, of an untried ballet, or of a new Canadian play may not please a general public that tends to be conservative” (p. 57), and saying that this might be the cause of deficits.

23 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date
With deficit recognition came the emerging instrumentalist approach to arts policy. The report stated that Council clients, who operated on a deficit footing, would only be eligible to apply to the Council for future funding if they could clearly demonstrate a deficit reduction strategy. The report went on to acknowledge that this pronouncement “may begin to sound like the tolling of some dreadful bell” but quickly points out “good things can be excellently done by the expenditure of comparatively modest sums of money used to release the imagination and ingenuity of artists” (p.57).

From the creative and cultural industries perspective the Secretary of State’s concept of “A Global Cultural Budget” marked the beginnings of a massive federal shift from the intrinsic “arms length” approach to the instrumental value of the arts as the age of ‘cultural industrialism’ began.

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24 Library and Archives Canada, Cultural Affairs General 1964-69. RG 97, box 358, file 5400-0 pt.1, ‘preliminary suggestions for draft memorandum to cabinet’ no date (D.L. photo 19)
4.4. The 1970s

The willingness to fund “national unity” through the arts, but not adequately to fund the arts themselves is evidence of an attitude to cultural policy, which gives me great cause for concern (Laing, 1978 p.7)

The above statement delivered by the chair of the Canada Council in her introduction to the 1977-78 annual report reflects both the direction of the arts policy and the relationship with the federal government during the 1970’s.

Elected in 1968 the Trudeau government met with political instability in the form of Quebec separatism. To counter this threat and to strengthen the principle of federalism the government was to radically alter the relationship between the state and cultural activity in Canada. The government embarked on a course of action described as cultural industrialism, a process by which cultural activity would be promoted as the glue that holds the nation together, where cultural devices were initiated for the promotion of the state, “this was not arts for art’s sake or even art for a nation’s sake but art for federalism’s sake, designed to forge a sense of allegiance and unity in times of political threat” (Edwardson, 2012 p.195).

The federal cultural bureaucracy was expanded and placed under the authority of the Secretary of State. A new Arts and Culture Branch was created and integrated into the federal bureaucracy under the Secretary of State. The expanded federal cultural bureaucracy initiated programs of direct investment and earmarked funding aimed at pro-federalist artistic product and happenings. Similarly, separatist activities were excluded from the federal funding initiatives.

The Canada Council for the Arts found itself at odds with the principle of funding art based on political leaning. The government exerted pressure on the funding process. The practice of earmarking was particularly evident following the success of René Lévesque’s Parti Québécois in 1976, when we saw a $1.7 million dollar grant awarded to the Canada Council specifically for national unity projects. The Council was also awarded $1 million to create a national book festival. The National Arts Centre received
$1.1 million for the creation of a bi-lingual theatre company to travel the country promoting national unity (Edwardson, 2012).

This new policy raised concerns within the Canada Council, as the chair stated “it is not our role to exert any kind of control or censorship over those artists or arts organizations that benefit from the Canada Council in any other area than their qualifications as arts and scholastic organizations, so long as they do not actually break the law”\textsuperscript{25}.

The expanding cultural bureaucracy at the same time was expounding the benefits of the arts and cultural sector as part of the new economic model through increased employment and revenue through cultural tourism. This philosophy was embraced by the Canadian Conference of the Arts that responded by asking the government to recognise and reward the role of the arts in economic development as demonstrated by their imminent publication \textit{A Strategy for Culture: Proposals for a Federal Policy for the Arts and the Cultural Industries in Canada} which contained several recommendations to that end.

During the 1970’s the state had expanded the cultural bureaucracy, created new direct investment and earmarked funds for the arts and actively mobilized the arts in their efforts to strengthen federalism and defeat the separatists. Simultaneously the ‘constant’ value of the Council’s government’s funds was declining and the arms length funding relationship between the council and government had been negatively impacted. The government, which had up until this point been a cultural observer now found itself a central player in the future direction of arts activity and funding.

\textsuperscript{25} Gertrude Laing Canada Council SCoBFA, Minutes 24 march 1977.
4.5. The 1980s

In 1980 the responsibility for arts and cultural policy shifted from the Department of the Secretary of State to the Department of Communication, a move that highlighted the continued changing role of the federal government in the arts and cultural policy and sector management, not just through the ‘arms length’ Canada Council but through other areas of arts policy delivered directly through other federal government mechanisms. This federal shift of responsibility sparked a debate that continues to this day as to the role of the state and its relationship to the professional arts sector. In addition there is also the question as to the distinction between arts, infrastructure and employment policy.

The 1980s was a period of growth (see figures 2 & 3) with the parliamentary allocation more than doubled rising from $4 million to in excess of $10 million. Over the same period the Council’s per-capita allocation rose from $1.69 to $3.72. Unfortunately growth when adjusted for inflation was negligible.

The 1980s also saw the Canadian government sign the United Nations Educational, Scientific and Cultural (UNESCO) recommendation concerning the Status of the Artist (The Belgrade Convention). This was to have far reaching impact for Canadian cultural policy as it both “encouraged all signatory states to implement policies addressing the professional and social status of artists including training and development, labour relations, and taxation” (Cliche, 1996).

More importantly “Canada's response to the Belgrade "call for action" was the establishment of a special committee (the Federal Cultural Policy Review Committee) to examine not only the status of the artist, but the entire cultural sector” (Cliche, 1996). As stated in the introduction to this dissertation The Federal Cultural Policy Review Committee’s report would be one of the most significant documents produced examining the relationship between the government and the arts and, in part, forms the foundation for many of the conclusions of this dissertation.
4.5.1. 1980 Canada Council Annual Report

Our grants cannot even keep pace with inflation, while the operating costs of our arts organizations exceed it. Companies can afford to pay fewer and fewer artists and technicians, and to purchase less and less in materials from suppliers; these cutbacks have serious side effects on employment, local business and tourism. We cannot escape the brutal fact that even our best-established orchestras, publishing houses, theatres and other basic institutions are at this moment in mortal danger. Canada Council Report 1980

It was clear to those preparing the Council’s annual report that the system as it had operated for twenty-three years from 1957-1980 was essentially broken, that something at the core of the Council’s operation was fatally flawed. The excerpt from the 1980 Council report clearly demonstrates the impact on the artistic production aspect of operation. Figure 7 provides another glimpse at the internal workings of the Council: whilst the grants to artists and arts organizations were cutback, the staff salaries were moving in the opposite direction.

Figure 7: Canada Council Staff Salaries

I use figure 7 purely to demonstrate the underlying contradiction contained within an analysis of the rhetoric and the reality of Canadian arts policy. The Canada Council, through their annual reports, state that from an artist’s perspective the current grants can’t keep pace with inflation, a situation described as one of ‘mortal danger’ for artists. Yet, in terms of Canada Council staff salaries the audited accounts show that not only are the
total salary figures increasing year on year but staying well ahead of the inflationary curve.\(^{26}\) This isn’t to say that the Council’s staff figures should not follow this path but simply highlights the fact that Council, while recognising the inflationary pressure placed upon artists’ grants, doesn’t appear to be taking any action to overcome or manage this situation, as demonstrated for the Council’s staff.


4.5.2. 1981 Special Program of Cultural Initiatives in the Department of Communications

The Special Program of Cultural Initiatives was a two-year program managed by the Department of Communications. Of the total budget of $29.4 million dollars, $7.6 million was allocated to a program called Special Events of a National Character or Significance. The program was very successful and attracted applications for the production of festivals and events from across the country. Initially conceived, as a ‘one off’ the program was a great success with applicants returning in search of operating funding. This Special Events Program was the forerunner to federal government’s long standing direct relationship with arts festivals and events across the country, right up to the 2009/2010 Marquee Tourism Events program.

4.5.3. 1982 Cultural Initiatives program

As a result of the Special Events of a National Character or Significance program’s success it was renamed the Cultural Initiatives Program in 1982 and ran for the next 20 years and was then repackaged as part of the Arts Presentation Program.

\(^{26}\) This includes the 1994-97 period of nearly 50% staff cuts at the council.

As previously stated the FCPR was the first national review of Canada’s cultural institutions and policy since the Massey Report thirty years earlier. Unlike the Massey Commission, the FCPR was not a Royal Commission but was the work of a Federal Department of Communications committee which provides some explanation why a large part of its focus examined the relationship between the state and cultural production, (J. D. Jackson & Davies, 1983), making this historical report very relevant to the current examination of the role of the Canada Council as an instrument of cultural policy.

The FCPR examined a wide range of questions surrounding the relationship between the federal government and the professional arts sector, looking first to the relationship with artists and audiences, recognising that creativity take can several forms including traditional forms of theatre, music, literature as well as the cultural industries like broadcasting, film and sound recording. Regardless of which artistic activity under discussion the AHR report clearly stated that:

no cultural policies aimed at promoting contemporary creation can possibly succeed unless they are firmly rooted in a respect for our artistic and intellectual heritage (Applebaum & Hébert, 1982 p.3).

One of the foundations of modern cultural policy was, according to FCPR, to establish strong lines of communication between Canadian artists and Canadian audiences firmly stating that, in their opinion:

the arts will best flourish in Canada when our artists are able to present their work to audiences with a fair measure of freedom from social, economic and political constraints. When we speak of freeing artists from social constraints, we are calling for a heightened recognition of the role they play in Canadian society. We are suggesting there must be a change in attitude and that the artistic professions must be placed on the same footing as any other honourable and vital vocation. When creative artists, and what they create, receive recognition and esteem commensurate with their contributions to our community and culture, much else will follow. (Applebaum & Hébert, 1982 p.4)
The report makes it clear that the authors, at the time of writing, felt that the bond between government, artists, and audiences was unstable. At the core of this imbalance was the fact that it was the artists themselves and not the government that were providing the largest single subsidy to the sector “through their unpaid or underpaid labour” (p. 4). The report went on “when creative activity is diminished because many artists are unable to earn a decent living, something is lost to us all, and our entire culture fails to fulfil its promise” (Applebaum & Hébert, 1982 p.4).

The report recognised that the arts and cultural sector had seen three decades of growth since the Massey Commission but also recognised that the federal cultural policy had, for many years, “largely favoured physical plant and organizational development over artistic creativity and achievement” (p. 6), in part because erecting buildings was a relatively simple task and one that was both easy to measure and explain to interest groups and the electorate. The report went on to outline that confusion had arisen whereby the government talked of cultural policy through buildings and infrastructure. The report clearly directed the government not to confuse industrial and employment policy with cultural policy.

The bricks and mortar are necessary, but they are not the end product, the purpose of it all. The new task which we as a committee of inquiry into federal cultural policy now invite Canadians to undertake is a different and in some ways more difficult one. We have come to believe that federal cultural policy must place a new emphasis on encouraging the best use of our concert halls, theatres, cinemas, galleries and airwaves for the presentation to Canadians of the finest works of Canada's own creative artists. (Applebaum & Hébert, 1982 p.6)

The report considered the relationship between cultural activity and government, specifically focussing on issues of where conflict of interest existed between the government and cultural policy. The report asked where, in the complex relationship between government and public funding bodies, ultimate authority lay: with an arms-length cultural organization’s board of directors or the government minister? The report analyzed the complex principles surrounding the relationship between government and the role of cultural policy.
The apparent belief by some that culture is an instrument, not an end in itself, has consequences, which this Committee must regard as undesirable (Applebaum & Hébert, 1982 p.8).

The necessity of shielding cultural activity from the power of the state was a recurring theme in representations made to this Committee. (Applebaum & Hébert, 1982 p.23)

The FCPR recognised the working relationship between the state and the cultural world and the fact that both play a major role in influencing the tone and texture of the society of the day. The FCPR recognised that ‘the state’ and the ‘cultural world’ while separate, will overlap, going so far as to say that the strength of each sphere is dependent on the strength of the other. However the report also acknowledged the potential for conflict:

The wellbeing of society is threatened if the state intrudes into the cultural realm in ways that subordinate the role and purposes of the latter to the role and purposes of government itself - or of any other spheres of activity. Moreover, the cultural sphere, embracing as it does artistic and intellectual activity, has as one of its central functions the critical scrutiny of all other spheres including the political. On this score alone it cannot be subordinated to the others (p16).

The significance of the AHR in this dissertation’s discussion is the recognition of in-built contradictions and potential for conflict that exists between the federal government and the professional arts sector. The danger, in the eyes of the FCPR’s authors, being that whilst recognising that cultural policy flows from government action in an effort to influence cultural activity, they also recognised that the state may develop cultural policy, not intended exclusively for artistic activity but merely for the purpose of “economic growth, or social justice, or national unity” at the expense of artistic freedom (Applebaum & Hébert, 1982 p.19). To this end the report said that Canadian artists and their work should be promoted and marketed more effectively, arguing that success in this area would result in a larger demand for and consumption of arts and cultural product. It is here that we see the elements of cultural industrialism introduced in the 1970s continuing in the rhetoric of the 1980s.

Therein lies the contradiction at the core of the report. The authors firmly believed in the ‘arms-length’ principle of arts funding and that the essence of any successful
cultural policy lay in opening lines of communication between artists and anyone who wished to see, read, or hear their message. There was a recognition that it was essential that these artistic transmissions be unrestrained by political, social or economic restraint, while at the same time recognizing that cultural policy involved public money and must therefore ultimately fall under some degree of government oversight. At the time of writing the authors concluded that “[h]appily, the Government of Canada has recognized and accepted the arms-length principle, which guides its relations with most of its cultural agendas” (Applebaum & Hébert, 1982 p.5). 27

The Canada Council, the Canadian artists representative at any federal government table, also presented a brief to the FCPR, which served to reinforce the systemic failure, discussed in the Councils 1980 annual report.

Today the Council finds itself faced with an increasingly eroded field of clients and potential clients, with the growing expectations of both artists and audiences, with double-digit inflation and an effectively shrinking budget. With the erosion of the spending power of our funds, we have been forced to forego supporting new ventures and new initiatives. Survival, rather than achievement, is becoming the order of the day. In the realm of the arts, the consequences of such a situation are far more calamitous than a little enforced belt-tightening. In order to flourish, the arts require daring, experimentation, risk. But because of several years of budgetary restraints and even cutbacks at the Council, support to new companies, to younger artists, to those inventive spirits on the frontiers of art, is simply not possible unless we rob Peter to sponsor Paul. (p. 55/56)

The Canada Council and its role in fostering the arts and cultural sector across the country are discussed throughout the FCPR. Perhaps the recommendations most applicable to this dissertation are the following:

27 The Lambert Commission initially raised questions as to the independent authority of ‘arms length’ cultural institutions in 1979. The Lambert recommendations were never implemented and the FCPR picked up the baton.
Recommendation 2 –

To the extent that the functions of cultural agencies and offices require the exercise of impartial, critical judgment in the support of cultural activity, they should be exempt from political direction in the form of ministerial directives of either a general or specific nature. (p. 38)

Recommendation 9 –

The federal government should regard the Canada Council as a primary instrument of support to the arts. Accordingly, it should augment the Council's annual parliamentary appropriation, having regard for the real, as distinct from the nominal, value of the Council's grants and sustaining support and for the consequences that will follow if the real value of that support is allowed to diminish Parliamentary appropriations must be of a magnitude that will permit new initiatives, both inside and outside the Council's current areas of support, to be developed and sustained (p.56).

The significance of the 1982 Applebaum-Hébert report cannot be understated in the history of Canadian cultural policy development. The issues it raised as to the relationship between government and the role of an independent arts sector would be repeated several times over the next thirty years.

4.5.5. 1984 Parliamentary Questions

On 29th November 1984 questions were asked in both the House of Commons28 and The Senate29 regarding an article that appeared in that morning’s edition of the Globe and Mail under the banner headline: “Cuts only part of arts reform”. The article went on “the conservative government is questioning the traditional arms-length relationship governments have had with the CBC and other cultural agencies, and is moving rapidly to apply a direct political hand to cultural policy” (Winsor, 1984 p.1). Communications Minister, Marcel Masse said that amongst other things he was concerned “that the Canada Council had refused to accept what he calls ‘tagged’ grants: money for projects

28 Library and Archives Canada, Administration/Parliamentary Questions Commons Debates March 84-Feb 1985. RG 97, box 100, file 1000-2 Vol.1, (D.L. photo 36)
29 Library and Archives Canada, Administration/Parliamentary Questions Senate Debates March 84-Feb 1985. RG 97, box 100, file 1000-2 Vol.1, (D.L. photo 39)
designated by his department. During an interview the Minister reiterated several times the Government’s right to set cultural policy saying “it's the department’s responsibility”. Minister Masse commenting on recent reports of feuding between his department’s staff and the officers of several cultural agencies said that the solution was to have them work together.

Arts organizations are both a tourist attraction and a big source of jobs, and Mr. Masse made it clear he was eying the budgets of Cabinet colleagues responsible for these areas to help fund the arts. He is also prepared to use his own department to create arts programs directly if he can’t create them using existing organizations. He cites a possible example of using job creation funds to create new ballet troupes for young dancers who have not been able to crack the big national troupes” (Winsor, 1984 p.5)

On the same day the issue was also raised in the senate under the subject ‘Cultural Organizations – Relationship to Government’30. The Honourable Leader of the Opposition pointed to the fact that when asked about this issue during the election Prime Minister Mulroney responded by saying “we are committed without question to the arms-length principle’ going on to say “that we are committed to maintaining federal funding for the agencies and councils in line with inflation.”

This minor incident highlights the political, economic and social spectrum between the Applebaum-Hébert report that stated that employment and infrastructure policy was not cultural policy and the Mulroney government of the day (continuing in the footsteps of Pierre Trudeau before him) that saw the arts as a component part of the tourist and job creation industry. This divide between the intrinsic and the instrumental was to remain part of the political struggle over arts funding for some time to come.

30 Library and Archives Canada, Administration/Parliamentary Questions Senate Debates March 84-Feb 1985. RG 97, box 100, file 1000-2 Vol.1, (DL photo 39 of 274)

A briefing document from the above file\(^{31}\) contains an in depth discussion about the Canada Council, its role in the community, past results and outcomes of the federal government’s attempt to control or direct the council’s expenditure and an assessment of how the general public might react to certain levels of funding cuts or elimination of the parliamentary appropriation altogether.

The ministerial briefing document contains a number of references that provide valuable insight into how the government views its relationship with the council (and by default Canada’s professional arts community). A point clearly illustrated by the fact that the briefing notes refers to the Council as ‘the principal vehicle for direct support to the arts at the federal level’ and that the ‘Council is the lifeline of almost all professional arts organizations in Canada’. The document discusses a number of issues that have plagued arts funding for several decades, falling revenues, rising costs, inability to fund new art forms, and the dilemmas governments face given the popular status held by the sector in the public eye. The document reiterates the concept that the Canada Council is a vehicle for national unity and sovereignty as embarked upon by Trudeau in the 1970’s. This document was produced in 1984, four years after the first Quebec independence referendum was rejected by 60% of the Quebec population. That said the PQ won the 1981 provincial election with a stronger majority than in 1976.

Perhaps the most important section confirms the fact that non-commercial artistic activity cannot survive in the domain of the free market and that the sector relies upon state support for continuing activity, more ominously, affirming that the not for profit sector has traditionally relied on the state. The document references the fact that the Canada Council operates in a ‘labour intensive sector whose outputs cannot be mass-

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\(^{31}\) Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book November 1984- August 1985 (DL photo 57 of 274)
produced on a large scale’ supporting Baumol’s position outlined twenty years earlier, and one of the cornerstone principles of the public funding of the arts:

It is a thesis of this study that the root of cost pressures which beset the arts is the nature of their technology. For the economy as a whole, productivity (output per an hour) has risen at a remarkably steady rate of 2.5 % per year over the last half century…But the technology of live performance leaves little room for labour saving innovations, since the end product is the labour of the performer (Baumol, 1966 p.390).

The ministerial discussion also raised the issue of the council’s position whereby its revenues were not even keeping pace with inflation which was placing increasing pressure on the council’s ability to maintain existing clients and programs let alone supporting new artistic endeavour and artistic practices. This issue becomes ever more important, as we will see, as we move into the 21st century.

The tensions that exist between the federal government and the arms length arts funding mechanism are also highlighted by clearly recognizing that, given the precedent set with the Art Bank directive, the federal government cannot instruct the Council how to allocate its funds.

The document, as well as recognizing the financial difficulties of the council’s operation, also openly discusses the elimination of the council and its programs or, alternatively a discussion about the effect of reductions in parliamentary allocation. During the discussion the debate returns to past public opinion and the Canadian public’s expectations of the federal government’s role in supporting the arts. This again, sets the direction for government initiated documents and future discussion surrounding the funding of the arts in Canada.

4.5.7. Ministerial Briefing Notes: Keynote to The Canadian Conference of the Arts - May 15th 1985 and - Long Term Investment Plan in the Arts and Heritage Sector

Minister Masse, in his preparation for his address to the conference outlined the four basic concepts which form the basis of arts and cultural policies delivered during his
tenure: their inherent value, their economic value, the need to make culture part of the mainstream of government policy and the need to consult with artists themselves.\(^\text{32}\)

The ministerial speech notes again offer insight into the formulation of arts policy. Under the section Economic Impact of the Arts there is the following statement: “The arts and cultural community has good reason to speak out boldly about its stake in the future – and it is my intention to assist you in that effort”. The final few words have been underlined in blue ink, possibly by the minister, and next to it is written the following:

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INTENTION TO ASSIST YOU IN THAT EFFORT.
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Another major policy theme presented at the 1985 Canadian Conference of the Arts May meeting was the announcement by the minister that the federal Cultural Initiative Program (CIP) was confirmed as a permanent program. The minister confirmed that the new CIP was aimed at ‘management development’, the introduction of new ‘communication strategies’, the development of a national network of capital facilities for the performing and visual arts and lastly a commitment to support ‘special events of national character’.

In preparation for the announcement of the new CIP program discussions had also been taking place about the development of a long-term plan for the arts and heritage sector. The plan would have two component parts – capital and non-capital projects. The rationale for the development of this plan was to “strengthen arts and heritage infrastructure and human resources, contribute to its financial stability, and stimulate

\(^{32}\) Library and Archives Canada, Administration RG97, ACC 1992/93/115 box100, file 4000-C:10 pt.1, ‘Associations Clubs and Societies / Canadian Conference of the Arts’ (DL photo 79 of 274)

\(^{33}\) Library and Archives Canada, Administration RG97, ACC 1992/93/115 box100, file 4000-C:10 pt.1, ‘Associations Clubs and Societies / Canadian Conference of the Arts’ (DL photo 81 of 274)

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further economic growth and development. In doing so it could lead to an increase in employment and exports and tourism opportunities in the arts and heritage sector. \(^{34}\)

Tourism Canada was pursuing a new tourism strategy at the same time, publishing a discussion document “Towards a Canadian Tourism Strategy” in Feb 1985. The Department of Communication and Tourism Canada had partnered on a number of projects in the summer of 1985, centred on the Stratford and Shaw Festivals, to try and attract more US tourists. The officials at the Ministry of Communication were presenting their case to the minister that “culture needs to be a part of the new tourism strategy. Major cultural resources in Canada represent an attractive focus for Tourism, Canada’s promotion in the international marketplace and this should be exploited to its fullest to the advantage of both parties.” \(^{35}\).

The staff recommendation was for the minister to write to the Hon. Jack Murta, Minister of State for Tourism (1985-86) proposing concrete tourism and cultural policy recommendations so ensuring that any new tourism strategy would include arts and culture as a central component.

The minister also talked of the need to support projects that may fall outside the normal parameters of arts activities, the example provided was the Canadian Conference of the Arts (CCA) initiative to define and publicize the economic impact of the arts.

The minister also highlighted forthcoming policy expansion through increased partnership between the private sector and federal and provincial governments in the devising and delivery of Canadian cultural policy, which would manifest itself in the forthcoming Bovey report.

\(^{34}\) Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book Nov 84 – Aug 85 (DL photo 45)

\(^{35}\) Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book Nov 84 – Aug 85 (DL photo 47)
4.5.8. 1986 Bovey Report - Funding of the Arts in Canada to the Year 2000.

A preamble to this section was Minister Masse’s reference to the commissioning of a report at his CCA speech in May 1985. As Minister of Communication he was responsible for cultural affairs during the Free Trade Agreement (FTA) negotiations between Canada and the United States. He was a strong advocate for Canada’s retention of cultural sovereignty and spoke out on this subject. As a result Prime Minister Mulroney switched Minister Masse from Communications to Industry, fearing that his position may have been detrimental to the negotiations as the US were arguing that any agreement should include Canada’s energy and cultural industries. Flora MacDonald was appointed Minister of Communication on 30th June 1986 and in the end Canada protected their cultural industries from inclusion in the FTA signed on October 5th 1987.

The Bovey task force’s remit was to offer a solution or new formula for funding the professional arts in Canada. The report for the task force, chaired by Edmund Bovey was delivered to the government in June 1986. The aim of the task force was, in their words, “not to carry out a cost-reduction exercise on federal support of the arts, but rather to study the provision of more effective funding to permit arts growth” (Bovey, Chalmers, & Theroux, 1986 p.19).

In the report’s preface, Edmund Bovey stated that the title Funding of the Arts in Canada to the Year 2000 was selected to emphasize the committee’s “conviction that the measures advocated to promote the well being and the advancement of the arts are important investment decisions” (Bovey et al., 1986 p.8).

The report recognised the work of the Applebaum-Hébert report and drew attention to their previous recommendation that the federal government should regard the

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36 Minister Masse resigned as Minister of Communication on Sept 25th 1985 shortly after this speech due to an RCMP investigation. Minister Masse was cleared of any wrongdoing and reappointed as Minister of Communication in November 1985
37 https://en.wikipedia.org/wiki/Marcel_Masse
Canada Council as the primary instrument of support to the arts. Accordingly, it should augment the Council’s annual parliamentary appropriation, having regard for the real, as distinct from the nominal, value of the Council’s grants and sustaining support” (Bovey et al., 1986 p.45). The 1982 Applebaum-Hébert report was the forerunner for the Bovey report because while advocating for investment in the arts sector, Applebaum-Hébert did not in any way try to calculate the amounts of investment required. The core of the Bovey report aimed to rectify this situation by calculating an annual % increase that would sustain and grow the professional arts sector.

Under the section entitled “The search for excellence and improved access to the arts”, the authors state, “quality cannot be maintained without hard and persistent work, and that this requires an ever increasing financial as well as personal investment” (Bovey et al., 1986 p.46). The report references that even though the number of arts organizations had increased fourfold in the years 1976-86 many areas of Canada still had little or no access to the professional arts.

As to how the arts should be funded Bovey discounted both the European model based upon government support, and the US model based upon business and the market and, instead settled upon a ‘mixed’ model that combined government, business/market and arts groups.

The arts funding structure, therefore comprises three elements, as we shall consider them in this report: governments, private patrons, consumers and the arts community. The picture is complicated, however by the fact that in Canada there are three levels of government – federal, provincial and municipal – and that the private sector is divided among individuals, corporations and foundations (p.34).

Bovey investigated three funding scenarios based upon the mixed model: a) marginal growth of 2%, b) average growth of 3.5% and c) incremental growth of 5%, which after much deliberation the Bovey report recommended as the path to follow.
Recommendation 1 stated:

The objective for growth in the arts in Canada should be established, in constant dollars, at an incremental rate of 5 per cent a year, or 1.5 per cent over economic growth to the year 2000. Arts funding partners – governments, the private sector, consumers and the arts community- should pool their efforts to attain the overall goals that such growth implies (Bovey et al., 1986 p.9)

Recommendation 42 stated:

The federal government should increase its contribution to the operating expenditures of arts organizations and individual artists from $90 million in 1985 to $160 million in the year 2000, in constant dollars, representing an effective annual growth rate of 4 per cent (Bovey et al., 1986 p.12).

Figure 8 below, visualizes Bovey’s recommendation number 42 against what actually took place.

**Figure 8: Bovey Report Recommendation No 42**

For the period 1985-1990 the federal government appeared to be following both the recommendations that the Canada Council should be the primary instrument of arts support and that funding should increase from $90 to $160 million over the allotted timeline. However, after 1990 once again we see that the reality didn’t reflect the rhetoric.
**Bovey Report and Tourism**

Bovey is also an important document for this dissertation because of its references to the relationship between arts and tourism contained in the section covering the economic importance of the arts. Quoting from the 1986 federal tourism study\(^{38}\) that surveyed potential American visitors it reported that Canada’s cultural uniqueness, its heritage resources and its artistic events are the prime attraction for the multi billion-tourist industry despite the fact that the previous decade (1975-85) had seen Canada lose close to half of its worldwide market share of tourism.

Bovey offered the example of Stratford, described as “this small city that began to lose its importance as a railway centre shortly after the war” and how it was reborn through the emergence of the Stratford Festival. The Stratford Festival was the largest recipient of MTEP funding in 2009 and 2010 and will be examined in Chapter 5.

**Ministerial Briefing Notes – Bovey**

The Ministerial Briefing book\(^{39}\) contained the following documentation relating to the Bovey Report. The first line asks: “What steps have been taken to date to address the recommendations made by Bovey (Funding of the Arts) and Siren - Gélinas (Status of the Artist) Task Forces?”

There follows a five-page analysis for the Minister’s information. Perhaps the most interesting section is the one titled Suggested Talking Points.

The Bovey Task Force recommends a 5% annual rate of growth in arts funding from now to the turn of the century. If questioned on this you may wish to indicate the following – Bovey points out that improvement in funding for the arts should come about through a partnership between the various levels of government, the private sector and the arts community. Within that partnership

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\(^{38}\) Tourism Canada US Pleasure Travel Market; Canadian Potential: Highlights report Government of Canada, Ottawa, Canada, January 1986

\(^{39}\) Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book (DL photo 49)
the federal government has a key role to play in providing leadership. This leadership will come about not only through direct funding but also through programs to promote the arts and through the provision of appropriate incentive.

If questioned about remarks made by [well known Canadian contralto] Maureen Forrester in Halifax that the Canada Council’s funding is inadequate for carrying out its mandate, you may wish to point out: * Canada Council made a contribution to federal deficit reduction in the last budget in the order of $1.95m out of $25m from the communications and culture portfolio. **At the same time the council received an additional $10m to help stabilize the financial operations of arts organizations *** You would like to provide more funding for the arts but, as Bovey points out, the federal government can’t do it alone – help is needed from provinces and municipalities, the private sector and the artistic and cultural community. You will continue your efforts in cabinet to ensure that the federal government does its share.40

This excerpt clearly illustrates the government of the day’s (and it can be argued, future governments ever since) true response to Bovey’s recommendations. There is no doubt that the Bovey Report had the best interests of the professional arts community in Canada at heart when drawing up the report. They clearly wished to see a formula that enabled the arts community to overcome the vagaries of past governments and be properly funded. The ministerial briefing notes in the immediate period following publication demonstrate that realistic public funding of the arts’ time had not come.

4.5.9. 1987 Vital Links: Canadian Cultural Industries

Less than a year after the publication of the Bovey report came the Vital Links report. Commissioned by the conservative Mulroney government Vital Links: Canadian Cultural Industries report published in April 1987 took an overall view of Canada, its cultural policy and its cultural industries. The report states, “The health of our culture and our health as a country are interdependent”(MacDonald, 1987 p.7) and offers a snapshot of the state of the Canadian Cultural Industries.

The 1987 Vital Links report represents the next stage in the process of the ‘cultural industrialism’ set in motion by the Trudeau government twenty years earlier.

40 Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book (DL photo 55)
Whilst still referencing the individual artist the overriding message of the document is *Canadian Cultural Industries* as contained in the title. Vital Links is a document that talks of markets, consumers, and lower unit costs.

The most evident need is to help join the creator in Canada to his or her audience. The cultural industries are the conduit... Our objectives are decidedly cultural. However, our analysis and process must often be economic, using the language of markets and the data of commercial competitiveness (sic) (MacDonald, 1987 p.77).

*Vital Links* referenced that whilst individual artists, writers, and performers are finding ways to reach an ever-increasing number of Canadians, the financing of the arts “remains as problematic as ever” (MacDonald, 1987 p.7). The minister also raises an important addendum to the healthy artists that as well as being energetic artists there is also the need for money (MacDonald, 1987). *Vital Links* is an important indicator of the post Bovey period. The arts were being seen as ever-more instrumental to economic development with the funding discussion widened to include the private sector and with an increased focussing of the discussion on administration and marketing as opposed to artistic content.

The age of the management and administration of the arts had arrived - corporate sponsorship, corporate ticket allocations were the order of the day. This falls into the same period as research by John Mysercough measuring the economic impact of the arts (Myerscough, 1988), an impact which many observers predicted would set the tone for advocacy for the professional arts worldwide for the next two decades. Of course there are many who believed, and still do that the economic impact was the weakest card in the arts sector’s playbook (Seaman, 1987).

*Vital Links* was concerned about the financial health and viability of the cultural industries: film, book and magazine, publishing, radio and television. That concern concentrated on the role cultural industries played in the transmission of a nation’s cultural identity and the increasing fear that as the market or industry dominated then Canada’s cultural industries might fall under the influence of our US neighbours due in part to the high cost of producing and distributing cultural product in a large, relatively
sparsely populated country. Importantly, the minister said “subsidies alone cannot suffice” (MacDonald, 1987 p.8) and that the cultural industries of film, TV and sound recording need to develop a closer relationship with their audience or ‘natural market’, paving the way for a substitution or shift in government spending priorities.

It should be noted that *Vital Links* use of the term ‘cultural industries’ is ten years before the term creative industries was used in the Department of Culture, Media and Sport 1998 report. This offers an indicator of the durability of the ‘Cultural vs. Creative industries’ debate and the question of where does the not for profit arts sector fit within that circle (Bakhshi et al., 2013; Comunian, 2009; Garnham, 2005; Oakley, 2011).

*Vital Links* went on to outline why the cultural industries faced serious challenges, primarily the need to develop the Canadian market and retain cultural autonomy, similar to the arguments made by the Massey Commission nearly forty years earlier. The arguments were couched in economic terms referencing economic trends. The minister presented the argument that in 1987, Canada’s cultural industries are ‘public goods’ that, due to the surrounding circumstance (the US market), are in danger of ‘market failure’, that it is essential to build and support these industries. “This is more than a matter of creative accomplishment. It is also a function of economic variability” (MacDonald, 1987p.8).

We can see how this 1987 ‘screen shot’ relates to the previous era of cultural nationalism and cultural industrialism, where culture is linked to success on the world market. Still, the professional arts remain at the core of the debate - the recognition that artistic workers are Canadian and the need for Canadian work to be available in all forms for the Canadian citizen. Vital Links is about Canadian films, TV, books and magazines being not only available to Canadians but (and here is the change of emphasis) that they are popular and accessible in the market place.

The importance of the 1980s was that in terms of federal cultural policy, as discussed by government through the Dept. of Communications, ministerial briefings and discussion documents, through the independent reports The Federal Cultural Policy
Review (Applebaum-Hébert 1982), Funding of the Arts in Canada to the Year 2000 (Bovey 1986) and Vital Links Canadian Cultural Industries (1987) and, through the Canada Council itself, we clearly see the deepening neo-liberal influences of commodification, the private sector, corporate sponsorship, better marketing and administration taking centre stage in the cultural policy discussion.

The 1980s saw discussion centre on the widely accepted principle of a deteriorating funding system and the necessity for an adequately funded arts production and distribution system. That said, there was no discussion as to how the available funds or projected new funds could support the ever-expanding efforts of the Canada Council to increase supply as demonstrated by expanding programs and clientele. The essence of this period can be summed up by a headline that appeared in The Ottawa Citizen on 4th October 1986 “After the Task Forces where’s the money?” On the one hand the article talks of Mulroney’s government having no further excuse to avoid the Conservative 1984 election promises to increase federal support, while on the other stating that the government task force recommendations were in conflict with the growing right wing opposition to the very concept of public arts funding itself with the Fraser Institute arguing that the market must prevail (Portman, 1986).

The Chair of the Canada Council, Allan Gotlieb, in the 1989/1990 Annual Report carried the following:

In the year under review, Canada became drawn into the debate, which emerged first in the United States, about the content of works of art. Faced with a growing spirit of censoriousness in Canada and criticism of some Council grants, Council’s board, at its December meeting, reiterated its commitment to the basic premises on which the Council operates. On behalf of the board, I wrote to Members of Parliament:
Essentially Allan Gotlieb was both re-stating the position taken by the Federal Cultural Policy Review in 1982 and offering an early warning of a potential policy shift from instrumental to encroachment. Welcome to the 90s.

4.6. The 1990s

The 1990s were years of major change in federal cultural policy. Most of the legislation and responsibilities for cultural policy were transferred to the new Department of Canadian Heritage in 1993, and during this period the cultural sector experienced deep budget cuts as a result of a federal government-wide Program Review.

The newly appointed Chrétien government elected in October 1993 was confronted with a fiscal and economic crisis under whose shadow the arts and cultural sector would fall for many years. The government set about conducting an overall

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41 Department of Communications and Department of Multiculturalism and Citizenship disbanded and responsibilities transferred to newly-created Department of Canadian Heritage (along with responsibility for national parks, amateur sport, official languages, off-reserve Aboriginal programs and citizen participation)

42 M. Sharon Jeannotte for the Canadian Cultural Observatory
spending review that would impact all aspects of the arts and cultural sector across
country.

In 1995 The Canada Council was asked to implement its own ‘in-house’ program
review i.e. imposed by Treasury Board. Internally there was a real commitment to
reviewing the Council’s various programs to ensure that the arts community were
serviced to the best of the organization’s ability. However, there was an underlying and
somewhat ominous feeling that the review was also an exercise in staff reductions and
cost savings. Complete Canada Council data sets for this period of program review have
been tremendously difficult to track. The following data sets relating to the Canada
Council over the 1990s were located in the Treasury Board’s publication Crown
corporations and other Canadian government corporate interests of Canada (1983-
2001).

Figure 9 (staff numbers), Figure 10 (administration expenses) and Figure 11
(total grants) illustrate a period of considerable turmoil at the Canada Council.

**Figure 9:** Canada Council Staff Numbers

![Graph showing Canada Council Staff Numbers from 1993 to 2001]

Data: Crown corporations and other Canadian government corporate interests of Canada (1983-
2001) Note: no data available post 1998. (Figures for 1999-2011 were unattainable)
Figure 10: Canada Council Administration expenses

![Graph showing Canada Council Administration expenses from 1983 to 2001.](image)

Data: Crown corporations other Canadian government corporate interests of Canada (1983-2001)

Figure 11: Grants Total

![Graph showing Grants Total from 1993 to 2001.](image)

Data: Crown corporations other Canadian government corporate interests of Canada (1983-2001)

Figure 12 confirms this turmoil through the creation and demise of programs and departments over the same timespan.
Despite the Liberal’s election promises, as outlined in the 1993 Red Book *Creating Opportunity: The Liberal Plan for Canada* to restore cultural funding and national cultural institutions that had been undermined under the previous regime, the newly elected Liberal government continued the ‘rollback’ process begun under the Conservatives.

The 1997 Liberal Red Book – *Securing our Future Together: Preparing Canada for the 21st Century*” promised cultural policy that was more artist centred. Despite the positive rhetoric the Chair of the Canada Council captured the mood of this period (1993-98) describing it as the dark period when cultural spending declined 17 percent and fared worse than any other government portfolio.

The 2000 Liberal Red Book entitled *Opportunity for all: The Liberal Plan for the Future of Canada* again reiterated the government support for national cultural organizations and institutions. The main difference between Red Book’s 1, 2 and 3 was that the then Prime Minister Jean Chrétien, contemplating his government’s third term in office started to consider the legacy impact of a new century. The 2000 Liberal Red Book was a precursor to the *Tomorrow Start Today* program championed by Deputy Prime
Minister Sheila Copps outlining the critical role of the arts and artistic sector in helping Canadians understand themselves.

4.6.1. **1999 A Sense of Place – A Sense of Being**

As the new century approached, the Standing Committee on Canadian Heritage undertook a two-year federal initiative to examine the role of the federal government in cultural policy. As with both the Massey Commission (1951) and the FCPR (1982) the process was lengthy and included submissions by various relevant parties. It is interesting to note that in his forward to the 1999 report ‘A Sense of Place, A Sense of Being: The Evolving Role of the Federal Government in support of Culture in Canada’ committee chair Clifford Lincoln, M.P., for Lac-Saint-Louis stated: “at the end of our long journey, we found out we were no wiser in defining culture and cultural identity than we had been at the outset” (Standing Committee on Canadian Heritage, 1999, p. xiii). This statement reflects the essential discussion contained in Chapter 1.2 of this dissertation that goes to some lengths to distinguish professional arts policy from wider cultural policy. The 1999 report demonstrates the potential difficulties that may occur with the lack of definition, after much definitional discussion the committee adopted the UNESCO’s definition of culture as “ways of living together” 43.

The committee approached the question from specific angles in order to answer the following three questions 44:

1. What has been the role of the federal government in cultural activities in the past?
2. What is its present role?
3. Should the federal government continue to be involved in culture in future?


In trying to answer these three questions the report was broken down into six key elements that the committee felt constituted the continuum of cultural policy: Creation / Training / Production / Distribution / Preservation, and / Consumption.

The importance of the decision to adopt this six key element approach, as opposed to what the committee described as the Stove Pipe approach where headings and recommendations would be broken down into disciplines: cultural industries, visual and performing arts, broadcasting etc., is twofold. Firstly it reflects the committees own comments that:

When it started its work the Committee believed that globalization, new technologies and changing demographics will have a bearing on the future role of the federal government in support of cultural expression. Witnesses were, therefore, asked to address these issues in their comments and submissions. While the continuum of creation, training, production, distribution, preservation and consumption provides the structural spine of the report, each segment of the continuum is shaped by a number of horizontal or cross-sectoral factors. As a result, the issues of new technologies, globalization and Canada's changing demographics occupied a great deal of the Committee's time.45

Secondly, the document reflects advancement of cultural industrialism through the appropriation of the value chain discussion regarding creative and cultural thinking at the federal staff level.

The creation section was the most Canada Council-centric. The document praised the Canada Council and talked of the immense progress that had taken place in the forty years since its birth and that the Council has been responsible for nurturing thousands of artists across the country.

The committee considers it essential to maintain the existing vitality of Canadian creators. With this objective in mind, the committee set about its task of considering the appropriate role for the federal government in support of the arts and Canadian culture in years to come” (Standing Committee on Canadian Heritage p.13).

45 A Sense of Place: A Sense of Being - Ch 1. Section Approach to Making Recommendations
Once again we find a federal policy document that begins by praising the work of the Council but all too quickly reverts to repeating arguments presented in earlier reports, pointing out the woeful levels of income experienced by Canadian arts workers and artists. This time The Standing Committee cited a 1993 labour force survey conducted by Statistics Canada showing “that some Canadian creative artists (e.g. painters and writers) have earned incomes that are substantially less (between 25% to 50%) than other jobs within the cultural sector (Standing Committee on Canadian Heritage p.14).

The document quotes Heather Redfern of Edmonton’s Catalyst Theatre whose words echo those from past reports:

The largest subsidizers of the arts in this country are artists and arts workers (themselves) because of the low wages they receive for the work they do [and] because of the huge amount of volunteer work they have to do to keep their companies afloat (Standing Committee on Canadian Heritage p.15)

Similar conclusions were reached by Massey in 1951, Applebaum-Hébert in 1982 and Edmund Bovey in 1986 in fact the debate was beginning to take on the characteristics of a broken record, one that is ever revolving without resolution.

The most interesting deliberation contained within A Sense of Place: A Sense of Being was the comparisons made between the Canada Council and the Canadian Research Councils (SSHRC and NSERC) 46. The disparity in levels of funding between academic researchers and artists was held up as a clear example of a root cause of the low wages in the arts, that arts funding in no way compared with the level of scholarship funding as administered by the Research Councils. The report made the case that whereas artists tended to have received ‘one off’ grants the case had been made for academic researchers’ financial assistance to be spread over ‘extended periods of time’ concluding “the committee contends that individual creators are just as deserving and their financial need is just as great. Therefore, individual creators deserve levels of financial support comparable to those now available to academic researchers” (Standing

46 A Sense of Place: A Sense of Being - Chapter 2 Section Grants to Individual Creators
Committee on Canadian Heritage p.15). The committee made the following recommendations:

1/ The Canada Council for the Arts, as the main source of federal support for creators, continue to provide grants to creators that enable them to devote themselves full time to a creative project. The Government of Canada should encourage long term and sustainable support to creators.

2/ The additional resources required by the Canada Council for the Arts to implement recommendation 1/ should be provided.

3/ The Department of Canadian Heritage, in partnership with the Canada Council for the Arts, develop a plan to secure the funding proposed in recommendation 2/ and report back to this committee within one year of the tabling of this report.

The above recommendations in and of themselves speak volumes about the state of arts funding for the Canada Council at this time. The Canada Council is an ‘arms-length’ component of the Department of Canadian Heritage and the Canadian Government. The above recommendations are very clear. Why then would it take a year to develop a plan?

Martin Bragg, Executive Director of the Canadian Stage Company in Toronto commenting in A Sense of Place: A Sense of Being underlies the funding shifts in Canadian arts policy.

I do think there is a role for government in supporting the arts, and I think it should be a cornerstone of Canada’s cultural policy. But I am not prepared to sit here in 1998 and pretend that my head is in the sand and it’s back to 1972. My organization in 1972 had 80% of its …revenue coming from three levels of government. Today that level has shrunk to 18%...Something is going on here.47

What was going on here? The last decade of the 20th century saw a continuation of the arts and cultural policy illusion – an illusion being defined as “something that deceives by producing a false or misleading impression of reality” 48 - where the policy rhetoric and reality are on separate trajectories even though the political language is of arts as being at the centre of national identity and talk of a more artists centric approach to cultural policy. Appendix 2 of A Sense of Place: A Sense of Being, as shown in Figures

47 Martin Bragg. Canadian Stage Co. Ottawa Round Table on Arts March 10th 1998.
48 http://dictionary.reference.com/browse/illusion
13 and 14, offers innumerable answers to Martin Bragg’s comment that ‘something is going on here’.

**Figure 13: Performing Arts Companies 1993-97**

<table>
<thead>
<tr>
<th>Year</th>
<th>Theatre Companies</th>
<th>Dance Companies</th>
<th>Opera Companies</th>
<th>Music Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993/94</td>
<td>285</td>
<td>65</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>1994/95</td>
<td>293</td>
<td>71</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>1996/97</td>
<td>342</td>
<td>145</td>
<td>91</td>
<td>24</td>
</tr>
</tbody>
</table>

Standing Committee on Canadian Heritage / Sense of Place—A Sense of Being 1999
(data source The Daily, Statistics Canada, 4th March 1999)

**Figure 14: Government Expenditures on Culture 1992-1997**

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal</th>
<th>Provincial/Territorial</th>
<th>Municipal</th>
<th>All levels — current dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>2.883</td>
<td>1.964</td>
<td>1.363</td>
<td>5.875</td>
</tr>
<tr>
<td>1993-94</td>
<td>2.832</td>
<td>1.929</td>
<td>1.413</td>
<td>5.823</td>
</tr>
<tr>
<td>1994-95</td>
<td>2.876</td>
<td>1.829</td>
<td>1.427</td>
<td>5.854</td>
</tr>
<tr>
<td>1995-96</td>
<td>2.923</td>
<td>1.790</td>
<td>1.420</td>
<td>5.825</td>
</tr>
<tr>
<td>1996-97</td>
<td>2.776</td>
<td>1.730</td>
<td>1.443</td>
<td>5.660</td>
</tr>
</tbody>
</table>

Standing Committee on Canadian Heritage / Sense of Place—A Sense of Being 1999
(data source The Daily, Statistics Canada, 24th September 1998)
Essentially, what was going on was a period of increasing numbers of funded arts companies counter-balanced against declining overall government expenditures on culture. This leads to the 21st Century and the dramatic cultural policy changes it would deliver.


In his book ‘Paradigm Shift: Globalization and the Canadian State, Steve McBride neatly straddles the 20th and 21st centuries by using the example of the atmosphere surrounding anti-globalization riots: APEC 1997 in Vancouver when pepper spray was used versus the 2001 WTO Quebec City riots where protesters were met with riot police, walls, water cannons, rubber bullets and tear gas. McBride describes this transition as the arrival of neo-liberal globalization. Using Figure 1.1 to describe the effect of neoliberal globalization McBride talks of the conventional wisdom that the nation state is hollowed out by the process of globalization.

“The state is seen as losing authority and power upwards to supranational bodies, downwards to subnational governments and side ways to markets and multi-national corporations”(McBride, 2001b p.15).

McBride goes further, presenting the position that the nation state and its assets, rather than being ‘hollowed out’ by the surrounding influencers, are in fact ‘pushed out’ by neoliberal government forces. When one uses the above neo-liberal globalized figure...
to illustrate the effect upon Canada’s professional arts and cultural sector a very different picture or problem emerges.

As stated at the beginning of this dissertation the professional arts and cultural category is wide and multi-faceted moving from amateur, community, professional, not for profit, through profit, cultural industries and creative industries. As we come to the end of the 20th century this tussle of nation state and arts and cultural sector becomes more heightened as the cultural industry vision or cultural industrialism originally set in motion by Trudeau in the 1970’s, and carried forward by Conservatives under Brian Mulroney and the Liberals under Jean Chrétien Liberals.

It would come as a surprise to many that the blunt force of neoliberal globalization would come to fruition under the Chrétien’s Liberal years, working under the new cultural monolith, the Department of Canadian Heritage (DCH) formed in 1993. The Liberals 1993 election platform promised to maintain the social fabric, but as is so often the case in the arts and cultural sector, when in power the gloves often come off, “the 1995 federal budget marked a fundamental shift in the role of the federal state in Canada. This was the point at which the erosion of social programs ended and demolition began” (McBride, 2001b p.90). From an arts and cultural perspective we have seen the impact of these transitions through the 1995 Canada Council review that resulted in dramatic staff reductions. Similarly the 1993 and 1997 Liberal Red Books that both praised artists and the cultural sector but which ultimately didn’t deliver.

This is an important moment in Canadian arts policy. Why? Because the end of the 20th and the beginning the 21st century also marks the culmination around questions of the role of the professional arts sector. If we return to McBride’s Figure 1.1 on neoliberal globalization and replace the nation-state with cultural and creative industries – then the push or pull model is understandable. The problem is when you place the ‘not for profit’ subsidized professional arts sector in the place of the nation-state then the rhetoric and the reality clash.
The conflict of rhetoric and reality comes into its own as we move into the 21st century. The divide provides the foundation for this dissertation’s conclusion and the recommendations for a redrawing of the federal arts funding map.

4.7.1. 2000 Canada's Large Performing Arts Organizations: Improving Conditions For Their Vitality And Sustainability

In April 2000, the board of the Canada Council initiated a longitudinal research study to examine the Council’s relationship to Canada’s largest performing arts organizations49 over a thirty-year period. Over the summer and fall of 2000 the working group, using the Council’s historical records stored at the National Archive, examined trends in key financial and activity data for the Big 29 and the Big 17 companies between 1968-1998. The report, although focussed on the largest performing arts companies, also provided insight into the Council’s support at all levels, offering a view of the subsidized performing arts sector at the end of the 20th century, the challenges it faced and most importantly providing a glimpse of what the 21st century held in store for all Canadian arts companies, whatever their size.

The report concentrated on seven issues over the 30 year period 1968-1998 that had impacted or were impacting large arts organizations, and by default, all other Canadian arts organizations that were reliant on public subsidy. Figures 15,16 and 17 capture the arts funding trend at the end of the 20th century.

49 “large performing arts organizations were defined as Council funded companies in dance, theatre, music and opera with annual revenues in excess of $3 million in 1998-99 (the last year of the 30 years which detailed comparable data were available)
Figure 15: Number of professional arts organizations in receipt of Canada Council Funding

(Working Group on Large Performing Arts Organizations, 2001)

Figure 16: Canada Council funding of large companies

Data from: Working Group on Large Performing Arts Organizations, 2001

Figure 17: Institutional Constraints

Data from: Working Group on Large Performing Arts Organizations, 2001
The report carried a number of recommendations. The most significant observation was the following.

As a consequence of the declining value of public sector and Canada Council support and the growing reliance on private sector and box office revenues, the large performing arts organizations are increasingly caught in a Catch-22 relationship with the Canada Council, which wants them to undertake more adventurous programming, present more Canadian content, reach out to new audiences and youth, improve their financial health, and bring down accumulated deficits (all doubtless worthwhile expectations) while its declining contribution to their operation makes these outcomes less and less realistic. (Working Group on Large Performing Arts Organizations, 2001 p.21)

This statement, combined with the data in Figures 15, 16 and 17, merely confirms the rhetoric versus reality story highlighted throughout this chapter. It was during the meetings of the Working Group on large-scale performing arts organizations that the Federal government announced the Tomorrow Starts Today program.

4.7.2. 2001 – Tomorrow Starts Today

In May 2001 the Liberal government’s Minister of Canadian Heritage, Sheila Copps announced a collection of cultural policy programs, under the banner of the Tomorrow Starts Today initiative, a three hundred million dollar investment in the arts sector over three years. The Tomorrow Starts Today announcement captured the conflicting aspects of cultural policy development: the struggle between professional arts and central authority, the arts as a localized entity servicing local audiences juxtaposed with the steady onslaught of globalization, and the perceived roles of the creative and cultural industries in national promotion on the world stage.

“The Government in Canada is demonstrating, in the most concrete way possible, its support for Canadian arts and culture. We are giving our creative people, we are giving Canadians the tools they need to bring Canadian arts and culture into the 21st century…To foster a diverse, inclusive and enriching society, we need not only the buildings and bridges, and doctors and soldiers, we need also words and images, song and dance, artists and creators…In today’s increasingly borderless world, it’s more important than ever we make sure our children have the opportunity to see reflections of their lives, their
realities, and their stories, when they open a book, switch on the television, buy a CD, or surf the internet…The cultural sector contributes over 22 billion to our Gross Domestic product. It employs over 640,000 Canadians,…I am proud to be a member of a government that recognizes the critical role arts and culture plays in our lives, and in our society. And that realizes that if our own culture is to flourish, it must be cultivated\textsuperscript{50} (Edwardson, 2012 p.261).

This transformative period for professional arts was not just taking place in Canada; it was happening in various forms across the world. One notable example was the UK with the Department of Culture, Media and Sport’s categorization of what constituted a cultural as opposed to a creative industry. A cultural economist stated that “[t]he interesting thing about culture, and its expression, the arts, is that it is nearly always contested and a site of struggle” (J. Snowball, 2008). Snowball’s observation reflects this on-going discussion as to the cultural and creative industries and their place in the creative economy and the role of the professional performing artist. It is necessary to not only recognise this debate, but also to state that, from a professional arts perspective, the continuing lack of definitional clarity surrounding creative/cultural terminology has only added to the confusion.

\textit{Tomorrow Starts Today} epitomizes this conundrum expounding the benefits of the arts and artists to the wellbeing of a modern society, while in the same breath talking of jobs, employment figures and gross domestic product.

\textbf{4.7.3. 2008 - Auditor General’s Audit Report of the Canada Council}

The Auditor General’s office serves parliament and the citizens of Canada by providing in-depth analysis of the government’s programs and activities. The Auditor General is an officer of parliament but with the independent remit to hold the government of the day to account for its, or any of its subsidiaries, use of public funds. 2008 saw the first audit or ‘special examination’ of the Canada Council for the Arts by the Auditor General. Special examinations aim to answer the question: Do the corporation’s systems

\textsuperscript{50} Speaking notes for the Hon. Sheila Copps, Minister of Canadian Heritage.
and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively?

The Auditor General’s introduction outlines the importance of artistic creation, production and dissemination and how the arts help to develop and maintain a free, creative, innovative democracy. The artistic process is particularly important in order to bring a group of citizens with diverse backgrounds and circumstances together (Ricard, 2008). The report reiterated that the Canada Council aims to support artistic excellence: therefore, it must ensure, through its management systems and practices, that it awards financial support to the most deserving artists and arts organizations, and that it does so in a fair, consistent, and objective manner” (Ricard, 2008 p.1). It follows that the concept of deserving artists is linked to those artists that meet the definition of the day for artistic excellence.

I would argue that the Auditor General’s 2008 special examination of the Canada Council played, and will continue to play, a pivotal role in the Canada Council’s future direction. For fifty-one years the council had followed the path laid down by the first directors in the late 1950s. Yes, the parliamentary allocation numbers have changed, but the principle behind the numbers have remained true to form as stated by the Auditor General – “In 2006–07, the Canada Council processed approximately 16,000 grant applications and awarded a total of $152 million to some 6,600 individual artists and arts organizations. The Canada Council has about 200 employees” (Ricard, 2008). Overall the report was favourable saying that the systems and practices examined had no serious deficiencies.

There were areas where the Auditor General suggested the system could be improved. The two areas were the process that approved ‘grants of an exceptional nature’ (Director’s grants), and the rapidly expanding number of grants programs in operation. By 2006/07 the grant programs available had reached one hundred and forty. Why did these two areas attract the attention of the Auditor General and why are they so important for the future operation of the council?
What are “grants of an exceptional nature”? The Canada Council during 2006/07 paid $1.2 million to a limited number of projects that were considered of an ‘exceptional nature’. The Auditor General’s concern regarding these exceptional nature grants was that they did not undergo the peer assessment process that is at the heart of the Council’s operating mandate, which the organization itself describes as a cornerstone of the Council’s funding decisions. The Auditor General reported that there was no policy supporting this exceptional practice, and in addition, the Council at no time made public which grants bypassed peer assessment. In the words of the Auditor General “this puts the reputation for objectivity that the Canada Council for the Arts currently enjoys at risk” (Ricard, 2008).

The awarding of grants of an exceptional nature that bypasses peer assessment raises a number of issues, the most important being undermining the faith enshrined in the peer assessment process as it stands. In my professional capacity as an arts administrator in Canada51, I have participated in a number of peer assessment procedures. On one such occasion a peer group gathered from across the country spent five days evaluating funding applications. The Council’s guidelines are rigorous and each application was assessed and graded by the committee against a number of benchmarks including eligibility, artistic and financial criteria. On the final day each application received a final grade from each committee member. I would argue that it is at this stage the peer assessment committee should have been released and thanked for their service. Instead we were asked to return in an hour. At that time a list of all the applicants had been attached to the wall and a thick black line placed about a quarter of the way down the list. The peer committee were then informed that the line represented the level at which the cash available for the program under assessment ran out. Up until this point the peer jury process had worked very well. That said the next two hours was spent engaged in a form of horse-trading in order to accommodate members of the peer jury who would not sign the form agreeing that they had participated in a fair and free process until

51 Executive Director, Vancouver East Cultural Centre 1996-2006.
companies from their city or province had been placed within the funding zone. To achieve this aim, funding allocations made according to the accepted criteria were shaved from recipients to enable the ‘funding-line’ to fall and so include more companies.

I use this as an example to demonstrate how the system currently in operation is based on the principle of ‘funding the largest number’ of clients and responding to calls for regional representation. Rather than report that following a free and fair process the committee had allocated adequate funding to a limited number of companies representing a percentage of those eligible applicants, the system, had instead worked to inadequately fund a larger number of companies to satisfy the ‘fund as much as possible even if the funding is an inadequate model’.

The Auditor General’s second major criticism was that the Canada Council, at the time of the audit, offered over 140 grant programs to artists and arts organizations, and that the range of programs needed to be examined to determine if it appropriately supports the Canada Council’s strategic directions (Ricard, 2008).

The issues raised by the Auditor General’s special examination highlighted the observations that have appeared regularly throughout this sixty-year analysis of Canada Council activity, i.e. that the funding is not keeping up with either the number of applications or the awards. The result of this will be come clear in the forthcoming Paradigm Shift 2012 section and the Shared Platforms section 2013, which when combined, play an important role in the overall conclusion of this dissertation and its suggestions for a future overhaul of the system.

To end this section I would like to break down two aspects of the Director Grants that were issued during this special examination. Figure 18 shows the exceptional grants broken down by genre.

52 At the Canada Council’s 2015 AGM they announced a new funding model that would reduce the funding programs from 147 to 6. The new model will be introduced in 2017.
Figure 18: Breakdown of Exceptional Grants List 2006-2007

![Bar chart showing departmental breakdown of grants authorized under the Exceptional Nature banner that bypassed the peer assessment process.](chart.png)

Data source – Canada Council following request for 2006/07 list of Director’s Grants/

Figure 19 details the departmental breakdown of grants authorized under the Exceptional Nature banner that bypassed the peer assessment process. In 2006/2007 these grants’ totalled $1,147,000. The recipients of these grants were in many cases existing Canada Council clients including Vancouver Opera, Manitoba Chamber Orchestra, The Harbourfront Centre, The Canadian Centre for Contemporary Art and the National Gallery. Perhaps the most questionable recipient was the National Arts Centre (NAC) given that both the NAC and The Canada Council are equal partners in the federal funding model.

Figure 19 is extraordinary. Why? It shows two national arts organizations, both in receipt of direct parliamentary budget allocations, cross funding without any checks or
balances. The level of funding involved is relatively insignificant; the concern is the appearance it projects, particularly in light of the findings presented in the 2001 Working Group on Large Performing Arts Organizations.

Since the 2008 Auditor General report the Canada Council has reviewed its 147 separate funding programs and issued a media release outlining the introduction of a new system which will fold the old 147 programs into 6 new categories: Explore and Create, Engage and Sustain, Renewing Artistic Practice, Arts Across Canada, and, Creating, Knowing and Sharing Aboriginal Arts. A recent article in the Globe and Mail (June 5th 2015) in trying to define the new funding categories concluded “that Canada has not two but three official languages: English, French and Bureaucrat” (R. Smith, 2015).

The Canada Council’s 2015 announcement of the introduction of a new funding model to be introduced in 2017 followed both the auditor general’s 2008 report and David Walden’s 2012 keynote address that questioned the foundation upon which the Canada Council funding model had been originally constructed.

4.7.4. 2012 Paradigm Shift in the Arts and Cultural Heritage: from Supply to Demand and the Demand to Supply

David A. Walden, Secretary-General, Canadian Commission for UNESCO delivered a keynote address at Heritage Conservation 20/20: Hindsight and Foresight Round Table in Montreal on March 14-16, 2012. In his address he stated:

“It is clear that federal policy sought to develop an environment where distinctly Canadian cultural products could both be created (supply) and be consumed (demand). (Walden, 2012).

He discussed the law of supply and demand being based upon the following four principles: when the supply of a product increases the price decreases; when the supply of a product decreases then the price increases; when the price increases producers are motivated to produce more but the customer tends to buy less, and when the price decreases, consumers are motivated to buy more, but producers tend to provide less. The
theory being that through these principles balance is established and maintained between supply and demand (Walden, 2012).

When the public subsidy of the ‘not for profit’ Canadian arts model is subjected to examination under these economic principles of supply and demand it becomes apparent that a subsidy system based in these principles contains potentially fatal flaws. Figure 20 demonstrates that as the supply of Canadian arts product increases (shown by the rapid increase in number of grants awarded from 134 to 5851) the level of the average financial award to arts organizations in real terms decreases.

**Figure 20:** Number of Grant Awards versus Average Award (current /constant)

![Graph showing the number of grant awards versus average award over time.](image)

The principle that as the supply of a product increases then prices decrease, does not seem to have worked on current ticket prices.

**Demand Side Arguments**

Limits to the demand side argument for arts and heritage centre on the concept of externalities (positive and negative) and public / merit goods. According to Samuelson 1954 the term ‘Public Good’ has two distinguishing characteristics: firstly, non-exclusivity where no one person has exclusive rights to the consumption of a public good, and, secondly, non-rivalry where the consumption of a good by one person does not affect the consumption of another.
Examples of public goods are the air we breathe and national defence: non-rival since consumption by one person does not affect the level of consumption by another, and non-exclusive, since it is impossible to exclude specific persons from the benefits of the good even if they refuse to pay for it (Creigh-Tyte, 2001; J. Snowball, 2008). Are the professional arts a public good? It can be argued that the non-profit arts sector does not fit the concept of public good, artistic performances are exclusive through limited ticketing and variable pricing. A fact demonstrated by a number of studies that demonstrate that arts attendees are often well educated, employed and well paid, (Fullerton, 1991; J. Snowball & Antrobus, 2002; J. D. Snowball, 2005) leading one to ask why would the government offer subsidy to something that displays the characteristics of a ‘private good’? The same argument can be made regarding university education, that, like the arts, it is both ‘rival and excludable’. However the alternative argument is that a university education encompasses the characteristics of a public good in that society is improved or benefits from an educated workforce. The arts also fall within the quasi – public goods category as arguments are presented of positive externalities or merit goods being attached. (Creigh-Tyte, 2001).

There are a number of varying definitions of the term ‘merit good’. The one I use for this study is “goods which some persons believe ought to be available and whose consumption and allocation are felt to be too important to be left to the private market” (Cwi, 1980 p.39). The value of the arts as a ‘merit good’ is used in defence of public funding, that the arts are intrinsically a good thing and the externalities that flow are indirect benefits that cannot be sold or used up. In other words they provide positive externalities in that the benefits spill over to non-purchasers (Baumol and Bowen, 1966, Netzer, 1978).

There are a number of counter arguments to the position that a ‘merit good’ deserves public support. For example the arts are a source of national consciousness. The same can be said that a well built car or smartphone can also be a source of pride, but that does not necessarily demand public subsidy. A similar argument can be used that modern cities can use the arts or cultural activity in order to attract tourists. Again the counter
argument is that tourists attracted to one city would be drawn from attending another city therefore the investment may not necessarily have any net new benefit. The debate continues as to the correct valuation.

The debate surrounding the concept of merit goods is often centred on the concept of an intangible asset or requires a value judgment, as a result the opinions vary. Two prominent proponents are David Throsby who argues that the arts do constitute a merit good and are deserving of public funding (Throsby, 1994) whilst at the other end of the spectrum is the argument that while “the arts may be regarded as a merit good [that] is not enough to justify public funding’ (Fullerton, 1991p.68) in all instances. Turning to the question of supply.

**Supply Side Arguments**

One of the original supply side arguments is that of ‘cost disease’ described as where "the technology of live performance leaves little room for labour saving innovations, since the end product is the labour of the performer” (Baumol, 1966 p.390) resulting in an income gap. So, whilst the labour costs to produce a car may decrease with technological development over time, the labour costs of producing a piece of music will increase due to the fact that there is no ‘productivity offset to rising costs’.

Over the years the validity of the ‘cost disease’ theory has been questioned by a number of academics (Abbing, 2004; Cwi, 1980; Fullerton, 1991; Peacock, 1969). In 1987 Baumol made an important addition to the debate recognising the fact that ‘cost disease’ for the arts exists and that this, by itself, does not guarantee public support. Public funding will only be forthcoming if the members of society feel that the arts in and of themselves are what are termed ‘merit goods’ and that the benefit that flows to society is greater than the monies spent to keep the arts in business. In 1995 Baumol reiterated his position by saying “that without public support the arts will decline, both in quantity and quality” (J. Snowball, 2008 p.17).

The original ‘cost disease’ argument theory revolved around the increasing ‘income gap’ arising from the production of the arts. The arguments laid against the ‘cost
disease’ theory centred around increased revenue potential through merchandising and corporate sponsorship (Throsby, 1994) and the technological developments in manufacturing (Tiongson, 1997) that accompanied cultural industries development resulting in the potential for increased revenues to cover the income gap.

Perhaps the most important adaptation of the ‘cost disease’ theory came from Baumol himself, when, agreeing with some of the arguments from his theory’s detractors said “the new economy brings both the disease and the means that enable society to deal with it. In other words, the ‘cost disease’ is, and yet need not be, a primary concern for funding of the arts” (Baumol, 2006 p.347). The demand side argument of ‘cost disease’ had been at the centre of the cultural value debate and public subsidy for over thirty years. One reason presented for this on-going inconclusive debate is that the cultural economic model during this period has lacked the necessary framework to truly assess the value of culture. A point reiterated recently by the executive director of the Arts and Humanities Research Council in his introduction to the Cultural Value Project Report when he stated that “Now, more than ever, we need rigorous ways of understanding and measuring that elusive thing we call cultural value” (Thompson, 2016 p.4)

**A Canadian Perspective**

The Canadian perspective of this on-going debate has predominantly focussed on the Supply Side. The Massey Commission’s 1951 report highlighted a perceived threat to Canadian identity from the US. The solution presented, was the creation and support of several national institutions to ‘pump prime’ the supply of artistic product in order to develop cultural products that were unable to operate within the principles of economics stated above and so created conditions for a supply side approach to Canadian arts that would persist for almost 50 years (Walden, 2012).

As we have seen, the centre of these institutions was the Canada Council for the Arts whose foundation was to nurture Canadian artistic creation, support its presentation to the public, and to protect the artistic creation from market forces. Thirty years after Massey the 1982 Applebaum-Hébert report stated that in order to thrive the Canada
Council’s annual budget allocation must be augmented “having regard for the Council’s real as distinct from nominal value” (Applebaum & Hébert, 1982 p.56) otherwise there would be serious threat to Canada’s artistic future. The committee reported “In order to flourish, the arts require daring, experimentation and risk”. The committee then referenced the Canada Council’s submission to the committee that stated: “because of several years of budgetary restraints and even cutbacks at the Council, support to new companies, to younger artists, to those inventive spirits on the frontiers of art, is simply not possible unless we rob Peter to sponsor Paul” (Applebaum & Hébert, 1982 p.56).

The Applebaum report also recognized the geographical scope of the ‘supply side’ challenge. Should the Canada Council distribute funds according to the criteria of excellence or geographical location? This geographic supply versus the excellence dilemma is highlighted by the Canada Council’s figures for the period 1973-2000 Dance in Numbers Then and Now. During this period the number of not for profit dance companies increased nearly seventeen fold, from 5 to 83. For the same period the number of performances increased four fold from 565 to 2450. The audience attendance figure went from an estimated 1.2 to 1.4 million. These statistics clearly demonstrate that, although overall audience figures were increasing, the demand was not proportionate to the increasing supply, but more importantly the funds invested were not increasing on a pro rata basis, so the real value of the grants were declining (Figure 20).

David Walden’s thesis is apt: “Canadian supply was not a response to consumer demand, but an artificial creation of content regulators. Taking this argument to its (il)logical conclusion, Canadians were forced to consume inferior Canadian cultural products that were not commercially viable or competitive”. This very troubling assessment of the supply versus demand scenario has resulted in a new focus at the Canada Council that discusses the need to recalibrate the arts agenda from supply to demand (Canada Council for the Arts, 2012).

53 http://canadacouncil.ca/~/media/files/research - en/facts on dance then and now and now what/dance_thennowen.gif
The problem with this scenario is, as we have seen throughout this examination, elements of risk and excellence is not incorporated into the equation. To illustrate let me return to Edythe GoodRidge, who according to her obituary, derided those who still insist on reducing our invention and art to entertainment and souvenir for our amusement and the delight of our visitors. For artists do not amuse or entertain. Artists are engaged in a learned practice. They pose difficult questions. It is difficult to equate these words with demand and supply. A modern, functioning arts subsidy system is more complicated.

4.7.5. 2012 Canadian Conference of the Arts Closes

Another indicator as to the direction of arts policy in the first part of the 21st century, along with the OECD documents below (chapter 5.2) promoting increased tourist activity is the demise of the Canadian Conference of the Arts (CCA). The CCA closed its doors in 2012 after 67 years. Why? The arts advocacy group's federal funding was cut, without enough time to create a new business model. The press release announcing the closure reaffirms the direction federal arts policy was headed:

A year and a half ago, the CCA became aware of the Harper government’s intention to put an end to 47 years of funding. The CCA informed the Department of Canadian Heritage right from the beginning that it embraced the challenge of making the CCA financially autonomous, but that in order to do so, it would require a minimum of two years of transitional funding to implement a new business model. The CCA held a series of nationwide public and private consultations, received unequivocal support for the relevance of its mandate and developed a comprehensive and ambitious 2012–2017 Business Plan. However, in mid-April, the CCA was informed that the government had limited its assistance to six months of funding, clearly an enormous hurdle for the organization to overcome. Despite considerable efforts and early positive results, the Board of Governors of the CCA has come to the conclusion that it is impossible to achieve the objectives of the new business model in less than two years. The Board considers that it would be irresponsible to risk the money generously offered to the CCA so far: it has therefore decided to cease operations immediately and to put the organization in a state of suspension, in the hope that in the not too distant future others will pick up the torch and re-launch this unique instrument for the good of the Canadian cultural sector.\(^\text{54}\)

\(^{54}\) http://ccarts.ca/front-page-slider/the-canadian-conference-of-the-arts-to-close-doors-after-67-years/
4.8. 2013 Shared Platforms

In the introduction to this chapter I referenced the two-day conference at SFU entitled “Where Next”. The conference discussed the structural challenges facing the various municipal, provincial and federal funding agencies cast in the role of providing public support to the not for profit professional arts sector. Essentially the challenge on the table was the fact that there are an increasing number of arts organizations seeking financial support and not enough funds to satisfy the demand, summarised as follows:

Challenges to the current funding model are substantial. We know that the number of organizations receiving operating support from the Canada Council increased by 65% over the past two decades — from roughly 600 organizations to almost 1,000 — while over the same period the Council’s per capita parliamentary appropriation in constant dollars declined by 4% (Marsland, 2013).

There was also reference to the role of the private sector in arts funding. As we have seen over the past sixty years of questions concerning the role of private sector, support is never far from the main agenda when discussing funding the arts.

The shared platforms document, commissioned by the Metcalfe Foundation, and written by Jane Marsland, is an important milestone because it both highlights and provides context to the 21st century Canadian arts policy initiatives. The document recognizes that insufficient funds are part of the problem, but also realistically asks, given the current level of funding, whether the current model is an efficient use of scarce resources.

The funding issues raised in the documents above each in some way touch on this core issue. The Shared Platforms proposal is important because it once again places the artists, not the funding authorities, cultural bureaucrats or government at the sharp end of the problem. The solution proffered by the Shared Platforms document, I argue, is yet

55 Robert Sirman, Director and CEO, Canada Council for the Arts, presentation to Annual Public Meeting on October 16, 2012
another repeat of the discussions that have taken place throughout 1951 – 2014, namely an exercise in artistic cost reduction as opposed to directly confronting the problem facing arts funding policy for the next sixty years. In chapters 6, 7, and 8 of this dissertation I will summarize my findings and propose some recommendations for a new arts funding structure that aims to overcome the many challenges highlighted to this point.

4.9. Conclusion

At the start of this section relating to the operation of the Canada Council as an example of continuous cultural policy over the last sixty years I asked two questions: How has the present financial situation been allowed to occur? Also, what are the cultural policy implications for Canada’s professional arts organizations and artists?

These questions derived from the picture of federal funding of the arts through parliamentary allocation to the Canada Council built up over the period 1957 – 2013.

My examination of independent government commissioned reports, Federal Policy Reviews, Canada Council Annual Reports, Canada Library and Archives material over the period has confirmed the ever-increasing gap between the rhetoric of support to the professional arts sector and the reality of that support on the ground. We see this indisputable gap wherever we have cast the spotlight. Early Canada Council annual reports that clearly stated that it would be tantamount to artistic suicide to try and support all the applicants that were approaching the newly formed council. Yet we have seen an ever-increasing number of applications supported combined with the ever-decreasing level of subsidy to individual organizations and individuals. We have heard it said several times how artistic enterprise through public subsidy is based on a substantial element of risk, and that any arts funding organization must place artistic risk at the core of its operation. Yet government report after government report has only served to highlight that as the funding became more and more restricted the element of risk moves ever further from the centre of the operations. We have heard on many occasions from several
sources over several decades that the largest subsidizers of the arts in Canada have been, are, and will continue to be Canadian artists and arts organizations.

This chapter has demonstrated that the ‘on the ground’ reality of policy emanating from the primary federal long-term continuous policy instrument, the Canada Council for the Arts, has fallen well short of the rhetoric of supporting a healthy, sustainable and vibrant professional arts sector.

Having examined the continuous policy arc from 1957-2014 I will now move from general continuous policy to the specific time restricted policy, the MTEP.
Chapter 5. Short Term cultural policy: The Marquee Tourism Events Program (MTEP) as part of Canada’s Economic Action Plan

On January 27th 2009 the Canadian Government introduced Canada’s Economic Action Plan designed to inject $52 billion into the economy over a two-year period. The economic stimulus was aimed at kick-starting the economy and sustaining an economic recovery. The MTEP was part of the wider Economic Action Plan. The program, managed by Industry Canada was to deliver $100 million over two years (2009/2010) for festivals and events that draw a significant number of tourists (Industry Canada).

The program was relatively insignificant when seen against the entire multi-billion-stimulus program, but when compared to federal arts funding delivered through the Canada Council outlined in chapter 4 we can see the significance of the MTEP in terms of the wider federal landscape. Over two years the MTEP awarded funding to one hundred and seven festivals and events with grants of up to $3 million per year (average award $934,579). Whereas the Canada Council, over the same period, awarded funding to 12,368 artists and arts organizations (average award $23,564).

5.1. The MTEP program

Canadian Heritage funds festivals and arts programs across Canada. These make communities not only richer and more interesting places to live but also more interesting places for tourists to visit. Through Canada’s Economic Action Plan, we delivered the two-year Marquee Tourism Events Program to support world-class programs and experiences. (Federal Tourism Strategy, 2011) 56

56 Canada’s Federal Tourism Strategy 2011 Welcoming the World
Current debate about the role of a professional arts sector, including festivals, is increasingly centred on the instrumental economic impacts of a vibrant arts sector such as increasing cultural tourism. The governments’ primary aim was to economically stimulate the ‘for profit’ tourism industry as part of an overall rebuilding of the Canadian economy that, like other countries, were experiencing economic difficulties. The MTEP provides an opportunity to examine the government’s perception of the professional not for profit arts sector through the implementation of economic cultural policy.

The government’s original thinking was that the number of Marquee Events would include a relatively small number of national events, such as the Canadian grand prix, Calgary Stampede, Carnival de Quebec or the Charlottetown Festival. As the MTEP policy was being formulated the definition of a Marquee Event was expanded to include other events and festivals that could provide positive economic impact for the Canadian tourism industry. The MTEP was both arts policy and economic stimulant policy combined whose stated aim was:

Through targeted short-term support, the MTEP will assist existing organisations that manage marquee tourism events enhance their offerings to deliver world-class programs and experiences. This support will contribute to the long-term growth and viability of Canada’s visitor economy by attracting more tourists from within and outside Canada (Government, 2011).

Whilst recognising the ‘economic stimulus’ framework of the MTEP how should one interpret the above policy statement? On the face of it the statement implies that in order to attract tourists to a cultural event one must ensure that the best artistic offerings, in terms of program and artists, are available, accessible and on display. It is impossible to argue with this assertion in any way. However, the statement also implies that a substantial investment was required in a number of Canadian arts festivals to provide their management teams with the ability to contract and present this artistic talent on Canadian event stages. Given that the MTEP was introduced as a limited ‘two-year’ policy the question arises of what message is being broadcast by the federal government to the thousands of artists and arts workers across Canada. The government will support a limited term arrangement but after that… what next?
The declaration says that the MTEP will contribute to the long-term growth and viability of Canada’s visitor economy. Again one cannot argue with any policy that aims to develop and strengthen the Canadian arts and cultural tourism offerings to either the domestic or international tourism market. The underlying concern however is that, given the above statement, can the professional arts and cultural tourism sectors develop the cultural partnerships required to develop a long term relationship based upon short term stimulus funding designed to allow organizations to “enhance their offerings”.

Surely, the question that any government should be asking is not how to enhance a nations’ artistic offerings on a short term basis but how to enhance the offerings over a sustained period of time in order to benefit both the predominantly ‘not for profit’ arts industry, the wider Canadian public and the commercial orientated ‘for profit’ tourism industry. Considerable academic and industry research has demonstrated how the growth of the tourism industry does not necessarily translate into benefits for the professional arts sector (George et al., 2009; Getz, 2010; Getz, 2008; Quinn, 2005; Quinn, 2006; Quinn, 2010).

The question for the future, as global competition to attract tourists becomes ever more fierce, is what policy measures could be implemented that permit the professional arts and cultural tourism sectors to collaborate for maximum mutual benefit. It can be argued that in order to truly succeed governments must go further than the current policy provided to the cultural tourism sector than just a ‘something to do when you're in the region’ approach. A genuine artistic tourism experience works in reverse, the artistic experience is the primary reason you visit the town or region in the first place. For example, in 2008 I was part of a group that visited Quebec City to see the Robert Lepage presentation ‘The Image Mill’ commissioned to celebrate Quebec City’s 400th anniversary. The “Image Mill” was the primary reason for the visit; the dollars that flowed, from airline, accommodation, meals, gifts etc. were solely due to the arts presentation on offer. Some or all of the party may well go back to Quebec City in future as it was a great city and we had a good time. If we do the fact remains that it was an arts experience itself that drew us to the city and not simply ‘an enhanced offering’.
5.2. The Federal Government’s policy position on Arts and Tourism

The introduction of the MTEP in addition to the positive policy position voiced by the government through both the Federal Tourism Strategy 2011 and the Federal Tourism Strategy Annual Report 2012 suggests that funding would be available to support the rhetoric. For example the Federal Tourism Strategy 2011 stated that:

To remain competitive internationally, we must encourage product development and investment in Canadian tourism assets and products. Canada’s products must keep pace with changing tastes and global competition. Competitor destinations are investing in memorable new attractions and so must we. (Federal Tourism Strategy, 2011 p.20)

The 2011 Tourism Strategy outlines the government’s commitment to the tourism industry stating that in 2008-2009 they invested $530 million in direct support, including $360 million in product development and infrastructure with a further $782 million spent largely on artistic, cultural and sports-related activities that have an indirect impact on tourism. In addition to this on-going support, the government provided economic stimulus to the visitor economy through direct funding for marquee tourism events under the Economic Action Plan through MTEP (Federal Tourism Strategy, 2011). Given these powerful statements of intent over the period 2008-2012 the reader could safely assume that the government was supportive of both sectors, the commercial tourism and not for profit professional arts, through direct and indirect expenditure.

Drawing upon the time restricted nature of the program an examination of festivals that received MTEP funds versus those that did not, may provide added insight into the relationship between the professional arts, tourism, MTEP and operational government funding support. If, as we have seen from both the MTEP program outline and the Tourism Strategy document, confirming the importance of ‘direct’ spending on marquee events to attract tourists and ‘indirect’ spending through Canadian Heritage on festivals, then the question to be asked is – did federal government spending reflect these policy statements?
The then Prime Minister, Stephen Harper, in his foreword to the Federal Tourism Strategy outlined the importance of the industry and how many thousands of Canadians rely on tourism for their jobs and livelihoods (Federal Tourism Strategy, 2011). Once again we are witness to the ‘fragile’ relationship that exists between the professional arts and tourism. Is the professional arts sector an integral part of the tourism industry or an industry in its own right employing thousands in the pursuit of supplying professional arts activity, primarily to the Canadian citizens? Or does the government see the professional arts sector increasingly as a ‘service industry’ whose function, according to increased neoliberal policy rhetoric, is to attract tourists to sustain private ‘for profit’ business of the tourism sector?

The section of the Federal Tourism Strategy that asks Why a Federal Tourism Strategy, then proceeds to answer the question by saying that nearly six hundred thousand Canadian jobs are directly generated by tourism, adding that “the visitor economy drives key service industries, including accommodations, food and beverage, passenger transportation, recreation and entertainment” (Federal Tourism Strategy, 2011 p.9). Once again a dichotomy appears with reference to entertainment and recreation as opposed to the performing or visual arts. The distinction between arts and entertainment is a long running debate. The important point from the perspective of the professional arts and tourism debate is that both arts and entertainment exist as component parts of the subsidized not for profit professional arts sector. Both are equally valuable and should be recognised by government on a number of levels including labour supply, urban infrastructure and planning policy, regional economic impact by servicing the local population or to attract tourists. As the research of cultural economist Anne Markusen, cited earlier in this dissertation, has demonstrated there is still a lively debate over the strategy of targeting arts policy at a regions residents or tourists.

This tenuous policy relationship between the professional arts and tourism is also highlighted in recent OECD reports (OECD, 2008; OECD, 2012) that leave the reader in no doubt as to the changing nature of tourism with increasing discussion of revenue as a percentage of GDP and labour costs. Another report states “businesses can improve their
labour supply by identifying underutilized labour pools such as mature workers, persons with disabilities and new immigrants and implement policies to attract these potential employees” (Canadian Tourism Research Institute, 2012a). It is interesting to note that the OECD equates cultural involvement in the regeneration of run-down areas and rejuvenation of local economies with gentrification and “increasing property values” (OECD, 2008 p.24).

The OECD also clearly delineates between the sectors, identifying the tourism sector as primarily commercial and the arts and cultural sector as having a ‘non profit ethos’, which the report highlights as a barrier to collaboration “because the tourism and cultural sectors often seem to be speaking a different language” (OECD, 2008 p.33).

The Federal Tourism Strategy 2012 build’s upon this schism as it reports that notable events included the anniversary of the War of 1812 and the Pam Am Games 2015. The only mention of arts is as follows: “among the many arts and culture events Canadian Heritage funded in 2012 were the Festival Western de St-Tite, The festival of Sound and Franco Follies de Montreal.” (P.15).

During the period (2009-2013) the federal government was promoting its tourism strategy through both ‘direct’ (MTEP) and ‘indirect’ funding (Canadian Heritage). However, close inspection of what was happening on the ground paints a different picture as shown by funding figures taken from the Product Development and Investment Section of the document: Federal Contributions to Canadian Tourism – A Review of Federal Expenditures for the Fiscal Year 2009 /2010 & 2010/2011:

Tourism products are diverse and include festivals, sporting events, arts centres, museums, unique architecture, heritage sites, parks and botanical gardens. Products must be renewed and created continually so that destinations remain attractive, meet changes in various market segments, give visitors a reason to stay longer, and generate new opportunities for job and wealth creation.57

57 http://www.tourism.gc.ca/eic/site/034.nsf/eng/00370.html
If the tourism products, such as marquee events like film, folk, jazz and theatre festivals need to be renewed and constantly re-imagined in order to keep the event competitive and attractive then one would safely assume that the federal funding would be forthcoming to achieve this policy aim. Figures 21, 22 & 23 examine the federal funding patterns for these festivals and marquee events, whose funding would be delivered in indirect funding through DCH programs like the Arts Presentation Fund, or Cultural Spaces, or direct through the MTEP.

**Figure 21:** Federal Contributions to Canadian Tourism: A Review of Federal Expenditures for Fiscal Year 2009/2010 & 2010/2011 - Industry Canada

![Graph showing federal contributions](http://www.tourism.gc.ca/eic/site/034.nsf/eng/00370.html)

*Arts presentation Fund is the main DCH tool for providing festivals with operating funds i.e. presentation funds as opposed to ‘producing funds’ primarily delivered through Canada Council.*
Figure 22: DCH Tourism Research and Analysis (indirect)

Figure 23: DCH Direct Spending related to Product Development and Investments

Clearly evident in Figures 21, 22, & 23 is that, over the period 2009/2010 and 2010/2011 (during and post MTEP), the government were cutting funding to DCH, which serviced the professional arts presentation sector.

Looking at the DCH and the Canadian Tourism Commission’s (CTC) total spending for this period we see that DCH ‘direct’ funding decreased by 36% from $149.5
million in 2009/10 to $96 million in 2010/11, and ‘indirect’ funding decreased by 33 % from $154.9 million in 2009/10 to $103.9 million in 2010/11, a net loss of $51 million. Whereas the CTC’s overall funding increased by 7.5% from $114.8 million in 2009/10 to $123 million in 2010/11, a net gain of $8.2 million. These figures serve to highlight the fragile and potentially fraught relationship between professional arts and tourism. It seems curious to decrease funding to the DCH programs aimed at supporting the professional arts sector while, at the same time, investing money through the ‘temporary’ MTEP. Further examination of the MTEP may determine whether the program operated as a ‘subterfuge’ to decreased DCH arts funding. Another interesting aspect of the MTEP delivery mechanism being that local government ministers were recruited to make the announcements providing press and photo opportunities.

During the examination of the MTEP with reference to arts organizations across the country it will be interesting to see if this apparent confusion between professional arts and tourism at the federal funding level further reveals itself. It will also provide an opportunity to examine the rhetoric and reality of the government’s arts and cultural policy.

5.2.1.  Freedom of Information Request - The MTEP Economic Impact Studies

An initial scan of the documents produced through my FOI request highlighted the uneven responses in terms of information and data required as part of the funding agreement. Given the MTEP’s clarity of aims, in addition to the economic data demanded by government in return for funding, one could have expected the information requested to have been gathered diligently. This was not to be the case.

5.2.2.  Selection of Case Studies.

Over one hundred and seven festivals and events received MTEP funding. My research is concentrated on the professional arts, as a result the first ‘MTEP cut’ excluded events like rodeo’s, stampedes, agricultural fairs, grey cup football, wine festivals,
international ploughing festival and motor racing. The final list for examination contained the following case studies: Luminato (Toronto Festival of Arts, Culture and Creativity), The Shaw Festival, The Stratford Festival, The Toronto International Film Festival, Vancouver International Film Festival, TD Bank Vancouver International Jazz Festival, TD Bank Ottawa International Jazz Festival, TD Bank Toronto International Jazz Festival, Sask-Tel Saskatchewan International Jazz Festival, Winnipeg Folk Festival and Calgary Folk Festival.

For comparative purposes I have also included two well-established Festivals, the Vancouver and Edmonton Folk Festivals, that had not received MTEP funding.

5.3. Case Studies

5.3.1. The Shaw Festival

The Shaw Festival is a theatre company inspired by the work of Bernard Shaw. Launched in 1962 the Shaw Festival is one of Canada’s leading professional theatre festivals that currently produces Shaw plays as well as other productions. It is a ‘not for profit’ charitable organization producing 10-12 plays per season, presenting approximately 800 performances to an audience of 300,000. The Shaw Festival received $4.74 million in MTEP funds over 2 years.
Figure 24: The Shaw Festival – Total Government Revenue (including MTEP)

<table>
<thead>
<tr>
<th>Year</th>
<th>MTEP Revenue</th>
<th>Total Government Revenue (including MTEP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0</td>
<td>2,011,836</td>
</tr>
<tr>
<td>2009</td>
<td>2,131,860</td>
<td>2,085,818</td>
</tr>
<tr>
<td>2010</td>
<td>2,607,458</td>
<td>4,287,561</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>3,005,680</td>
</tr>
<tr>
<td>2012</td>
<td>2,652,727</td>
<td>2,652,727</td>
</tr>
<tr>
<td>2013</td>
<td>2,405,428</td>
<td>2,405,428</td>
</tr>
</tbody>
</table>

Figure 24 highlights both the immediate and temporary impact that MTEP funding had on the Shaw Festival’s total government revenue. It also illustrates the philosophy behind the MTEP that was based on three guiding principles – that the stimulus should be timely, targeted, and temporary. The funding spikes are clear indicators of the ‘temporary’ nature as public funding falls away in 2011 once the MTEP ended. A question that will figure prominently throughout this and other case study examinations is how the festivals overall funding patterns relate to both the pre and post MTEP period. Did their financial situation improve or decline? Was the increase from 2.01 in 2008 to 2.41 in 2013 the result of the MTEP or other factors? How did different levels of government funding (municipal, provincial and federal) interact pre and post MTEP? And, most importantly, what was the discernible impact on the organization itself from an operational and sustainability standpoint.

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58 Section 1.1 Industry Canada’s Evaluation of the Marquee Tourism Event Program June 2011
5.3.2. **The Shaw Festival 2009 MTEP Application**

The Shaw Festival’s first application was received by Industry Canada on 2nd April 2009. The applicant gives the dates of their season as 1st April - 1st November 2009. In effect, the festival’s 2009/10 season was already on sale prior to the launch of the MTEP. The application stated that previous festival attendance was 228,180 with a total cash-operating budget of $26 million.

The new project on which the Shaw Festival based their application was budgeted at $3,641,338 with $2,597,004 requested from MTEP. The project dates are listed as starting on 20th April 2009 and running until 5th March 2010. This information in and of itself places the operational and logistical rationale of the MTEP under some suspicion. It would be highly unlikely for any Festival to both create a new project, apply for funding, and successfully instigate that program, should funding be forthcoming in the timespan described – a period of less than three weeks.

The applicant talks of the Shaw’s role in the Ontario tourism industry stating “40% of our audience and our members are American” and that “to date (for the 2009 season) we have ticket buyers from 44 states in the US” (p73)

The applicants ‘new project’ talks of the need for a fully integrated marketing campaign that leverages various partners in the region (wine, accommodation and fine dining). Would it not be safe to make the assumption that a Festival, that historically has promoted itself through the fact that a large percentage of its audience are tourists would already be directing its marketing at the potential tourist industry? The application states that the goal of the ‘new’ project is to “increase ticket sales over two years to 306,000 (an increase of 34%)”.

From a professional arts perspective the MTEP application contained no references to either artistic program or artistic development. Key components of the new project strategy are marketing, media and e-commerce aimed at bolstering the visibility, reach and competitiveness of the festival. The application talks of the need to develop
partnerships in the region. Could a festival with over 50 years history whose program in 2008 drew 40% of its audience from the US not already be ‘in partnership’ with the dining, accommodation and wine partnerships in the region?

According to MTEP guidelines funding was to be deployed for activities “which will help existing marquee tourism events deliver enhanced programs and experiences, thereby increasing or sustaining the number of tourists from within and outside Canada”. Is this perhaps, another example of the uncertain relationship between the arts and tourism, as seen through the policy lens of the federal government? What role does the ‘arts’ itself play in delivering enhanced programs and experience? The definition of enhance is to “increase or improve in value, quality, desirability, or attractiveness” or to “intensify, increase, or further improve the quality, value, or extent of”. How does a ‘temporary’ funding stimulus ensure sustainable enhancement?

Information taken from the Shaw Festival website on 23rd June 2014 and compared to the data used in their 2009 MTEP application show that the festival’s 2013 audience levels were lower than those in 2008 telling us that the $4.7 million in MTEP funds neither increased nor sustained total audience attendance.

I draw attention to this detail not to cast a negative shadow over the festival’s management, but instead to ask the question, what, in the eyes of government, is the role of the professional arts sector in tourism development? Is there the expectation that investing in a country’s professional arts sector should result in sustained or increased tourism? Or, as demonstrated in the Shaw Festival’s case - does investment in tourism marketing have little influence on sustained increases in audiences, local or tourist. If that is the case then the question has to be modified to ask: what investment strategies and policies should the Canadian government be implementing in order to provide the

59 http://www.merriam-webster.com/dictionary/enhance
60 Attendance for the 2013 Season: 270,580 - 68% of our audience comes from Canada 31% from the United States 1% from overseas.
maximum potential to create the best possible performing and visual arts that satisfies the local demand and attracts both domestic and international tourists?

Another central feature of the application is that The Shaw Festival talks of Ontario as providing 80% of all tourists. As we have seen from the MTEP guidelines the government was clear in its definition of what constitutes a tourist – “someone from 80km or more, with a further definitional break down of a “domestic” or an “international” tourist. This is important because when examining any economic impact report because to prove rising economic value there must be clear evidence of new tourists visiting the region to attend the festival, as only new non-local customers can be classified delivering economic impact.

Economic impact attributable to a tourism attraction relates only to new money injected into an economy by visitors, media, vendors, exhibitors, volunteers, sponsors, external government entities, or banks and investors from outside the community. Only those visitors who reside outside the jurisdiction and whose primary motivation for visiting is to attend a tourism attraction or who stay longer and spend more time there because of it should be included in an economic impact study (Crompton, 2006 p.70).

This is particularly relevant given the applicants claim that “40% of our audience and our members are American” yet the applicant makes no reference to the fact that Niagara on the Lake sits on the US Border and that a large number of visitors may well be from the US but who live within 80km of the festival. According to the MTEP definitions these visitors could not be classified as tourists. Similarly, many of these US citizens may well regularly attend the Shaw Festival, again rendering them extraneous data for the purpose of the MTEP economic impact criteria. This is important, historically the Shaw Festival has depended on the Americans for a large part of their audience, which illustrates the inflexibility of the MTEP as a policy instrument.

The applicant, while talking of its relation to the region and the benefits the festival brings to the local tourist industry makes no reference to ‘casuals’ or ‘time switchers’ two of the most common misleading inclusions into economic impact studies used to bolster numbers.
Casuals are visitors who were already in the community, attracted by other features, and who elected to go to a particular tourism attraction instead of doing something else. (Crompton, 2006 p.73)

One would have thought it imperative to the overall value of the impact study to reference the fact that The Shaw Festival is situated 27km from Niagara Falls, one of Canada’s and the World’s most famous tourist destinations. In fact Niagara Falls Tourism website promotes the Shaw Festival as one of the many attractions to visit in order to make the most of your visit to the falls.61

Again the question of time switchers and casuals is raised, not to cast negative light on the festival management, but to illustrate that the current funding criteria (for MTEP and other government programs) are designed to offer the applicant with a choice, either provide clear and valuable data, which in this case might result in ‘funding refusal’ or obfuscate and increase the chances of funding success.

The arts sector and government agencies must overcome this hurdle which takes place at every level of funding in order to be in a position to design policy initiatives where ‘clean data’ can be used to assist both the arts and the tourism sector in a positive and sustainable manner.

5.3.3. The Shaw Festival MTEP Application 2010

The Shaw Festival’s 2010 application was similar to their 2009 application, discussing enhanced marketing and customer experience saying that MTEP funding, if forthcoming, would provide upgrades that included improved seating, better lighting, a bar refit and internal upgrades of the St Georges Theatre. Again, there was no reference to the customers’ artistic experience at the festival.

A study of Edinburgh Festival audiences which approached their sample by first determining their cultural tourist category into those for whom their primary consumption

61 http://niagarafallstourism.com
style is cultural, incidental or accidental (Hughes, 2000) concluded that: “despite its strong repeat profile, the second largest segment, serious consumers of international culture, may be that most easily lost to rival festivals. The loyalty demonstrated is likely to be to the experience of excellence in performing arts, rather than to Edinburgh as a stage for arts” (Prentice, 2003 p. 25). The MTEP application design did not require applicants to segment their audience. As a result the Shaw’s MTEP application didn’t touch upon the subject of artistic consumption as an attraction.

The commodification of a festival experience sometimes referred to as ‘festivalization’ can result in “increasing pressure on the festival organizations to view the arts through economic lenses” (Quinn, 2006 p.297). In some instances the commodification process has actually harmed a festival and alienated a section of their loyal audience (Quinn, 2005; Quinn, 2010).

The 1982 Applebaum Hébert report argued that the government should not confuse cultural policy with infrastructure policy “The bricks and mortar are necessary, but they are not the end product, the purpose of it all” and “federal cultural policy must place a new emphasis on encouraging the best use of our concert halls, theatres, cinemas, galleries and airwaves for the presentation to Canadians of the finest works of Canada's own creative artists” (Applebaum & Hébert, 1982 p.6). In this context the Shaw’s MTEP funding application seems to echo many of the aspects of cultural policy that Applebaum warned against – confusing cultural and infrastructure policy. This commodification of the arts, raised in the 1982 through the AHR, is ever present throughout the process of cultural industrialism over the next thirty years and the duplicitous conceptual basis of the creative city/economy policy repertoire. The Conservative government though the MTEP were merely fine tuning the process.

When comparing the festival’s 2009 and 2010 MTEP applications, one point of note arose under the Impact Section where applicant is asked to project audience figures

62 The Galway Festival – Quinn 2006 Problematising Festival Tourism
for the year ahead both ‘with MTEP funding’ and ‘without MTEP funding’. It was very informative to see that the 2009 projections, if the festival were to receive MTEP funding, was a total audience attendance of 278,379. The same section of the 2010 application, written less than eight months later, confirmed that even with the 2009 MTEP funding of $2.1 million the audience figures were 40,000 lower than projected. In addition, the 2010 projections were still lower than the 2007 actual audience figures.

Before moving to examine the economic impact study conducted as a condition of MTEP funding it is worth reviewing the audience projections and actuals contained in the applications. By combining the data contained in the 2009 and 2010 applications we can make an assessment of the program’s success. Figure 25 provides a snapshot of the MTEP in action.

**Figure 25: Shaw Festival MTEP application data. Projected vs. Actual Audience figures**

The 2010 application, through the inclusion of 2009 actual figures, demonstrate that the MTEP’s target audience of domestic and international tourists did not meet expectation. In fact, domestic tourist numbers fell below 2008 levels while international tourist numbers drop to pre 2007 actuals. Given the injection of over $4 million to specifically attract new tourist audiences these figures cast some doubt on the success of
the MTEP. Figure 25 includes data presented in the 2010 application that garnered a further $2.6 million in MTEP funding. The application’s marketing and promotions section began with the line “funding from Industry Canada in 2009 to augment our marketing efforts had a definite beneficial impact upon our sales” (p.87). Given the data supplied one would have to conclude that this might not have been the case.

It is impossible to surmise what discussions took place surrounding these aspects of the application process. But it does seem reasonable to assume that the government would have had a serious debate about the implications contained in the application before awarding over $4 million to the festival. To try and answer this question we can turn to the Economic Impact Study presented as part of MTEP funding agreement between Industry Canada and the Shaw Festival.

5.3.4. Shaw Festival MTEP Economic Impact Study

The MTEP contribution agreement required that organizations must commission and produce an economic impact report based primarily on a visitor survey that must be prepared and, at a minimum, must include the following factors:

<table>
<thead>
<tr>
<th>Q1</th>
<th>Revenues of the supported tourism event and of the previous three years events.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>Total attendance – a profile of overall attendance with a breakdown by origin (local and tourist - domestic beyond 80km and international); and</td>
</tr>
<tr>
<td>Q3</td>
<td>Comparable attendance data for the previous three years where possible.</td>
</tr>
<tr>
<td>Q4</td>
<td>Estimate of what overall attendance would have been in the absence of MTEP funding, broken down by origin (local and tourist - domestic beyond 80km and int.).</td>
</tr>
<tr>
<td>Q5</td>
<td>Percentage of tourists (domestic beyond 80km and international) that would not have come to the host city in the absence of the event. (Time Switchers)</td>
</tr>
<tr>
<td>Q6</td>
<td>Percentage of tourists (domestic beyond 80km and international) whose decision to visit the host city was influenced by the event (Casuals)</td>
</tr>
<tr>
<td>Q7</td>
<td>Duration of stay of tourists with a breakdown by origin (domestic beyond 80km and international).</td>
</tr>
<tr>
<td>Q8</td>
<td>Total tourism related expenditures at the tourism event (admission, food, souvenirs, etc.)</td>
</tr>
<tr>
<td>Q9</td>
<td>Number of people directly employed as a result of the tourism event</td>
</tr>
</tbody>
</table>
An analysis of the Shaw Festival’s economic impact report allowed for a determination as to whether the above eleven questions were answered: Yes / No / Unclear. Figure 26 below shows that the questions the government specifically asked were for the large part left unanswered.

Figure 26: Shaw Festival - Did the EI report provide the specific data requested?

<table>
<thead>
<tr>
<th>Q10</th>
<th>Breakdown of the number of people directly employed as a result of the tourism event (Full Time / Part Time / Seasonal; and Contractors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q11</td>
<td>A breakdown Wages and salaries incurred to manage and hold the tourism event?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q11</th>
<th>Q10</th>
<th>Q9</th>
<th>Q8</th>
<th>Q7</th>
<th>Q6</th>
<th>Q5</th>
<th>Q4</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
It should be noted, that the question that received a ‘Yes’ classification was the one that revolved around audience profile. Whilst the application clearly broke the audience down as per the requested categories (Local, domestic, international) no explanation was offered as to the classification of US citizens, attending the festival but who lived within 80km of the event.

5.3.5. Mischievous Activity:

Using Crompton’s examples of mischievous activity would be another methodology one could employ to assess the veracity of the Shaw Festivals MTEP Economic Impact report.

Table 1: Shaw Festival’s examples of mischievous activity drawn from the Economic Impact report

<table>
<thead>
<tr>
<th>Mischievous procedures</th>
<th>Shaw Festival data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Including local residents;</strong> Expenditures by those who reside in the community do not contribute to an event’s economic impact because these expenditures represent a recycling of money that already existed there. There is no new economic growth, only a transfer of resources between sectors of the local economy.” (70)</td>
<td>1/ Data implies inclusion of local residents. 2/ With US Border this could also include tourists</td>
</tr>
<tr>
<td><strong>Inappropriate aggregation;</strong> When the geographical area of impact is changed, it changes the definition of which participants are visitors and which are locals.” (73)</td>
<td>Questions related to US border</td>
</tr>
<tr>
<td>Inclusion of time-switchers – parents visiting children change the date of their visit to coincide with a particular event, and, Casuals - are visitors who were already in the community, attracted by other features, and who elected to go to a particular tourism attraction instead of doing something else.</td>
<td>No breakdown of Time Switchers and Casuals – implied inclusion – Niagara Falls</td>
</tr>
<tr>
<td><strong>Abuse of multipliers;</strong></td>
<td>Yes – compounding locals and sales multipliers</td>
</tr>
<tr>
<td><strong>Ignoring opportunity costs;</strong> Opportunity costs are the benefits that would be forthcoming if the public resources committed to a tourism project were (1) redirected to other public services or (2) retained by the taxpayer</td>
<td>Unclear, particularly given the close proximity to Niagara Falls.</td>
</tr>
<tr>
<td><strong>Ignoring displacement costs;</strong> “There is some likelihood that visitors from outside a community who are attracted by a major tourism event may displace other visitors who otherwise would have come to the community but do not</td>
<td>No evidence</td>
</tr>
<tr>
<td><strong>Expanding the project scope:</strong></td>
<td>Yes – the overlap with Niagara Falls</td>
</tr>
<tr>
<td><strong>Exaggerating visitation numbers;</strong> and Reasonably accurate measures of economic impact depend on reasonably accurate counts of visitors, because the impact estimates are derived by extrapolating from a sample or from secondary sources to a total visitation count</td>
<td>No breakdown of Time Switchers and Casuals – implied inclusion</td>
</tr>
</tbody>
</table>
Table 1 provides clear indication of mischievous activity particularly in the areas of including time-switchers and casuals who visit Niagara Falls and, when in the area, attend a performance at the Shaw Festival.

5.3.6. Shaw Festival – Canada Revenue Agency Data

The Canada Revenue Agency (CRA) is where Canadian Charities annually register their financial accounts. An examination of the Shaw Festival’s CRA charity listing section enables us to locate the MTEP into the overall context of the Shaw Festival’s day-to-day operation, before, during and post MTEP.

Figure 27: The Shaw Festival Finances 2009-2013 taken from the CRA

![Graph showing Shaw Festival finances](image)

Data Source- Canada Revenue Agency Charities Listings

Figure 27 shows the positive impact MTEP had on total government revenue. When MTEP ends we see a concurrent drop-off in government support. When government funding is broken down by federal, provincial and municipal origin a different picture emerges (figure 28).
Over the period 2008-2013 the federal funding trend line is declining whereas the provincial trend line is increasing acting as a counter balance to declining federal support.

Municipal support remains static throughout the period representing less than 0.07% of the total revenue. The size of the contribution provides an example of a funding pattern where the level of funding authorized doesn’t impact the organization but allows the funding authority to have its logo on the festival’s marketing material.

Figures 27 and 28 are important because although we see a clear upswing in total revenue that coincided with the MTEP’s introduction the real question posed is did MTEP funding simply enable the Festival to spend more in 2010 and 2011 on infrastructure upgrades as the organizations ‘total expenditure’ outstripped ‘total revenue’ before falling back in line in 2012 & 2013?

Another important question would be did the introduction of MTEP have any influence on the erratic provincial government funding patterns over this period? Do government funding authorities work in partnership to support and develop the festival or, as seems to be the case in this instance, as one funding trend line declines another increases acting as a counterbalance so that the fluctuations in provincial funding seems to directly counterbalance the MTEP funding.
It should be noted that given the federal government’s position on the importance of arts festivals to ‘attracting tourists’ as outlined in the federal tourism strategy why would the federal funding trend-line decrease markedly after 2010?

5.4. Canadian Jazz Festivals

Four Canadian Jazz Festivals received MTEP funding: Vancouver, Ottawa, Toronto and Saskatoon. Variables in the funding levels, timing and geographic location of the four separate festivals enables this examination to compare and contrast the impact of MTEP funds.

Figure 29: Canadian Jazz Festivals in receipt of MTEP funds

Figure 29 shows the very varied allocation of funding across individual jazz festivals. Vancouver was the only Jazz Festival that received MTEP funding in both 2009 and 2010. Figure 30 illustrates the overall levels of government funding per festival.
Figure 30: Canadian Jazz Festivals - Total Government Revenue (including MTEP)

Figure 30 highlights the tremendous fluctuation in total government funding allocated to Canadian Jazz Festivals pre, during and post the MTEP period.

Of particular interest is a comparison between the festivals in Vancouver and Saskatchewan and those in Toronto and Ottawa. The impact of MTEP on Vancouver and Saskatoon is clear: an upswing that accompanies MTEP funds followed by a fall back to relatively stable funding in the period 2011-2013. Whereas Toronto and Ottawa show the same fallback after the MTEP funding ended, but was followed by an almost immediate upswing in government funding in 2012-2013, acting almost as a counter-weight to the loss of MTEP funding. We will see what impact these variation have on the organizations overall income and expenditure later.

It is interesting, although impossible at this stage to explain the reasoning behind the actual decisions themselves, and the funding variations. For example why did Vancouver receive two years and the other festivals only one years’ MTEP support? Why did Vancouver show a negative total funding trend line over the period 2008-2013, whereas Ottawa, Toronto and Saskatchewan’s trend lines were positive over the same period? However as we saw in the Shaw Festival case study this could be due to funding
swings or ‘counterbalancing’ between levels of government that manage to keep the overall funding in the positive or negative.

5.4.1. **Canadian Jazz Festivals - MTEP Applications 2009**

Looking at the MTEP through the lens of Canadian Jazz Festivals offers an insight into the current funding model employed by government agencies to support the arts sector, at the same time highlighting the shortcomings of the model itself, where government implements a cultural policy to solve one problem (potential tourism declines) while simultaneously creating other problems such as erratic arts funding patterns.

The policy also reveals the current ‘square peg in a round hole’ syndrome that bears the characteristics of government arts funding within a neoliberal ideology, where an existing, and often successful arts organization reframes or redefines its activities in order to accommodate newly initiated temporary or project based funding program guidelines. As in the case of MTEP, a program whose core aims were not primarily arts but tourism based. The government in their 2011 federal tourism strategy clearly illustrates this when stating: “in addition to this on-going support, Canada’s Economic Action Plan provided economic stimulus to the visitor economy through direct funding for marquee tourism events”. The arts activities are regarded by the federal government as indirect expenditure “an additional $782 million was spent largely on artistic, cultural and sports-related activities that have an indirect impact on tourism” (Federal Tourism Strategy, 2011 p.25).

Canadian Heritage funds festivals and arts programs across Canada. These make communities not only richer and more interesting places to live but also more interesting places for tourists to visit. Through Canada’s Economic Action Plan, we delivered the two-year Marquee Tourism Events Program to support world-class programs and experiences. In its first year, the program funded 60 marquee festivals and events across Canada. In its second year, the program invested in 47 festivals and events, spreading its support to smaller communities. (Federal Tourism Strategy, 2011 p.38)
The MTEP and Canadian Jazz Festivals illustrate some of the pitfalls for the arts, the Canadian taxpayers and the government when such a program is administered. Indeed, the official Industry Canada MTEP evaluation document makes the observation that the program was conceived and implemented “under very tight timeline’s” adding “many year one recipients did not receive notification and confirmation of funding with sufficient time to plan and implement all of their activities as intended. As a result, the potential impact of the program was likely limited in the first year” (MTEP evaluation 2011).

The TD Toronto Jazz Festival’s 2009 application talked of its 25 year history of managing a successful annual event with 500,000 customers and an annual turnover of between $2 and $3 million, all carried out with a full time staff of five, three part time and thirteen contract positions; which represents very impressive operating statistics indeed. But closer inspection reveals the inherent weakness of an ill-conceived, hastily convened and implemented, top down federal program created with a short-term, project based vision and using the not for profit arts sector as a conduit to direct funds primarily as a tourist marketing tool as opposed to sustainable operational arts funding.

Quebec City, when celebrating their 400th anniversary made a substantial investment in Quebec artist Robert Lepage through his creation “The Image Mill”. This was a world acclaimed artistic experience that stood the test of time where the strength of artistic vision has been used year on year to attract tourists to the city. This is in direct opposition to the evidence presented through the MTEP program where the artistic aspect of the investment was often a ‘sidebar’. For example, the Toronto Jazz Festivals’ 2009 application for MTEP funds was to provide three ‘enhancements’ to their festival program. The first enhancement was “the addition of Tony Bennett to the festival” (section 4 of their MTEP application) stating, “Tony Bennett was chosen as a specialty attraction and new artist to the festival because of his broad commercial appeal and newfound appeal to a younger, higher income audience.”
While one could certainly engage in a debate as to the musical importance of the 83 year old Tony Bennett who according to his Wikipedia bio made his debut Jazz Festival appearance in 2009 at the New Orleans Jazz Festival, directly contradicting the information presented in the MTEP application that “Bennett will not be performing in US markets (during this period) where these packages will be marketed”. The application is underpinned by the rationale that “Bennett will attract fans that would not normally attend a jazz festival.”

This presents an interesting dilemma for any artistic director responsible for programming an arts festival or major event. Should they aim to build a sustainable audience in the particular genre that the festival operates, or taking the economic neoliberal perspective defined earlier, should one be of the opinion that it doesn't matter whether Tony Bennett is a Jazz artist or not what is important is whether ‘his name’ will sell tickets. The artistic dilemma is clear. The fact that the application was successful provides an indication of where the government’s priorities lie.

The Tony Bennett question as to artistic content is not the major concern to flow from this MTEP application. Of greater concern is the fact that the festival’s application was received by the Industry Canada on the 8th May 2009. Four weeks earlier, on April 7th 2009, The Globe and Mail reported that tickets for Tony Bennett’s appearance at the Toronto event were now on sale.63 How was it possible to award the Toronto Jazz Festival $266,000 to, in part, support booking a ‘new artist’ when that same artist had already been booked, marketed and put on sale several weeks earlier, reiterating the original point of the value of the MTEP program from an artistic perspective? To adapt an organization’s existing program in order to accommodate a new federal, provincial or municipal funding program simply so that “the peg will fit the hole” is not offering any intrinsic value or guidance to the furtherance of artistic programming that will both support the event and develop a local and domestic and international tourist audience which the MTEP claimed was at its core.

63 http://www.theglobeandmail.com/arts/tony-bennett-to-play-toronto-jazz-fest/article4418938/
The application process also reveals the confusion surrounding the question of audience data. The form asks the applicant to break down their audience numbers by locals (within 80km radius) and domestic or international tourists (outside 80km radius). By, repeating the procedure outlined in the Shaw Festival case study, combining the Toronto Jazz Festival’s 2009 and 2010 application data one can build a picture of past audience numbers, anticipated numbers for 2009 event, anticipated numbers for 2009 event with the proposed MTEP project, and actual numbers for 2009 (taken from the 2010 application). The results in the case of the Toronto Jazz Festival are revealing.

**Figure 31: 2009 Toronto Jazz MTEP application: Projected vs. Actual Audience Figures**

Figure 31 reveals that the Festival’s existing audience for 2006, 2007 and 2008 was 500,000 and that the projected total audience for 2009 was 505,000. However if the MTEP application were successful the projected audience would increase to 506,980.

The interpretation of the MTEP application was therefore based on the logic that, if successful, the festival would translate the applied-for increase of $425,000 into one thousand nine hundred and eighty customers at a per capita cost of $215 per person. In actuality the 2009 final attendance figures were logged at 511,000.
However, as figure 32 shows the 2010 MTEP application, which was eventually rejected, added a new category of actual 2009 attendees. The 2009 audience figures were broken into Actual/Total attendance and Actual (unique) attendees.

As previously stated, economic impact studies relating to tourism focus on the area of ‘new attendees’, as opposed to ‘Casuals’ or ‘Time-Switchers’. The only interpretation that can be assigned to the new data category is that audience attendance in all three categories dropped. If this is the case then the data provided with the 2010 MTEP application calls into question the validity of the 2009 application data lodged in May 2009 for which the festival was awarded $266,475.

**Figure 32:** 2010 Toronto Jazz MTEP application - Projected vs. Actual (Unique) Audience Figures

![Graph showing audience figures](image)

Data taken from MTEP application forms

Triangulating the 2009 and 2010 MTEP applications demonstrate that the ‘proposed’ versus ‘actual’ 2009 figures for the Toronto Jazz Festival once again produce interesting results for total cash revenues (Figure 33) and visitor expenditure (Figure 34.)
Both the above (figures 33 & 34) show the Toronto Festival’s declining totals post MTEP as opposed to increasing revenues and visitor expenditures as expected.

The Vancouver International Jazz Festivals MTEP applications offered further insight into both the program and application procedure. The MTEP documents received under the FOI request included twenty-three pages of ‘redacted’ application form for both 2009 and the 2010. Every answer on the Vancouver Jazz Festival’s application form was
blanked out under the “Section 20(1) Third Party Information Section C information the disclosure of which could reasonably be expected to result in material financial loss or gain to, or could reasonably be expected to prejudice the competitive position of, a third party.” For example even questions such as number of full, part time and volunteers were excluded under section 20(1c).

It is interesting to note that Vancouver’s festival administration felt it necessary to impose section 20 (1C) for material that, as we will see later, is accessible under the Canada Revenue Agency’s charitable listings section.

5.4.2. Canadian Jazz Festivals - MTEP Economic Impact Study

An examination of the MTEP Economic Impact Studies provided by the four jazz festivals again provides valuable insight into the how the economic impact study has been adopted and manipulated by both governments and funding organizations, and most importantly how they have adopted the ‘neo-liberal agenda or ‘instrumental’ as opposed to ‘intrinsic’ value of the arts events themselves.

It would be an easy task to fall into the same mentality as the economic impact reports and regurgitate chart after chart, graphic after graphic for each event. To avoid repetition I propose to offer a précis of the economic impact study and demonstrate its use as the flag bearer for the governments encroaching neoliberal cultural policy script for the 21st Century.

The Vancouver Jazz Festival’s economic impact report extended to nearly three hundred pages of statistics, charts and graphs, that provided, through a survey of 140 questions, (the respondents were told the survey would only take 5 minutes) enormous amounts of information, which included amongst other things, topics such as the respondents beer preference, whether they thought the event was ‘cool’, were married or in a common law relationship, whether one was aware that TD Canada Trust provided music scholarships or whether you were more or less likely to buy the services from a festival sponsor and on and on. However, as we know the purpose of the MTEP
economic impact was to answer, primarily eleven questions set out by the MTEP
guidelines (see page 150 above).

Unfortunately, the three hundred pages of data provided by the Vancouver
festival’s economic impact report were unable to provide answers to nine out of the
eleven questions required. The fact that the Vancouver Jazz report contained an
extraordinary amount of information but was unable, or chose not to provide the
information requested by the government provides a strong indication of the ways that
economic impact studies are currently used by government in the arts funding sector.
Remember, that the Vancouver festival received $1,327,639 in MTEP funding over two
years.

The FOI request to see the 2009 and 2010 EI studies yielded only one study for
the 2009 Vancouver festival. The executive summary contained information about the
methodology and a summation of the results. There were 4845 survey responses, of
which 1936 had to be ‘cleansed’ through “screening for respondents who had previously
completed the survey, abandoned the survey early, or who had multiple, patterned,
frivolous or irrational responses”. Once cleansing had taken place one would naturally
conclude that there would now be 2909 responses included in the data. Survey question 9
asked respondents their place of residence? The response break down was as follows:

Table 2: Question 9 – Vancouver International Jazz Festival Visitor Survey

<table>
<thead>
<tr>
<th>Place of Residence</th>
<th>Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Mainland</td>
<td>(2293) / 85.1%</td>
</tr>
<tr>
<td>Vancouver Island</td>
<td>(58) / 2.2%</td>
</tr>
<tr>
<td>Other British Columbia</td>
<td>(72) / 2.7%</td>
</tr>
<tr>
<td>Other Canada</td>
<td>(72) / 2.7%</td>
</tr>
<tr>
<td>Washington State</td>
<td>(28) / 1.0%</td>
</tr>
<tr>
<td>Oregon</td>
<td>(11) / 0.4%</td>
</tr>
<tr>
<td>California</td>
<td>(20) / 0.7%</td>
</tr>
<tr>
<td>Other United States</td>
<td>(30) / 1.1%</td>
</tr>
<tr>
<td>Outside Canada / US.</td>
<td>(111) / 4.1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2695</td>
</tr>
</tbody>
</table>
Question 19 was in-line with the information requested by the federal government: What distance did you travel from your residence to the Vancouver Jazz Festival? The results were:

Table 3: Question 19 – Vancouver International Jazz Festival Visitor Survey

<table>
<thead>
<tr>
<th>Distance</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50km</td>
<td>38</td>
</tr>
<tr>
<td>50-80km</td>
<td>8</td>
</tr>
<tr>
<td>Over 80 km</td>
<td>25</td>
</tr>
</tbody>
</table>

Of the 71 people that answered question 19 the report stated that 35% came from over 80 km, which is rather confusing. Why? Because Q19 was only “answered by respondents who reside in ‘Other British Columbia’ which seems somewhat illogical - to only include these respondents when the question included people who have travelled less than 50km!

The government was very specific about the data breakdown required: Local (up to 80km) and Tourist (domestic or international) over 80km. Why would the question posed not reflect this fact? One possible reason for the way the question was delivered and the format the data was presented is that the figure 35% sounds and reads much larger than if one just took the number of people 25 as a % of the respondents 2909 i.e. 0.8%, clearly an example of mischievous activity under the category ‘exaggerating visitation numbers’.

The executive summary also contained the following statement: “13% were out of region visitors. 4% made their visit to Vancouver mainly to attend the jazz festival”. Here is another example of mischievous activity as defined by Crompton. The use of the term ‘mainly’ opens the data up to another claim of mischievous activity. By using the term ‘mainly’ there is no way of identifying respondents who came for the festival itself as opposed to a ‘casual visitor’ or a ‘time switcher’, therefore resulting in the studies inability to identify ‘new economic growth’ as opposed to ‘recycled economic growth’ that wasn’t a direct result of the event itself.
The Research Objectives, listed at the front of the (VIJF) economic impact report included: “to fulfill the reporting requirements of TD Canada Trust as required” (festival’s main sponsor) yet made no reference to fulfilling the federal government’s reporting requirements as required by the contribution agreement under the Marquee Tourism Event program. One possible conclusion to be drawn from this is that the TD Banks sponsorship agreement was fulfilled and copies sent to the federal government. It should be noted that one of the government’s stated reasons for implementation of the MTEP was to counter decreased private sector sponsorship.

The Saskatchewan Jazz Festival (SJF) economic impact study offers further evidence of how the EI study is currently being used as an instrument to support the needs of the funding authority as opposed to gathering data which offers insight into the true value, economic or otherwise of the arts festival under observation.

The (SJF) report written by Fast consulting is, on the face of it, an excellent document that aims to provide the reader with a clear picture of events that accompanied the (SJF’s) receipt of nearly $200k in MTEP funding for the 2010 Festival. The reports’ authors provided clarity as to the terms involved in the report and a clear step-by-step account of how they arrived at their calculations. For example their definition of ‘unique visitors’ was: “for the purpose of this study ‘unique visitors are considered to be persons drawn to the (SJF) at least in part or largely upon its own merit, so the economic impact to the area would not be realized without this visit”. This is particularly helpful in highlighting two of the mischievous activities associated with EI reports already mentioned in relation to the Vancouver Festival – Casuals and Time Switchers. The importance of identifying these visitor categories are that if they were already planning to be in the area and simply switched the dates then they would have spent money in the local community anyway and their festival expenditure cannot be classified as ‘new money’ or ‘positive economic impact’. In the words of the (SJF) report’s authors “A local visit, even though it has expenditure associated with it, is not included in the economic impact numbers, as it is assumed that that person has a certain amount of
entertainment dollar which will be spent in any case, regardless of whether or not they attend the event” (Fast Consulting, 2010 p.7).

Perhaps, it would have been helpful if the government had included a similar definition of what constituted a “unique visitors’ to all MTEP funding recipients. Future cultural policy makers should consider including similar explanatory classification.

The (SJF) executive summary clearly outlined both the methodology used in data collection (survey sample of 589) as well as the event (a ten day music festival) and the survey to assess the economic impact of visitor spending. The figures requested for the past three years revenue was provided, as were the attendance records for the past three events.

<table>
<thead>
<tr>
<th>SJF</th>
<th>Total Revenue</th>
<th>Total attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>917,000</td>
<td>55,000</td>
</tr>
<tr>
<td>2008</td>
<td>927,000</td>
<td>57,000</td>
</tr>
<tr>
<td>2009</td>
<td>925,000</td>
<td>60,000</td>
</tr>
</tbody>
</table>

The E.I. report states; “approximately 17% (100) of survey respondents travel to Saskatoon to attend the Jazz Festival. Of these 89% are domestic tourists (from outside 80kms of Saskatoon), and 11% are international tourists/visitors from outside the country”. Once again the language is clear, concise and follows the category guidelines laid down by the MTEP program.

At first glance, given some of the other case study reports viewed, the combination of domestic and international tourist seemed very favourable (10,200). Reflecting upon this figure brought to mind the question of distance dependent upon one’s country or province of origin. I researched the distances between population centres in Saskatchewan and found the following data set.
Figure 35: Saskatchewan Travel Distances

Looking at the Saskatchewan Travel Distances chart (above) there are a limited number of towns listed within 80kms of Saskatoon. Similar to the issue raised in the Shaw report re the 80km rule, might it be possible that in certain areas the 80km rule may be open to some definition as to what constitutes a tourist?

The (SJF) report goes on to state: “The majority of visitors (57%) would not have come to Saskatoon at this time if the jazz festival was not being held”. While the authors were clear in their definition of a “unique visitor”, using the language ‘at this time’ again leaves the data open to misinterpretation. Does ‘at this time’ mean that they would have come at another time i.e. a time switcher?

The Saskatchewan Festivals Economic Impact Assessment is perhaps the most informative section of the document both for the (SJF) and in fact all the Jazz Festivals under examination. The report states:

In typical impact studies, only spending by non-residents, strictly defined as those living more than 80 kilometers from Saskatoon (referred to as “Tourists” for the remainder of this study) can be truly considered incremental. 4,760 Tourists at the Festival generated the following annual economic impacts in Saskatoon.
The report then goes on discuss how the Research unit adopted their input-output model from the Statistics Canada’s 2006 province input-output tables that use 25 industries and 59 commodities. The report then states:

It is assumed throughout this study that Festival attendees, although a significant contribution to the local economy, are not of sufficient scale to affect large structural change. As such, impacts of the event can be added to the existing model and considered incremental” (p17)

This is an important statement because it clearly identifies that the economic impact of a festival or event where the tourist’s numbers are considered so low that they do not significantly impact a city’s or regions overall economic impact outlook. This fact is even more important, when one considers that a purported 17% of the audience was made up of domestic and international tourists.

We see evidence of this in other Jazz Festival EI’s as well. This confusion surrounding audience breakdown as to distance travelled was also repeated in the Ottawa International Jazz Festival (OIJF) Economic Impact report.

### Table 5: Ottawa International Jazz Festival - Audience Estimate – Unique Attendees

<table>
<thead>
<tr>
<th>Distance</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total under 40km</td>
<td>75,362</td>
</tr>
<tr>
<td>Total 40 - 80km</td>
<td>4,192</td>
</tr>
<tr>
<td>Total 80 km and over</td>
<td>11,573</td>
</tr>
<tr>
<td>Total Unique Attendees</td>
<td>91,127</td>
</tr>
</tbody>
</table>

Using the definition of ‘unique attendees’ provided by Fast consulting in the (SJF) study Table 5 again demonstrates the potential for number manipulation to present

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64 All the economic impact studies examined use some variation of the input – output model to estimate economic impact.

65 Incremental - “a slight often barely perceptible augmentation”

http://www.thefreedictionary.com/incremental
inflated numbers to a reader (the government) that may, in turn, want to read inflated numbers as this confirms the success of their policy initiative, in this case MTEP.

This audience confusion grows when the figures are further manipulated and adjusted to reflect Total Visits rather than Total Audience.

Table 6: Ottawa International Jazz Festival (OIJF) Audience Estimate – Total Visits

<table>
<thead>
<tr>
<th>Total under 40km</th>
<th>364,752</th>
<th>(75,362 x 4.8 visits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 40 - 80km</td>
<td>16,767</td>
<td>(4,192 x 4.0 visits)</td>
</tr>
<tr>
<td>Total 80 km and over</td>
<td>28,470</td>
<td>(11,573 x 2.46 visits)</td>
</tr>
<tr>
<td>Total Visits</td>
<td>409,989</td>
<td></td>
</tr>
</tbody>
</table>

From a total audience estimate of 91,000 versus a ‘total visits’ audience estimate of 410,000, the OIJF report goes on to state that when examining the audience categorized as “Exclusive Draw - Including only tourists exclusively drawn to region due to event” the Unique Attendees figures are transformed as follows:

Figure 36: Ottawa Economic Impact Report / MTEP Reporting Attendance Matrix
The importance of Figure 36 being that when one takes into consideration the importance of the SJF reports comments that “Festival attendees, although a significant contribution to the local economy, are not of sufficient scale to affect large structural change” it shines a new light on the Ottawa Report’s figures that only 5364 (from 410,000 visits or 91,127 audience) can be considered unique attendees i.e. Domestic or International tourists from 80km or more distance from the event.

**Corporate Sponsorship**

Another characteristic of the 21st century arts funding policy and practice is the ever-increasing reliance on the corporate sector to provide financial support to the professional arts sector. We saw this in 1986 where the Bovey report advocated for a ‘mixed’ funding model that combined government, business/market and arts groups. Section 4.5.6 Ministerial Briefing Notes 66 in the discussion surrounding the implication of cuts to the Canada Council it was stated, “major companies would be best able to attract the private sector support”.

A major corporate supporter of the arts in Canada at the end of the 20th century was Du Maurier Arts, based in Montreal. Du Maurier Arts was an offshoot of the Imperial Tobacco Company and derived its funding from tobacco profits. Starting in 1985 Du Maurier developed funding partnerships with several jazz festivals across the country, including Toronto, Vancouver, Edmonton and Saskatoon. Between 1981 and 2003 Du Maurier Arts provided over $60 million in arts funding to organizations across the country 67. In 2003 legislation was introduced which banned tobacco sponsorship and advertising which resulted in the closure of Du Maurier Arts.

The MTEP funded Canadian Jazz Festivals all have a close relationship with corporate sponsors in general and the TD Bank in particular. This TD relationship was formed from the ashes of Du Maurier Arts where the festivals combined their efforts and

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66 Library and Archives Canada, Administration RG97-47, box100, file 1000-12, ‘Briefing Notes from the Briefing Book November 1984- August 1985 (DL photo 57 of 274)
approached a single replacement sponsor. The economic impact reports prepared by each of the four festivals include a large number of questions designed to provide data about sponsor recognition. For example: Which do you think is the title or main sponsor? Whether the customers’ opinion of the sponsor has improved? Will you continue to use the services of the sponsor company? Are you likely to recommend the sponsoring companies to family and friends? The fact that the same economic impact studies were used to service both the corporate sponsors and the federal government MTEP point again to evidence of, to use Compton’s words mischievous procedures “that produce large numbers that study sponsors seek to support a predetermined position” (Crompton, 2006).

The recently published Canadian Sponsorship Landscape Study confirmed this fact. The study showed that marketers are spending more money than ever to be associated with things that matter to consumers – including museums, music festivals and Causes. The article went on to say that half of the companies investing in sponsorships are not investing anything to assess whether their investment is paying off (Krashinsky, 2014).

5.4.3.  **Canadian Jazz Festivals - Canada Revenue Agency (CRA) data.**

I will use the Canada Revenue Agency and their Charities Listing data to try and determine what impact, if any, the MTEP had on the long-term operational sustainability of the festivals. Figure 30 (p.156) shows the overall government funding patterns of the four jazz festivals (including MTEP funding). Removing the MTEP funding allows us to get a picture of the regular funding patterns of each event. An examination of each of the festivals government funding vs. total revenue and expenditure patterns may provide an indicator of the success of the MTEP.
Figure 37: Canadian Jazz Festivals - Total Government Revenue (excluding MTEP).

Data: Canada Revenue Agency.

Note: Toronto Total Government Revenue for 2009 is showing a negative because of fluctuations in Provincial funding around when the festival was awarded MTEP funds. (2008 $255,000 / 2009 $64,400 / 2010 $364,000. This fluctuation caused the negative in Figure 37 when the MTEP funding was excluded.

With the MTEP funding removed a clear pattern emerges from the four case studies:

1/ The Vancouver Jazz Festival’s government funding patterns show a government funding decrease of 10% over the period 2008 - 2013. From a ‘not for profit’ planning cycle perspective this scenario would place a number of competing demands on the organization, they must either increase earnings through ticket or merchandise revenue or increased fundraising through sponsorship and donation. If increased revenue is not forthcoming then they will have to engage in cost cutting.

This represents the classic non-profit arts funding dilemma expressed by Baumol and Bowen as “cost disease theory” (Baumol, 1966). The principle is that as artistic labour productivity stays static over time, arts companies require increasing levels of subsidy simply to remain in business as opposed to working in the commercial sectors.
where it is possible to counter any increases in the cost of production with cost efficiency savings or increased production returns. The argument is that the ‘non-profit arts sector is unable to conform to this process of productivity gains/savings. The production costs rise according to increases in the costs of living. In order to counter-balance these increases the main variables open to ‘fill the gap’ is to raise the ticket price. Follow this model and one has ‘cost disease’ where in order to combat increased productivity costs requires increased public subsidy or producing ever smaller and inexpensive artistic offerings. There have been examples of arts companies broadening their revenue base through merchandising or alternative revenue streams. These tend to be national companies with national brand recognition.

The Vancouver Jazz Festival’s funding pattern reveals the potential effect of ‘cost disease’. If the revenues cannot meet the expenditures and the public funding model cannot act as the stop-gap then the only thing that allows flexibility is reducing the service either by the number of acts on the program, or the number of venues. Resulting in the possibility of a steadily declining cycle (smaller program results in smaller ticket revenue results in small sponsorship potential and so on) – counter balanced against increasing revenue through increasingly commercial programming such as Tony Bennett. One can see how ‘cost disease theory’ plays out in the Vancouver Festivals’ financial picture by combining the MTEP, Total Government revenue, Total Revenue and Total expenditure.
Figure 38 offers one variation of the relationship between MTEP and Overall Government funding. When the MTEP ended overall government revenue declined accordingly, falling 58% between 2010 and 2011. Similarly the Total Revenues fell by 25% between 2010 and 2011, and total expenditures fell by 31% over the same period.

We saw clear evidence in the VIJF Economic Impact Report that the data sought through survey was, in the main, to service the corporate sponsors requirements with the large number of corporate centred questions. This is important because as any festival or event enters the territory of ‘cost disease’ it becomes increasingly important and progressively more of a struggle to maintain the corporate brand on board.

A recent article discussed the question of business and sponsorship, saying “in a bid to win consumers hearts, Canadian marketers spent $2.85 billion on sponsorships last year. But half of those companies are not investing anything to find out if their investment is paying off” (Krashinsky, 2014 B.2). The article then discusses possible scenarios as to why commercial sponsorship is under assessed.

However from the perspective of this examination, the impact of negative sponsorship assessment in an era of ever increasing ‘cost disease’ influences such as
increasing costs tied to lower levels of public subsidy, could be devastating for many MTEP recipients.

2/ The Saskatchewan International Jazz Festival offers another variation of the relationship between MTEP and overall government funding. There is a marked difference between Saskatchewan’s overall government revenue and the previous example of Vancouver. The Saskatchewan Festival’s government funding showed a 51% increase over the period 2008 – 2013. (Unlike Vancouver’s which declined by 10% over the corresponding period). The MTEP investment also coincided with an excess of revenue over expenditure providing some financial security from the past (2008) or years to come.

**Figure 39: Saskatchewan International Jazz Festival 2008 – 2013**

As the MTEP program ended there is, again, a noticeable drop in government funding, but the key difference is that in Saskatchewan Festival’s case the government funding levels ‘trend line’ continued to increase, as opposed to Vancouver’s ‘trend line’ which fell. Any cost disease effect being mitigated by the steady increase in government support but more importantly by substantial rises in total revenue.
By once again by combining the MTEP, Total Government revenue, Total Revenue and Total expenditure we see a picture of the period in question. In the Saskatchewan Festival’s case the end of MTEP funding is not reflected by declines in either the total revenue or expenditure figures which have continued to increase, Since 2011 when the program ended SJF’s government funding increased by 26%, total revenue increased by 52% and total expenditure increased by 48%. It could be argued that what is in evidence here is the exact opposite of cost disease theory, an example of a potentially commercially viable ‘for profit’ organization.

It should be stressed these figures do not provide any causality between government funding and the success or failure of a not for profit enterprise. To draw any further conclusions between the variable performances of the two festivals (SJF and VIJF) further in depth investigation would be required to examine issues of causality, for example programming, between the total government revenue and total expenditure and revenue figures. But for our purposes it is interesting to see how the first two of our Jazz case studies offer widely varying results post MTEP.

3/ The Ottawa and Toronto Jazz Festivals offer another variation of the MTEP / Total government revenue relationship, one that exhibits erratic funding patterns, with both events showing ‘post MTEP fall-off’ in government support which then had to be reversed in 2013.

Some comments on these funding patterns are required. Firstly, a not for profit arts organization, like any other non-profit or for profit relies on stable funding patterns, through a combination of subsidy or customer sales, in order to effectively develop and implement sustainable business plans. The patterns demonstrated by the Toronto and Ottawa Jazz Festivals show signs of funding behaviour often brought about by sharp decline or cut which (can) result in the need for ‘emergency funding’, an injection of cash to get over the bad period. In this context, while it cannot be said that the MTEP program caused the problem, it can certainly be said that the neoliberal trend from long-term
sustainable operational public funding to short-term, time-restricted ‘project’ based arts funding like the MTEP may well exacerbate the problem.

**Figure 40: Toronto International Jazz Festival 2008 – 2013**

Data taken from the Canada Revenue Agencies Charities Listing of federal, provincial and municipal funding totals by year

A number of interesting patterns appear in Figure 40. Most notable are the crossover between MTEP and Total Government funding in 2009. There is also the correlation between the steep decline in total revenue and total government funding in 2012 that was reversed in 2013 when Government funding and total revenue increased.

Both of these observations are more fully appreciated and understood with a further breakdown of total government funding by federal, provincial and municipal (see figure 41).
Comparing figures 40 and 41 we can see that, as MTEP funding was received in 2009 provincial funding declined significantly, effectively acting as a counter balance, negating or restricting the festivals ability to add market potential.

When these total government patterns are run against the total revenue (fig 40) we see a correlation between how government support (or the erratic nature of government support) is mirrored in the total revenue trend lines. Figure 41 also shows that the MTEP contribution of $266,475 was not registered as a federal contribution as federal funding never reached the $170k mark over the period. The other question that comes to mind is why would the provincial funding pattern be so erratic?

However the important point being that, based on the evidence, the MTEP had little or no effect on the festivals immediate sustainability. The post MTEP period 2011-2012 saw across the board declines which were recovered with assistance from increased provincial funding.
Looking at the Ottawa pattern we again see that, as with the Saskatchewan, Vancouver and Toronto models, the end of MTEP funding correlated with a decline in overall government funding in 2011 but not a decline in Total Revenue and Expenditure that continued to increase throughout the period 2011-2013. The point of interest is that overall government funding after the initial decline in 2011 then rose by 35% over the period 2012-2013 which again coincided with a growth in Total Revenue.

5.4.4. Conclusion

The data provided by an examination of the Canadian Jazz Festival’s and their relationship with the MTEP program and other government funding offer some interesting funding patterns from which we can draw some general conclusions:

1/ There is a constant need for stable funding or, put another way, these examples demonstrate the impact unstable government funding can cause.
2/ That the short term market driven ‘one off’ MTEP funding had little or no discernable effect on the festivals immediate revenue sustainability.

3/ One of the most important observations flows from Fast Consulting in their report on Saskatchewan Festival’s Economic Impact Assessment that:

In typical impact studies, only spending by non-residents, strictly defined as those living more than 80 kilometers from Saskatoon (referred to as “Tourists” for the remainder of this study) can be truly considered incremental. 4,760 Tourists at the Festival generated the following annual economic impacts in Saskatoon.

The report goes on to state:

It is assumed throughout this study that Festival attendees, although a significant contribution to the local economy, are not of sufficient scale to affect large structural change. As such, impacts of the event can be added to the existing model and considered incremental (p17)68

This important statement that lies at the core of the MTEP because it identifies how the economic impact of a festival or event is nullified where the tourist’s numbers are considered so low that they do not significantly impact a city’s or regions overall economic outlook. However the question of scale is a ‘red herring’ laid down by the government decision to evaluate MTEP based on Tourists and economic impact. To return to the economist John Kay’s point that The only clear meaning of “benefit to the economy” is the contribution an the activity makes to the welfare of ordinary citizen.

4/ We also found clear evidence of Baumol’s cost disease theory as represented in the Vancouver funding patterns which showed government support as static throughout the post MTEP period resulting in declines in overall revenue. Closely related to the cost disease theory was evidence within the EI reports of the overriding need to attract corporate sponsorship. The evidence being that the hundred’s of pages of EI report were often focussed upon the corporate areas of interest as opposed to the required MTEP specifications. In addition, all four festivals carried a corporate prefix, Vancouver,

68 Incremental - “a slight often barely perceptible augmentation”
http://www.thefreedictionary.com/incremental
Ottawa and Toronto with TD Bank and the Saskatoon Festival’s prefix was Sask-Tel. As government funding declines sponsorship can be seen as a core element of the Baumol’s ‘cost disease’ theory. A major concern of corporate sponsorship is its transient nature and past experience has shown trying to replace a ‘named sponsor’ after they have moved on is particularly difficult. The question is what happens when the corporate sector doesn’t step up to fill the void?

This is important because one of the reasons behind MTEP was declining corporate sponsorship. This period included the lead up to the 2010 Olympics when corporate support was being drawn to the games themselves. Added to the fall off in the 2008 financial crisis we can see the impacts on Vancouver’s arts sector. For example one of the reasons cited for the closure of the Playhouse Theatre Company in 2012 in Vancouver was the lack of corporate sector support reason due to the 2010 Olympic Games (City of Vancouver, June 2011).

On the other side the corporate sector are becoming much more selective as to the event they support in terms of size and potential return which is having an impact on the smaller more risky community and professional based performing arts. At the municipal level the extreme of this can be seen in the City of Rome where the current mayor has turned to corporations to sponsor the refurbishment and renovation of some of their historical treasures such as the Coliseum.

One last question is whether the introduction of MTEP had any influence on the erratic government funding patterns we saw in some Jazz Festival examples. This leads to the final question thrown up by this section: that of the need for government funding at all under certain circumstances such as the Saskatchewan Jazz Festival whose government funding (outwith MTEP) held relatively steady throughout the period 2008-2013 yet whose overall revenues increased by nearly a million dollars. By this I mean that the line between not for profit and commercial operation does not necessarily relate to size and scale.
5.5. Canadian Folk Festivals

For my examination of Canadian Folk Festivals I have modified the format previously adopted for jazz festival case studies. The relationship between the MTEP and Canadian Folk Festivals proved to be particularly significant due to the fact that, of the four major folk festivals in English Canada: two, Calgary and Winnipeg received MTEP funding, and two, Vancouver and Edmonton, did not. This provided an opportunity for further data triangulation to examine not only what were the impacts for those in receipt of MTEP support but also allows for a comparison with those festivals that did not receive any MTEP support.

Due to the two-year time limit of the MTEP this allows one to not only look at what happened during the MTEP program years (2009 and 2010), but also permits a look beyond the program to determine any significant long-term impacts.

Figure 43: Canadian Folk Festivals MTEP Revenue

Figure 43 shows the immediate and ‘temporary’ impact MTEP funding had on recipient Folk Festivals. As with the Jazz Festivals above, there is no explanation provided as to why some festivals receive two years MTEP, others one year or no funding whatsoever.
Figure 44: Canadian Folk Festivals Total Government Revenue (including MTEP)

Based on Data provided from the Canada Revenue Agency Charitable Listings

Figure 44 demonstrates the tremendous fluctuation in government funding, during the 2008-2013 funding window, due largely to the MTEP. Of particular interest is a comparison between the Festivals that received MTEP funding (Winnipeg and Calgary) and those that did not (Edmonton and Vancouver).

It should be noted that the time span in Figure 44 included the City of Vancouver’s hosting of the 2010 Winter Olympics and Cultural Olympiad.

5.5.1. The Olympic Factor – Vancouver 2010

From 1912 – 1948 the arts and cultural side of the Olympics took a similar form of competition to their sporting counterparts with artists competing for medals in artistic activity. The modern day Cultural Olympiad was born in 1952 when it was decided that future arts events would take the form of festivals and cultural platforms. The first official Cultural Olympiad took place in Melbourne 1956. The next major development occurred in Barcelona 1992 with the introduction of the three-year Cultural Olympiad with the principal festival coinciding with the Games. Vancouver 2010 followed this model stating that the festival would be held over a three-year period. (Vancouver Organising Committee, 2003: section 17.2)
According to the existing IOC regulations it is compulsory to host a Cultural Olympiad (Olympic Charter 2007, Rule 44: Cultural Program). Yet there are no exact rules as to what constitutes the event. There is also no firm and fast rule as to the source of finance to pay for the Cultural Olympiad. This has resulted in the fact that there has been a large gap between the unbridled enthusiasm of potential host cities to propose activities for the cultural Olympic program at the bid stage and the readiness of the chosen Olympic organizing committee to implement them (Garcia, 2008).

Historically, the arts components of the Olympics have tended to have a marginal position within the event’s general organization. It appears to be the case that arts are a ‘must’ in terms of ‘city imaging’ with a ‘flagship’ festival spectacular, but they get lost as the bid moves rhetoric to reality and often end up getting foreshadowed by the relationship between sport, tourism and economics. Strong local arts programming is at the forefront of any bid but by the time ‘legacies’ comes around often the local programming has got lost within the international spectacle designed to show off a city (Garcia, 2008). A Vancouver example of this ‘bid versus reality’ metamorphosis is the security costs, set at $175 million during the bidding stage, they eventually rose to cost in excess of $1 billion by the time of the event itself.

5.5.2. What Happened in Vancouver?

Vancouver’s bid included a proposed three-year Cultural Olympiad 2008- 2010 that eventually metamorphosed to three-week festivals in 2008 and 2009 and a seven-week festival in 2010.

The ‘Bid’ to ‘Actuality’ changes that took place in the arts had a dramatic impact on Vancouver’s Olympic cultural winners and losers. Vancouver has historically had a number of arts festivals spread throughout the calendar year. Figure 45 highlights three Vancouver festivals – two of these events, The Push International Festival and the Vancouver International Dance Festival, occurred in close proximity to the Cultural
Olympiad dates in January and February, and one, the Vancouver International Children’s Festival that took place in May.

**Figure 45: Vancouver Festival Funding Comparison (including Olympic funding)**

The points of note are firstly; that the festivals occurring in close proximity to the Olympic envelope received funding increases during the Cultural Olympiad years 2008 - 2010 whilst the festival outside the Olympic envelope, the Children’s Festival, did not. The two festivals that had close proximity to the Cultural Olympiad period received sustained Cultural Olympiad funding. PUSH festival received $444,157 over 4 years the VIDF received $156,350 over 3 years whilst the Children’s Festival in May received one funding grant of $7,500 in 2008/09.

Figure 45 illustrates how the Olympic experience can arbitrarily benefit some whilst side-lining others. The second point of note being that all three festivals experienced post Olympic funding declines in 2010-2011. In all cases the funding decline placed them at pre 2008 funding levels exploding the much-touted myth that mega events lead to sustainable funding increases for local arts organizations.

The Vancouver Folk Festival takes place in the summer, so would be categorized according the above outline as an Olympic loser. We will see how the Vancouver Folk
Festival fits into this Olympic picture when we continue our examination of MTEP and Canadian Folk Festivals.

5.5.3. Winnipeg and Calgary

We start by breaking down the total government funding of the two festivals that received MTEP funding:

**Figure 46: Winnipeg Folk Festival – Government Funding Sources 2008-2014**

Based on Data provided by the Canada Revenue Agency Charitable Listings

* Methodological note – the two years of MTEP funding in 2009 and 2010 show up in the organizations CRA filing for 2010 and 2011. This may be attributed to the organizations official year-end and the CRA filing date.

Interpreting this funding picture one can conclude that while Provincial and Municipal funding levels remained relatively static over the period 2008-2014, total federal funding fluctuations coincided with the awards of MTEP funding - $363,256 in 2009 and $389,255 in 2010 (see figure 43).

Perhaps the most important observation that flows from this funding pattern is, not the steep decline in total federal government funds that accompany the end of MTEP, but what happens to federal funds in the years that follow. In 2012 federal funds are
pegged at $160,605. The following year the funding is cut from $160,605 to $135,000 (a fall of 16% from 2012 to 2013) where it remained through 2014.

If one takes the municipal and provincial 2008 figures and then projects the inflationary increase\(^{69}\) for the period 2008-2014 then the 2014 municipal funding would be $117,827 as opposed to the actual of $100,000. Similarly, the provincial funding would be $99,825 as opposed to the actual of $90,000. If one performed the same inflationary calculation for federal funding pre and post MTEP then the 2014 figure represents a loss of $1,373.

In terms of overall inflationary impact the above funding pattern represents an actual funding decrease of $29,025 in only seven years. This pattern reinforces Baumol’s ‘cost disease’ theory described earlier. Not-for-profit arts organizations reliant on public subsidy are, not only unable to counter the inflationary pressures in the community in which they operate, but are also impacted by an absence of inflationary funding practice in government arts funding. The arts organizations therefore must either resort to reduce costs, raise prices, or raise corporate/donor support. All of which would be difficult to fulfil during the period of financial crisis that was the motivating force behind the MTEP program.

In addition, the MTEP was targeted at certain spending categories – booking marquee artists, advertising in media outlets outside an organization’s normal sphere of operation/activity in order to attract domestic and international tourists. It was not acceptable to use MTEP to raise the salaries of, or increase the number of existing staff to counter inflation pressure as this would not fit within the ‘temporary’ nature of the program.

\(^{69}\) http://www.bankofcanada.ca/rates/related/inflation-calculator/
Interpreting this funding picture one can conclude that Calgary Folk Festival’s federal funding fluctuations also coincide with MTEP - $291,375 in 2009 (Figure 43) that appear in the CRA charitable listings for 2010. From the federal perspective funding goes from $131,748 in 2008 to $120,000 in 2012 a 9% decrease. When one inserts the inflation calculation for the period then the decrease is closer to 14% or $18,826.

Secondly, it is interesting to see how the 2009 and 2010 Municipal and Provincial funding patterns each counter balance the other, while one increases the other declines, but the important observation is that over the period 2008-2012 the municipal and provincial funding trend-line increases, albeit in a very uneven manner.

During the MTEP period the federal government’s language is centred around the importance of signature or marquee events to the overall success of the tourist industry attracted to festivals, yet the governments federal funding actions do not follow the ‘policy rhetoric’ in both these examples - the Winnipeg and Calgary Folk Festivals.

At the same time the municipal and provincial reaction follow two very different paths, in the case of Winnipeg these funding configurations are flat-lined, not even keeping up with the inflationary pressure while in the case of Calgary the opposite scenario is in play, federal decline countered by increases from both the Province and the
Municipality. We will see what, if any, these two diverse strategies have on overall revenue patterns later in this section.

The other factor is that, historically, there is evidence in the 1980’s and 1990’s of the practice of ‘downloading’ costs from one higher to lower levels of government. Here we can see this practice in operation as federal funds decline – provincial and municipal governments can and do react differently as is the case of Calgary, that raises funding to counter the federal download whilst Winnipeg flat-lines therefore increasing the risk of ‘cost-disease’.

Using the MTEP funded festivals of (Winnipeg and Calgary) with the non-MTEP funded Vancouver and Edmonton I will now examine what, if any, correlation exists between government funding, revenue patterns and a festivals capacity to fundraise.

**Figure 48: Calgary – Total Revenue, Govt. Funding (incl. MTEP) & Fundraising**

![Figure 48]

Based on data provided by the Canada Revenue Agency Charitable Listings

Figure 48 adds two dimensions to the overall picture: total revenue figures and total fundraising figures provided through the CRA Charities Listings codes. What emerges is a correlation between total revenue and total government funding. Most

---

70 4500 total eligible amount of tax-receipted gifts / 4510 Total amount received from other registered charities / 4530 total other gifts / 4630 total revenue from fundraising / 4650 Other revenue
It would be more difficult, using figure 48, to make an argument that the 2009 MTEP funding ($291k) resulted in a sustained revenue boost driven by the tourist market.

Figure 49: Winnipeg – Total Revenue, Govt. Funding (incl. MTEP) & Fundraising

Figure 49 shows a correlation between Total Revenue and Total Fundraising but again cannot be linked back to the MTEP funding which shows how the 2009 and 2010 cash injections raised government funding before falling back to flat-line from 2012-2014. What will be interesting is to see how the economic impact reports for both the Calgary and Winnipeg Folk Festivals analyze the influence of MTEP. They will also shed light on how the total audience and total revenue numbers are tied together.

71 4500 total eligible amount of tax-receipted gifts / 4510 Total amount received from other registered charities / 4530 total other gifts / 4630 total revenue from fundraising / 4650 Other revenue
5.5.4. **Vancouver and Edmonton**

Neither Vancouver nor Edmonton Folk festivals received any MTEP funding.

**Figure 50:** Vancouver Folk Festival – Government Funding Sources 2008-2013

Interpreting this funding picture, in which the MTEP had no influence, one can see that federal funding did not display the distinct fluctuations that coincided with MTEP funding allocated to both Calgary and Winnipeg. We can also see that municipal support is pretty much flat-lined throughout the 2008-2013 period, with a $5000 decrease in funding over six years.

Of particular interest in this picture is the impact the 2010 Vancouver Olympics had on the provincial and federal funding patterns. One of the major ‘selling points’ of any modern mega-event is the positive legacy provided the local professional arts community, both in terms of national and international profile and financially through increased sales and visibility. Vancouver’s bid was no exception.

The BC Liberals’ 2001 election platform entitled *A New Era for British Columbia* spoke of BC’s ‘new economy’ and contained explicit promises for the province’s professional arts, sector, stating that a BC Liberal government would ‘ensure that music, arts, and physical education curriculums would be fully funded in BC’s public schools.’ It also indicated ‘support for Vancouver’s Olympic bid,’ ‘[increased] funding for British
Columbia’s Arts Council (BCAC)—to promote and support BC arts, music, artists and culture’—and pledged to ‘stimulate tourism.’

However, as 2010 approached and Olympic costs rose, provincial government funding was scaled back in a number of areas, including arts funding. A series of cultural policy decisions enacted by the provincial government, pre and post, the 2010 Olympics created a set of conditions that not only destabilized but also highlighted the political vulnerabilities of BC’s arts community.

Firstly, BC Arts Council (BCAC) funding was reduced by 43 % (from 14 to 8 million). Secondly, the government rejected the recommendation of its own Standing Committee on Finance and Government Services that arts funding be restored to 2008/2009 levels. Thirdly, the government eliminated gaming grants to adult arts programs. Finally, and perhaps most revealing, came the announcement that a new $10 million Arts Legacy Fund, would not be administered by the BCAC, and that the funds would only be distributed to arts groups meeting the needs of Spirit Festivals to be held as a tribute to the 2010 Winter Olympics.

On August 16th 2010 Jane Danzo resigned as chair of the BC Arts Council stating “[i]nstead of restoring the funding to the BCAC, the government announced the establishment of an Arts Legacy Fund, a surprise as much to the board as to the arts community.” In her resignation she said: “In my opinion the work of the BCAC board has not been supported by government on a number of different levels” and “the devastating impact of that decision is now being felt by artists and arts organizations throughout the province as they receive notification of substantial cuts to their core funding (15).”

This period of Olympic turmoil is reflected in Figure 50 showing the provincial funding pattern for the Vancouver Folk Festival. The festival takes place in July each year, as the length of the Cultural Olympiad was scaled back to cover a January / February window, local arts groups whose events did not coincide suffered the double blow – not only were their operational funds curtailed due to overall budget cuts at the
BC Arts Council, they were also excluded from the immediate funds distributed to events surrounding the cultural Olympiad window. This placed some groups under severe financial pressure which may explain why the Folk Festival’s federal funding compensates for the effect of the cut back in provincial funding over the period 2009-2011, acting as a counter balance. (The Vancouver Jazz Festival’s figures also reflect this Olympic wobble with provincial funding dropping in 2009-2010 to $133,900 from $251,845 the previous year).

It is important to note that all of the funding patterns identified demonstrate that the three funding authorities are acting independently. By that I mean that one authorities decrease is often counter-balanced by another’s increase, rather than the three working together to ensure the smoothest funding pattern in order to provide continuity. As saw in the Chapter Four on continuous Canada Council policy, overall funding has increased over sixty years, but when one takes into consideration the increased number of recipients and the below inflationary funding increases over time we have seen a slow erosion of arts subsidy. This situation is exacerbated when one includes Provincial and Municipal funding.

From the provincial perspective the funding went from $146,000 in 2008 to $122,500 in 2013 (with a low of $70,000 in 2011 and a high of $167,000 in 2012)- a 16% decease or $23,500. When one inserts the inflation calculation for the same period the decrease is closer to $33,115.

From the federal perspective the Vancouver Folk Festival’s funding rose from $120,000 in 2008 to $150,543 in 2013. That said, over the Olympic period the funding went from $137k in 2009, $132k in 2010 and $117k in 2011. The funding pattern reflects the exact opposite of the Premiers Olympic promise to raise BC Arts funding and double the tourist rate in BC.
The most interesting figures on display for the Edmonton Folk Festival are the municipal funding trend that displays a pattern that could be identified as ‘positive and principled’ cultural funding policy. The funding 2008-2011 is steady at 130k. In 2012 it looks like the argument was made for increased funding. The argument was accepted funding was increased substantially from $130,000 to $200,000 annually where it then remained until the last published figure in 2014. At the same time the federal funding is static and the provincial funding is somewhat erratic. It would be interesting to see whether funding to other public services (fire, police, education) are prone to this erratic rise and fall which cannot be beneficial to the long term planning process of any organization.

The other important point to note is that in the midst of erratic provincial funding patterns, we again see the emergence of a funding counter weight, in this case the municipal government’s increase to counter the provincial governments funding decrease.

The four Folk Festivals under examination have all demonstrated different funding patterns, with some government funding flat-lined, and others displaying erratic funding swings that seem to counter balance other funding increases and decreases.

That said, there are too many variables at work to allow one to say that total revenue in 2013/2014 is the direct result of 2009/2010 MTEP funding. In fact three out of
four case studies, including both the MTEP funded folk festivals, all demonstrated a
decline in total revenue in 2011 immediately post MTEP.

5.5.5. MTEP Applications by Folk Festivals

My 2013 Freedom of information request returned no MTEP applications for folk
festivals, only Economic Impact Reports discussed below. Another FOI application was
lodged on 25th June 2014, which expressly asked for access to both the Winnipeg and
Calgary Folk Festivals MTEP applications. As of 12th July 2016 no data has been
received.

5.5.6. MTEP Economic Impact Reports

An examination of the MTEP Economic Impact Studies provided by the Calgary
and Winnipeg Folk Festivals again provides the reader with a valuable insight into the
how the economic impact study has been adopted by the neoliberal agenda of ranking the
instrumental as opposed to intrinsic value of the arts events.

It would again be an easy task to fall into the same mentality as the economic
impact reports and regurgitate chart after chart, graphic after graphic for each event. To
avoid repetition I offer a précis of the economic impact studies for these two events.

5.5.7. Calgary Folk Festival MTEP Economic Impact Report 2009

The categorization table (below) clearly shows that the Calgary Folk Festival’s
Economic Impact report failed to fulfil the requirements outlined in the funding
agreement and subsequent Economic Impact Report. When one considers Crompton’s
statement that most economic impact studies are commissioned to legitimize a political
position rather than to search for economic truth it is difficult not to completely ignore
the EI report as an exercise in obscurcation i.e. a continuous “mischievous procedure”.
Table 7: The Calgary Folk Festival EI Report

<table>
<thead>
<tr>
<th>Q</th>
<th>The Calgary Folk Festival 2009 EI Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q 1. Did the EI Report provide comparable revenue data for the event and the previous three years?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 2. Did the EI Report provide a profile of overall attendance with a breakdown by origin (local and tourist – domestic beyond 80km and international)</td>
<td>NO</td>
</tr>
<tr>
<td>Q 3. Did the EI Report provide comparable audience data for the previous three years?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 4. Did the EI Report provide an estimate of what overall attendance would have been in the absence of MTEP funding?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 5. Did the EI Report provide a % of tourists represented as ‘time switchers’?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 6. Did the EI Report provide a % of tourists represented as ‘casuals’?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 7. Did the EI report provide a ‘duration of stay’ of tourists with a breakdown by origin?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 8. Did the EI report total tourism related expenditure at the event (admission, food etc.)?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 9. Did the EI report provide a breakdown of the number of people directly employed as a result of the event?</td>
<td>NO</td>
</tr>
<tr>
<td>Q 10. Did the EI report provide a breakdown of the number of people directly employed by type of employment (FT/PT/Seasonal)</td>
<td>NO</td>
</tr>
<tr>
<td>Q 11. Did the EI report provide a breakdown of the wages and salaries incurred to manage and hold the event?</td>
<td>NO</td>
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</table>

The Calgary Folk Festival’s report was twenty-three pages in length with the conclusions outlined on the last page and a half and contained some clear examples of mischievous activity.

Q.2 - Did the EI report provide a profile of overall attendance with a breakdown by origin (local and tourist – domestic beyond 80km and international).

Festival’s Response: The Folk Music Festival in Calgary attracts large volumes of visitors. From a total of 52,172 attendees, outside of volunteers, Festival staff, Festival guests and working access, a volume of 15,651 “unique visitors” including children attended the festival in 2009. Without children the total is still large 14,349. As noted, not included in these totals per day are volunteers (1,610) guests (1080) and working access (312). When the average number of days is factored in, the total of 52,172-recorded attendees was considered without children, volunteers, festival guests and working access for the lower estimate, but still high at 40,164”. (MTEP economic impact report)
Nowhere in the answer does the festival make any reference to the origin of the audience in terms of local, domestics or international tourist. The festival also makes no reference to the fact that the festival took place over four days and that the recorded 52,172 attendees may have included multi-visits by the same audience over a number of days. The importance of not stating this information would be the potential impact of mischievous activity through ‘abuse of multiplier’ as one visit was subjected to economic multiplier regardless of whether the same person attended four days in total.

Similarly, nowhere in the report was any effort made to identify ‘time switchers’ or ‘casual’s both categories of visitors that, as already seen, can have a major impact of the economic outcomes.

The Calgary Folk Festival’s EI report went on to contain other examples of mischievous activity that circumnavigates the government’s policy intention. These are a few examples of the disconnect between the government’s awarding of millions of dollars in MTEP funding to arts festivals in return for specific data relating to arts and cultural tourism development.

5.5.8. Winnipeg Folk Festival MTEP Economic Impact Report 2009

The 2009 Winnipeg Folk Festival EI report is littered with language that clearly demonstrates that the data sought by the government as part of the MTEP agreement was not provided. For example:

Total paid attendance to the 2009 Winnipeg Folk Festival was 55,000 including residents of Winnipeg: the approximate out-of-city attendance was over 27,000. Among out-of-city visitors who purchased a four-day pass and camped within the campground, it was assumed their average length of stay was five nights. For out of city visitors who purchased four day passes, but stayed in accommodation outside Birds Hill Park it was assumed their average duration of stay was 4 nights”. (MTEP economic impact report)

From this standard of data collection and reporting one can deduce that the conclusions drawn re local, domestic and tourist, time switchers and casuals, and use of multipliers
would provide little assistance in determining the number of tourists in relation to previous years attendance and their economic impact on the 2009 event. Terminology like ‘it is assumed” and “out of city attendance” with no clear accompanying definitional guides do not produce data findings of high reliability. For example the report continues: “in terms of what influence the Winnipeg Folk Festival played on the decision of spectators to visit Winnipeg, it was assumed by the Folk Festival that the event was the primary reason for their visit so %100 of visitor expenditures were credited to the event”. (1643)

The report went into some detail to outline the economic modelling methodology they adopted. However, given the imprecise nature adopted in the body of the text as to what constitutes a “visitor” added to the lack of any tangible evidence to distinguish time switchers and casual it is hard to follow how the gross economic impact was in excess of $25 million, given that we were unable to determine how many attendees came from outside 80km.

In addition wages and salaries were totalled at $7.6 million. Yet nowhere in the EI document was any attempt to provide a breakdown of the number of people directly employed as a result of the event, nor a breakdown of the number of people directly employed by type of employment (Full Time / Part Time /Seasonal).

The EI report leaves the reader with a number of questions left unanswered at to the actual impact the MTEP had on this event.

As promised an examination of the economic impact studies provided by the folk festivals in receipt of MTEP funding provides the reader with a valuable insight into the how the economic impact study has been adopted by the government in order to rank the instrumental as opposed to intrinsic value of the arts festivals and events. More importantly, perhaps is the fact that the reports contain little tangible evidence of the relationship between the professional folk festivals and tourism.
5.6. Canadian Film Festivals (Vancouver and Toronto)

5.6.1. Vancouver International Film Festival (VIFF)

Figure 52: Vancouver International Film Festival – Government Funding Sources 2008-2012

Data taken from the Canada Revenue Agency Charitable Listings

Figure 52 shows the impact MTEP had on the VIFF’s federal funding. The Festival was awarded $467,250 through MTEP. Of particular note is that MTEP funds more than doubled the festivals’ federal funding in 2009. Again, post MTEP, we see federal funding decline to such an extent that the festival’s 2010 federal funding total was $55,505 lower than 2008.

As in other Vancouver case studies we again see the impact of the Vancouver 2010 Olympics. As noted in the Vancouver Jazz Festival example, the BC Liberal Premier, Gordon Campbell’s 2001 election promise to increase BC Arts Council funding fell woefully short of the mark during his tenure as premier due to the unexpected costs increases in Olympic expenditure which had a negative impact on many arts organizations throughout the Province.
From the municipal government perspective the funding level hovered at or about the $50,000 mark over the entire five-year period.

5.6.2. Marquee Tourist Event Program Applications

The Vancouver International Film Festival (VIFF) is of particular interest because the organization lodged two applications for MTEP funding. In 2009 the application for $504,750 was successful and the organization was awarded $467,250. The 2010 application for $546,350 was unsuccessful.

By comparing the actual figures supplied by VIFF in their 2009 and 2010 MTEP applications (Fig 53 & 54) we see that the overall attendance figures dropped from 151,000 in 2006 to 127,112 in 2009, the year the festival received $467,250 in MTEP funding. In 2009, the festival reported a total number of 9,452 domestic and international tourists.

Figure 53: Vancouver International Film Festival 2009 / 2010 MTEP Application

Data Taken from 2009 and 2010 MTEP application Forms
Figure 54: VIFF 2009 / 2010 MTEP Applications showing only actual figures

By breaking down the economic impact report filed by the festival in accordance with their MTEP agreement we can identify some mischievous activity.

Figure 55: VIFF 2009 EI Total Visits

Figure 55 displays the Total Visits data presented by the VIFF. Please note that the festival has sub-divided the 80km and under category. Why? The sub-division has the effect of increasing the visual impact of the tourist category. Figure 56 below takes the same data and presents it in the format requested by the government in the MTEP agreement.
Figure 56: **VIFF 2009 EI Total Visits**

Data Taken from 2009 and 2010 MTEP application Forms

Figure 57 displays the VIFF total visit figures when represented as total attendance, as requested by the MTEP. Again, another transformation appears.

**Figure 57:** **VIFF 2009 EI data showing total attendance as opposed to total visits.**

Data Taken from 2009 and 2010 MTEP application Forms

By using the total attendance figure we see that the level of domestic and international tourist attendance is 850. In the context of the MTEP award of $467,250 this represents a per capita expense of $550 per tourist. This provides us with another glimpse of the mischievous activity that surrounded the MTEP and arts funding through tourism.
More importantly, from the VIFF’s perspective however, is the festivals total revenue and expenditure figures for the period 2008-2012 taking into consideration that their 2010 application to the MTEP was unsuccessful. Perhaps if that decision had been different the festival would not have come out of the period with a deficit, which impacted their operational activity in 2013.
5.6.3. The Toronto International Film Festival (TIFF) – Sept 10\textsuperscript{th} – 19\textsuperscript{th} 2009

The Bell Lightbox is the new home to the Toronto International Film Festival. Officially opened in 2010, the Bell Lightbox is a five story complex in downtown Toronto’s Entertainment District. The new facility includes a three-story public atrium, 5 public cinemas, 2 galleries, 3 learning studios, a centre for students and scholars, a bistro, a restaurant, and lounge. The Bell Lightbox is an example of the practice of ‘Density Bonusing’ through rezoning applications used, in one form or another, in various Canadian cities.

Municipalities can adopt a density bonus scheme to create incentives for developers to provide an amenity, such as affordable housing, in exchange for variations in zoning requirements. Usually a developer is allowed a bonus to build more floor area when they opt to provide an amenity. The benefit of this approach is that the developer receives an increase in density than is not normally
allowed under existing zoning while the municipality receives a desired amenity that furthers public policy goals.72

In Toronto the ‘amenity bonus’ instrument is Section 37 of the Planning Act that allows municipalities to require a community benefit contribution as a condition of a zoning by-law amendment. So in the case of the Bell Lightbox:

Above the TIFF Bell Lightbox space is the Festival Tower, a 42-storey residential building with 381 residential units. As a condition of achieving the building’s 157-metre height, the project’s developer was required to engage in a Section 37 agreement with the City through site’s rezoning process. Through this agreement, the developer was required to build the first five floors of TIFF Bell Lightbox space at a cost of not less than $1.0 million, convey the space to Toronto International Film Festival Inc., pay the City of Toronto $300,000 for the creation of a fund to facilitate the use of the space within the TIFF portion of the building for non-profit cultural or institutional uses, and pay the City $30,000 toward a planning study within the King-Spadina Area. (Millward & Associates Ltd., 2013 p.6).

The application of amenity provision through the practice of ‘density bonus’ is an integral component of the current discussion regarding the provision of professional arts and cultural services and the question of cultural tourism.

Concentrating arts and culture facilities into districts, as has been done in Toronto’s entertainment district surrounding the TIFF Bell Lightbox, allows an area to serve the broader city, and helps fuel tourism (Millward & Associates Ltd., 2013 p.15).

One of the concerns raised through the practice of Density Bonusing was highlighted in 1982 by an internal Canadian government review that made a strong argument not to confuse cultural policy with infrastructure policy. The point being that buildings are necessary, but they are not the end product of effective cultural policy. The federal report went on to say that there should be a new emphasis on encouraging the best use of our concert halls, theatres, cinemas, and galleries for the presentation to Canadians of the finest works of Canada's own artists (Applebaum & Hébert, 1982 p.6).

72 http://wcel.org/density-bonus
The contradiction between the Applebaum-Hébert report’s vision that the arts will best flourish in Canada when our artists are able to present their work to audiences with a fair measure of freedom from social, economic and political constraints and the use of Section 37 of the Planning act are clearly evident:

Section 37 funding offers a relatively small contribution toward the realization of these types of larger regional spaces. An increase in development density, particularly outside of Downtown, is not likely to yield significant benefits to fund an entire arts-focused project (Millward & Associates Ltd., 2013 p.18).

It is important to raise this issue as we look to the relationship between MTEP and Canadian Film Festivals as both the Toronto and Vancouver Festivals were recipients of new film centres facilitated through the practice of ‘density bonus’ amenity provision in the last decade.

When new cultural buildings are developed in this manner the provision of operating subsidies often do not match the construction costs leaving the arts organization with a brand new beautiful building but not the operating funds necessary to maximize its potential use.\textsuperscript{73}

\textsuperscript{73} The cultural landscape is littered with new arts buildings that have quickly got into difficulty due to lack of operating revenue. The Canadian Craft Museum at Cathedral Place in Vancouver, Niemeyer Centre in Avilés, Spain, The Public, West Bromwich, UK. The National Centre for Popular Music, Sheffield\textsuperscript{73} to name a few.
 TIFF received the maximum MTEP amount available for the 2009 festival – $3 million dollars. As with previous case studies we see that the MTEP funding impacted the shape of overall federal funding, which again proved erratic moving from 6.4 million in 2008 to a high of 12.8 million in 2009 (the year of MTEP) to 1.3 million in 2012.

In several case studies we have identified a counter-balancing of funds by various levels of government. This interactive effect across governments could be construed as a form of ‘gaming the system’. If this is the case then any future arts funding program should build into its design an effective mechanism to counter this practice. Further research in this area may be done to determine whether this interactive effect follows political party lines.

5.6.4. Toronto International Film Festival MTEP Economic Impact Report

As with previous MTEP economic impact studies already examined the TIFF report contained many informative aspects of the use of such studies in relation to government funding streams.
Perhaps the most important, from an MTEP perspective, is the economic impact study’s redefining of the term ‘Tourist’ and ‘Local’ by City of Toronto postal codes as opposed to the 80-kilometre rule specified by Industry Canada. As a result, the TIFF study contravenes all MTEP definitional instructions as to what constitutes a local versus domestic tourist. For example, under the adapted rules a visitor to the TIFF festival who resided in Brampton (28km) or Guelph (68km) or Mississauga (24km) would all be classified as tourists effectively increasing the visitor tourist pool whilst decreasing the local pool and so skewing the figures. This situation was exacerbated by the practice outlined in the report where Telephone Follow Up Survey (p10) interviews were conducted with ‘visitors’ or ‘tourists’ who lived within the 80km radius laid down as the dividing line between local and tourist by MTEP. In addition, the section of the report (p.11) that references completion rate of telephone interviews, the authors list interviews as being conducted with Toronto residents and outside Toronto. Once again there is no way of knowing whether people who live less than 80km from the event are being interviewed as a tourist.

Rather than work my way through TIFF’s EI report line by line highlighting the inconsistencies that arose due to the reclassification or confusion between TIFF’s and Industry Canada’s definition of what constitutes a local and a tourist, I should just say that the number of tourists and the economic impact attributed to the event is somewhat questionable. This is most clearly demonstrated by the fact that the reclassification according to downtown Toronto postal codes would mean that if the then Mayor of Toronto, Rob Ford, had attended a TIFF event he would have been classified as a domestic tourist for the purpose of the EI report.

5.7. The Stratford Festival

The Stratford Festival is one of Canada’s foremost arts festivals, founded in 1953, four years before the Canada Council for the Arts came into existence. Based in
Stratford, Ontario the original festival was launched in a large purpose built marquee in a park on the banks of the River Avon.

Currently the festival presents a season of works over a seven-month period from April to October. The festival’s mandate is still primarily to present the works of William Shakespeare but also presents a series of more contemporary drama including musicals.

The Canada Council’s second annual report (1958-1959) stated that a core component of their arts policies was through grants and that it (Canada Council) had:

taken the form of grants designed to stimulate the creation of works of art and to ensure that the work produced is performed, shown or otherwise presented to the public by an organization capable of doing so with distinction (Canada council 2nd annual report 1959 p.20)

In an address delivered on July 19th 1958 to mark the first Vancouver Festival, the Honorable Brooke Claxton, the Canada Council’s chairman for the first three years of its existence, said:

we have the Stratford Festival, which the Governor-General called “an enterprise which began as a local effort with unbelievable ambitions”, and he added “we now see it as a national achievement winning enviable success”…. As Mr. Massey said, Stratford “has given to many Canadians a new and just sense of pride in themselves and in their land. (Canada council 2nd annual report 1959 p.56)

In the 1958-1959 the Stratford Shakespearean Festival was awarded a Canada Council operating grant of $50,000, among the highest awards in the country. This national festival has continued to be at the forefront of federal funding awards. In 2008, coinciding with the festival’s 60th anniversary, the Canada Council awarded $1,6 million.

5.7.1. The Stratford Festival 2009 and 2010 MTEP Applications

The Stratford Festival was one of the few events, and the only festival in our performing arts festival case studies selection, to receive the maximum grant available under MTEP: $6 million dollars over the two year period.
Perhaps the most striking thing about the Stratford Festival’s MTEP applications was that, apart from a brief outline of the Festival’s mandate, they had been completely redacted under the Access to Information Act. While I understand the need to hold back certain information under certain circumstances I was astonished to see that Des McNuff, the festival’s then artistic director’s bio, was withheld under Section (19.(1) on the premise that a personal bio would “contain personal information”. The other sections of the applications; section 4: description of project; section 5: impact of project; section 6: performance; section 7: sustainability and section 8: international marketing plan were all withheld under Section 20 (1) c of the act that refers to the potential material financial loss or gain to the organization. As I have stated on a number of occasions the process of obtaining information for this dissertation has, at times, proved challenging.

5.7.2. The Stratford Festival MTEP Economic Impact Study

What is even more surprising is the fact that there was no Economic Impact Study to accompany the 2009 or 2010 MTEP applications for which the Festival received $6 million dollars in public funding.

5.7.3. The Stratford Festival – MTEP assessment

In order to make an assessment of the MTEP’s $6 million dollar investment in The Stratford Festival we must turn to the Canada Revenue Agencies charity listings section. An examination of these sources enables us to locate the MTEP program into the overall context of the recipient organization’s day-to-day operation, before, during and post MTEP.
Figure 60: The Stratford Festival – Total Revenue (including MTEP) and Expenditure

Data: Canada Revenue Agency and MTEP

Figure 60 provides for a number of observations about the Festival’s operation. Firstly, amongst the case studies under observation, the festival represents the largest budget with total annual revenues fluctuating from $55 million in 2008 the year prior to MTEP to $60 million in 2010 and $56 million in 2013. The lowest point in total revenues was in 2012 with a low of $52 million. This revenue pattern doesn’t fit with previous case studies where total revenue often fell in the immediate post MTEP year of 2011.

Conversely total expenditures fell progressively over the period 2008-2014 from $59 million in 2008 to $54 million in 2013.

One interesting feature of this pattern is that some years were profitable and others weren’t, and at first glance, this profit/deficit relationship does not appear to be linked to government funding levels or the MTEP program (see figure 60). If we translate that data into visual impact the following picture emerges.
Taking this position one step further we can provide a visual comparison of the surplus / deficit cycle.

**Figure 62: Stratford Festival surplus – deficit cycle**

In order to see what is happening to individual sources of government funding over this period and their possible impact upon surplus / deficit situation we once again turn to the Festivals audited financial statements 2008-2013.
Figure 63: Federal, Provincial & Municipal (data source CRA)

![Graph showing Federal, Provincial & Municipal funding over time]

Data Source: The Stratford Festivals audited financial statements

Figure 63 shows non-existent municipal funding, and somewhat erratic federal and provincial funding that counter balance each other during the pre and post MTEP period. Breaking out the MTEP support provides a clearer picture of the influence of MTEP funding on the overall picture.

Figure 64: Federal, Provincial, Municipal and MTEP

![Graph showing Federal, Provincial, Municipal and MTEP funding over time]
If we isolated the MTEP funding from the federal funding picture (Fig. 64) what remains is essentially, a decline in federal funding from $1.8 million in 2008 to $1.3 million in 2013. If we translate this figure into ‘Current’\textsuperscript{74} and ‘Constant’\textsuperscript{75} dollars we see that the festival experienced a double negative over this period, a ‘current’ dollar decline of $500,000, in addition to a ‘constant’ dollar decline of an additional $150,000.

Whilst we cannot deduce the federal government’s motivations from this pattern we can certainly ask the question of whether the MTEP program simply provided some cover to reduce operational funding support for the Festival and other arts clients across the country.

Looking at the Provincial pattern over the same period (Fig. 64) we see that as a direct opposite to the federal government’s position that funding went from $2.1 million in 2008 to $3.7 million in 2013. Translating the Provincial position into Current and Constant dollars we see that the festival experienced a double positive over this period, a current increase of $1.6 million which outweighed both the constant federal decline of $150,000 and the required constant provincial requirement of $174,000 to overcome inflationary pressure.

Once again we cannot deduce the provincial governments motivations from this pattern but we can certainly ask the question of whether this is another example of the federal government downloading costs to their provincial counterparts. The effect being that once the federal MTEP program had run its course the Provincial government had to step in in order to maintain the funding or at least the perception of funding in order to maintain the tourist attractiveness deemed so necessary for the numerous local businesses that rely on the regions tourist activity.

To get a better of understanding of the funding pressures and patterns at play we need to break down both the federal and provincial funding sources over this time frame.

\textsuperscript{74} Current dollars is a term describing income in the year in which the festival receives it.

\textsuperscript{75} Constant dollars are terms describing income after adjustment for inflation
Using the Festival’s annual audited statements we can do this for the period 2008-2012. In 2013 the festival adopted a new, all encompassing category of ‘other’ for any funding out with the Canada Council (federal) and The Ontario Arts Council (Provincial), this re-categorization hinders further comparison.

**Figure 65:** Stratford Festival - Federal funding source comparison 2008-2012

![Federal funding source comparison 2008-2012](chart1)

**Figure 66:** Provincial funding source comparison 2008-2012

![Provincial funding source comparison 2008-2012](chart2)
Figures 65 & 66 demonstrate the federal and provincial funding patterns, but more importantly they show the ever-changing funding constituencies involved in government funding. As federal funds fluctuate then relief is found in the funding under the banner Federal Economic Development Agency which, as is often the case this ‘one off’ project funding does not cover the declining operational funding deficits. In this example the Economic Development funding was specifically to fund a new project – a digital book to advance the area of cultural tourism. We see the same one-off pattern emerge through provincial funding with short-term (2 year) support supplied through the Ontario Tourism Marketing Partnership.

If we take this funding comparison to the next level and compare the surplus/deficit cycle of the festival to government funding input another interesting pattern emerges.

**Figure 67: Stratford Festival Surplus/Deficit Cycle**

Figure 67 demonstrates the relationship between the Stratford Festival’s surplus/deficit cycle and one arm of government funding through the Canada Council of the Arts. As we can see the Canada Council’s influence on the festivals economic strategy is negligible representing less that 1.7% of the festivals overall revenue stream.

76 http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/00771.html
5.7.4. The Stratford Festival – Summary

The Stratford Festivals revenue and expenditure cycles through the period 2008 – 2013, unlike other case studies, was more economically independent from the influence of both MTEP and other levels of government funding.

The conclusions to be drawn are that the economic strength provided by an organization with 60 years of operating history, and with an annual budget operating in the $50-60 million range, provided some level of economic independence from public support.

The question that comes to mind is why would an organization like the Stratford Festival, with an annual turnover of $60 million fall in the same funding envelopes as other case studies examined under the MTEP program. By this I mean that The Stratford Festival’s surplus/deficit cycle doesn’t appear to be as closely tied to government funding as in other case studies. This raises the question as to where the line between public subsidy of the arts and a commercial arts operation falls?

Several years ago, in my capacity as Executive Director of a Vancouver Arts Centre, I sat on a provincial funding peer jury for the BC Arts Council. One applicant file was in a similar economic position as the Stratford Festival in that their day-to-day operation was not reliant on public funds. Upon close examination of the audited accounts it was clear to all at the table that this organization was not in need of an operational grant from the BC arts council. The question therefore was ‘why would we use public funds to support an organization that clearly, at this stage of their development, did not require the funds? The senior arts officer made the observation that it was not so much a question of whether the organization needed the government support but, rather, what was the lowest level of public support that could be offered to ensure that the government’s logo was clearly displayed on the clients marketing material. This is a similar situation to The Stratford Festival where the organizations sustainability is based upon commercial success as opposed to levels of public subsidy.
This is a very different discussion than the one that surrounds the other MTEP recipient case studies. That said this examination of the Stratford Festival data has again not made the link between MTEP funding and increased and sustainable revenue generation through tourism. As we saw in Figure 47 which highlighted the clear difference between the 2012 and 2013 seasons the organization has much more of a hand in their financial destiny than other smaller, less commercially successful organizations.

5.8. The Luminato Festival:

I have left the Luminato Festival to last in this examination of MTEP case studies. I am particularly fortunate to have Toronto’s Luminato Festival as a MTEP case study. Why? Because Luminato, founded in 2007, represents the foremost example of the ‘new hybrid’ of emerging Canadian arts festival where the organization’s ability to attract government funding is heavily influenced by their economic, rather than artistic, potential. This new public funding phenomenon draws together many strands of the changing focus of Canadian arts policy of which the MTEP is an example. In addition the Luminato festival offers a rare opportunity to view the cultural landscape through a wider-angle lens. One that incorporates the MTEP but locates the festival in the on-going debates expounded by wider theories of the creative city, creative class, the role of arts in economic development, the role of artists in modern cultural policy and how it positions with festivalization in the pursuit of cultural tourists.

The rationale for any governments’ decision to fund an arts festival, event or organization is increasingly linked to the potential instrumental economic benefits rather than the intrinsic artistic and community benefits. This trend in the politicization of arts funding decisions present a real threat to the equilibrium of Canada’s professional artistic landscape. Using Toronto’s Luminato Festival and the Marquee Tourism Event Program as examples of this shifting emphasis in arts funding rationale this section will examine various economic and political influences at work on artistic decisions.
Luminato, an annual ten-day celebration of the arts in Toronto, first appeared in 2007, and was conceived as the direct consequence of a ‘perfect storm’ in contemporary arts funding. This ‘perfect storm’ was represented by the following: the deterioration of provincial arts funding resulting from Premier Mike Harris government’s Common Sense Revolution 1995-2002; the publication of Richard Florida’s 2002 book The Rise of the Creative Class; and politicians of the right, left and centre embracing the politically expedient Creative City concept. In addition, the city’s tourism industry that had suffered as a result of the SARS (severe acute respiratory syndrome) outbreak in 2003 was looking for a vehicle to lead its recovery (CBC News 2003)\(^2\). All of the above were factors in a new model of festivalization based upon an artistic programming blend that attracted both public and private finance.

The Luminato Festival has been described as the response of two businessmen to the post-SARS mood that held Toronto in its grip after the public health crisis (Taylor, 2011). The significance of this description being that the new festival was primarily viewed as an urban economic instrument. The festival was devised, promoted and funded by public-private partnership as an opportunity to re-attract the disaffected tourists. This new festival would attract nearly $50 million in investment from the three levels of government between 2007 and 2013 (Canada Revenue Agency, ). Nearly $4 million of the $50 million came through Industry Canada’s Marquee Tourism Events Program (MTEP). In the official announcement of their support for Toronto’s Luminato Festival the federal government stated that the MTEP funding would make it possible to provide the production resources and infrastructure necessary to transform Toronto’s central waterfront to further entice visitors. The government press release went on to discuss how enhanced marketing and promotion efforts would be aimed at drawing out-ofprovince and out-of-country visitors to Ontario and Canada, promoting the region’s rich tourism offerings to a broad new audience (Industry Canada)\(^3\).

There has been a long running debate surrounding the use of public funds to support the arts that has revolved around the question of ‘artistic elitism’ and the argument that public funding of the arts is an exercise designed to maintain the status and
privilege of the few over the many. This argument is often supported through referencing the historical allocation of public funding for opera and ballet, versus support for more popular and accessible entertainment and the necessity to recognize and fund new art genres. The 21st century adaptation of this debate asks whether public funding should primarily be allocated to arts organizations that provide their community with instrumental versus intrinsic benefits, ignoring the fact that an arts event may equally offer both intrinsic and instrumental returns (Rylance, 2012). Luminato provides an operational example of this instrumental vs. intrinsic argument where the case for government financial support rested on the proposed festival’s ability to re-attract cultural tourists as opposed to the argument that the arts are essential elements intrinsic to a high quality of life. The promoters of Luminato tried to cover both bases by arguing that the new festival would provide mass street entertainment and a program of expensive high-end international work for both the locals and cultural tourists. Was the Luminato Festival a new brand of populist event designed by, with and for the people while at the same time catering to the highly sought after cultural tourism elites? Did the new festival have to project this dual image of serving two masters in order to successfully navigate the political process of securing public arts funding in the new 21st century ‘creative city’? In order to answer these questions one must first explore the arguments surrounding the role of the professional arts in relation to the creative class, the creative city and cultural tourism, and then deconstruct Toronto’s 2003 Culture Plan for a Creative City to uncover the connections between this plan and the birth of Luminato in 2007.

5.8.1. The Creative City and The Creative Class

Richard Florida’s 2002 assertion, that creativity was now the most ‘highly prized commodity in our economy’ (Florida, 2002 p.6), marked an important junction for the professional arts sector in Canada. This intersection saw the convergence of two ideologies, globalization and neoliberalism. Cultural neoliberalism is often characterized by increased corporate sponsorship, a diminishing role of public subsidy, and a focus on the economic rather than the artistic return. Furthermore, cultural neoliberalism
represents a shift from the ‘Keynesian’ rationale for cultural policy of art for everyone towards economic goals of urban competitiveness and regeneration (McGuigan, 2005). Two important characteristics of the Keynesian cultural policy framework are, firstly, that government funding is provided for the creation and presentation of non-commercial professional arts. Secondly, that the financing of artistic creation is an essential item managed under the ‘arms length’ funding principle. The agency authorized to deliver ‘arms length’ funding is both autonomous and answerable to the treasury for its financial management but not to a political master for the artistic content. With increased emphasis placed upon the marketplace a funding agency’s decision to fund artistic style and content becomes more politically influenced.

Richard Florida’s thesis advocating economic development based on the knowledge economy has become one of the most popular and influential policy outlines adopted by municipal, provincial and federal governments throughout Canada. However, it also represents one of the most debated economic development and cultural policy strategies of our time. I would again argue that unsuspecting accomplices in this policy initiative were the ‘not for profit’ artists, arts organizations and urban arts festivals reliant upon public funding for their existence. These ‘not for profit’ organizations have not fared well under various neoliberal governments that dominated the political landscape of the late 20\textsuperscript{th} century. As a result these arts organizations were particularly susceptible to the new political doctrine of art and creativity, unaware that the new creativity movement and public arts funding were not necessarily bedfellows.

In order to make an assessment of how Florida’s Creative Class theory become so influential amongst policy makers and gauge the impact that implementation had on the equilibrium of local arts and cultural communities we must look more closely at the relationship between economic development and creative class. Why? To determine whether the rhetoric supporting the creative class concept is embedded in corresponding arts policy.
5.8.2. Economic Development and the Creative Class Theory

There is general agreement that creativity is a core component of the Knowledge Economy and is recognized as a principal driver of modern economic growth. From a publicly funded arts perspective this debate as to the relationship between creativity and urban economic growth is important because festivals play a central role in the creative class economic policy argument. The question at the core of the debate is simple: do people follow jobs or do jobs follow people? (Leslie & Rantisi, 2012) Richard Florida’s creative class theory is founded upon the principle that jobs follow people. A city or urban centre that can attract creative human capital will be more successful in diffusing an atmosphere of creativity and innovation that in turn attracts financial investment in the new economy resulting in economic growth. To successfully attract the creative class requires direct political action. Florida argues that the creative class is a finite resource for which cities and regions must compete. Simply stated, the argument is that the creative classes are attracted to cities that have invested in amenities and city facades such as festivals; cultural precincts; arts galleries; museums; stadia; and other examples of Starchitecture. The alternate method is not to attract human capital but rather to develop ‘home grown’ human capital through investment in education and training. Rooted in this perspective is the concept that a skilled workforce requires jobs, therefore the responsibility of a government is to create an economic environment that supports employment opportunities through channels such as business start up grants and tax incentives (Leslie & Rantisi, 2012).

Toronto’s Luminato Festival is an example of direct political action deployed to attract the creative class through government investment in an arts festival as an instrument of economic development. The difficulty, as we will see, is that when a city or region already hosts a number of established arts festivals this instrumental political action has the potential to disturb the equilibrium of a city’s or regions artistic landscape.

Looking at the twenty Canadian cities, large and small, listed in Richard Florida’s Canadian Creativity Index it is easy to see which of these two theories prevailed; politicians, public officials, and policy makers across the country have been actively
engaged in investing public resources in municipal amenities to attract the creative class (Moretti, 2012). Toronto, home of Richard Florida and Luminato, was one of the cities that embraced the creative class approach to economic development.

The City of Toronto’s 2003 Culture Plan for a Creative City was heavily influenced by Richard Florida’s work emphasizing the link between cultural amenities and economic competitiveness. Toronto’s culture plan discussed the development of a ‘spectacular cultural corridor’, as part of a $200 million dollar investment in seven cultural amenity projects.

5.8.3. Artists and the Arts: Consumption or Production?

From a professional arts perspective the greatest criticism of Florida’s theory is that policy makers have misinterpreted the role of the arts in the modern city. There are many observers who question whether a city [and by default urban arts festivals] is a commodity or “a place to live, where people can express themselves, even if it is in terms of resistance to, rather than rejoicing in, a dominant culture” (Holcomb, 1999 p.54). By using the professional arts sector as an instrument to achieve non-cultural ends, namely to support festivals whose primary purpose is to attract tourists in the pursuit of economic development, the policy makers have in fact placed the professional arts sector at risk. This misinterpretation confuses artistic consumption with artistic production as the foundation for public funding decisions. Where the principle reason for investing in a new opera house, museum or art-gallery is as a catalyst for economic development rather than investment in the artistic production itself that many believe is the true driving force behind urban growth based on arts and culture (A. C. Pratt, 2008). The point being that a successful arts sector must be nurtured, embraced and supported by a local population as a precursor for growth into the cultural tourism market.

Pratt argues that Florida’s theory, by focusing on consumption and not production, has the effect of simply placing “artists and the arts as merely a bauble to attract the CEO’s and finance” (A. C. Pratt, 2008 p.109). This position supports Olsen’s
2012 research discussed earlier that concluded politicians and cultural planners were more supportive of festivals that exhibited potential economic and tourism indicators than artistic and community-based indicators. The overall effect being that the collective creative voice of local arts community were being influenced by funding decisions based upon economics and tourism.

All of which is closely related to the focus of this section, namely, that by highlighting Toronto’s Luminato Festival and the MTEP as examples of the shifting emphasis in arts funding rationale we can examine the economic and political influences at work on artistic decisions and the impact on the arts community.

5.8.4. Artists’ involvement in formulating Cultural Policy

The 1980’s and 1990’s in Canada saw a downloading of economic responsibilities from federal to provincial and municipal governments that, in turn, placed increased pressure upon the role of artists in the formulation of cultural policy. As municipalities became more involved with economic development the creative city and creative class became the policy implementation mode of choice. One explanation for the widespread adoption of Florida’s ideas by municipal governments was not that they were in any way at the cutting edge of cultural policy. Rather, that they were relatively inexpensive, small ‘one off’ investments in public art and bike paths as opposed to sustained long term investment in public sector requirements such as transportation systems (Peck, 2005). Another incentive to adopt the creative class strategy was the fact that municipal governments are constantly under pressure to upgrade their amenities, the impetus often promoted by the same real estate developers that will profit from amenity development (Harvey, 2005; Low, 2015; Low & Hall, 2011). The long-standing link between politicians, developers, amenities and the potential negative impact on the professional arts and cultural sector was, as previously stated, first raised in the 1982 Federal Cultural Policy Review (Applebaum & Hébert, 1982). Recent research that explored the changing patterns of cultural policy in three Canadian communities concluded that the adoption of the creative city strategy ultimately had a detrimental impact upon local arts.
communities. The reason, artists were increasingly removed from the planning process and replaced by city planners and developers because a successful planning process, where cultural amenities were seen as a catalyst for economic development, became bricks and mortar not arts centric (Paquette, 2008).

Ann Markusen encapsulates this changing focus in cultural policy development and its impact upon the equilibrium of local arts communities when she says:

Currently, large new performing arts facilities tend to receive disproportionate shares of the public dollar because they are well supported by well organized elites who lobby effectively” and “smaller, more diverse cultural organizations, artists ‘live work’ spaces and artists’ centres receive paltry amounts of money in contrast although they are the breeding ground and experimental stages for future artists and make important contributions to their neighbourhoods and the overall diverse character of a city (Markusen & Schrock, 2006 p.1683).

This disproportionate share of the public dollar is clearly evident in the case of Toronto where the 2003 Culture Plan for a Creative City included plans to develop several arts amenities. In addition, business consultant Mr. Pecault and magazine magnate Tony Gagliano touted a new flagship arts festival - Luminato.

5.8.5. The City of Toronto – “Culture Plan for the Creative City”

To assist our understanding of how the idea of a new major arts festival, Luminato, was embraced by Toronto’s political and business community in 2007 it is helpful to place the festival in the context of the Culture Plan. The City of Toronto commissioned the Culture Plan in May 2000. The draft document was released in April 2001 and called for Toronto:

...to use its arts, culture and heritage assets to position itself as a Creative City, a global cultural capital. Council appreciated the growing understanding among economists that in addition to being fundamental to our quality of life, arts, culture and heritage are the vital centre of Toronto’s expanding economy. (City of Toronto) 5
The final Culture Plan document was synonymous with the creative class, the creative city and festivalization to attract the cultural tourist, referencing that it was the quality of a city’s amenities and lifestyle that attracts the talent, technology and tolerance, essential characteristics of the creative class, which then expresses creativity through economic growth.

Toronto’s Culture Plan lays the groundwork for the future Luminato Festival through its assertion that Creative Cities offer their residents a high quality of life: great arts and educational institutions; vibrant street life; ethno-cultural; and intellectual diversity. The rhetoric surrounding the 2003 Culture Plan for a Creative City captured the essence of the debate recommending “increased opportunities for free or low-cost participation in arts and culture programs and events for children, youth, seniors and other underserved populations (p. 42). At the same time endorsing the federal government’s $233 million pledge to support seven major capital projects in downtown Toronto, including a new opera house, ballet school and an expansion to the Royal Conservatory of Music.

The 2003 Culture Plan for a Creative City highlighted the political contradiction that surrounds the neoliberal arts funding discussion saying that Toronto is asset rich and cash poor and admitted that the last twenty years saw a significant decline in cultural investment throughout the city, even going as far as to confirm that the city’s contribution to its major arts institutions was 35% smaller in real dollars than in 1990, even though the economy of the Toronto region grew by about 40 per cent in those 12 years (p. 47). The report concluded that the city must find ways to reinvest in cultural infrastructure and get creative with money. The Plan for the Creative City was adopted by Toronto City Council at its meeting of June 24-26, 2003.

Having examined the general background to this 21st century phenomenon I will now examine the issues in relation to the specific case study.
5.8.6. The Luminato Festival’s 2009 & 2010 MTEP Applications

The federal government’s announcement to support the 2009 Luminato Festival with Marquee Tourism Event Program (MTEP) finance was made on June 5th 2009. The Luminato Festival’s 2009 application to the MTEP described the festival as:

an annual 10 day celebration of theatre, dance, classical and contemporary music, visual arts film, literature and more. Luminato features acclaimed Canadian and world premieres, exciting new works and unexpected collaborations, large scale free celebrations and respected education and community outreach programs which together result in an unforgettable experience (Luminato MTEP application 2009)

Much of the detail contained in the 2003 Culture Plan for a Creative City was woven into the Luminato Festival’s 2009 MTEP application. The festival described its programming benchmarks as collaboration, diversity, and accessibility which dovetailed perfectly with the Ontario Provincial Government report entitled Competing on Creativity: Placing Ontario’s Cities in North American Context, that concluded that arts and culture, ethnic diversity and cultural openness act as magnets to draw high-technology industries and spur economic growth.

In order to fully understand the position of the Luminato Festival in the City of Toronto’s artistic and political landscape we need to examine governments funding relationship with the new arts festival. An examination of the data contained in Luminato’s 2009 and 2010 MTEP applications offered access to the festival’s funding patterns over the organization’s short history. Figure 68 below provides a financial snapshot over the period 2007-2013 and offers invaluable insight into this public/private relationship and particularly the importance of role government finance played.

http://www.urban.org/research/publication/competing-creativity
The importance of Figure 68 cannot be overstated. Considering that the first Luminato festival took place in 2007 it is surprising to discover that in its first two years of operation the festival received a total of nearly $25 million in government funding. In terms of arts policy this places Luminato in the same category as those cultural mega-events that accompany sporting events such as the Olympics or Pan Am Games. Figure 68 does not represent the typical public funding model employed for arts festivals, but more a commercial ‘start up’ with an initial investment based upon expected economic returns that to date, according to the total revenues in Figure 68 have, not materialized.

What do we mean by the typical public funding model? The Canadian public funding model for arts organizations follows the incremental model where organizations apply to arts council, or offices of cultural affairs for public funding which tends to gradually increase over time as organizations prove themselves, artistically, administratively and financially. Luminato offers the complete reverse scenario where there was a substantive government investment from the start, which has then declined over time. The theory is that the high profile start-up investment produces the economic and public profile, which generates increasing returns. This follows the mega-event model where substantial, often multi-million dollar investments are made in cultural festivals that accompany ‘flagship’s like the Olympics. The rationale being that the high
profile event will generate long lasting legacy or instrumental benefits. The principle was clearly demonstrated and debunked in the pre and post Vancouver 2010 Games Reports:

The 2010 Winter Games are expected to heighten international awareness of BC and Canada as a creative and cultural destination. Afterwards, more artists and performers could increase their opportunities for product sales, touring and other commercially related activities thereby increasing the capacity of the arts and culture sector. The Games Effect – 2009 PricewaterhouseCoopers - Framework Report

The record for post-Olympic tourism has been mixed .... Given the mixed success of prior host cities, a positive post-tourism impact will require a coordinated, and immediate effort to leverage the Games. (PricewaterhouseCoopers 2010, Report 6)

Another factor which distinguishes Luminato from other Toronto arts organizations is that this initial multi-million provincial investment emanated directly from the provincial government and not through an arms length funding mechanism traditionally employed to distribute public funds, again placing Luminato firmly in the mega-event category. The significance of this is that the provincial government, by their direct intervention, delivered a message to both the private sector in the form of an official seal of approval to assist the festival’s corporate sponsorship campaign, and a signal to other levels of government funding signifying a political seal of approval.

This seal of approval demonstrates how this trend in the politicization of arts funding decisions present a real threat to the equilibrium of Canada’s professional artistic landscapes. While the majority of Toronto arts groups’ applied through arms length, peer assessed, independent funding mechanisms for government support, Luminato bypassed the system and was allocated substantial funds direct. The significance being in the political message that artistic activity related to positive economic impact through tourism is fast-tracked with potential higher-reward through the political funding system as opposed to artistic activity through the standard ‘arms length’ system, a position clearly demonstrated in Chapter 4.

The most notable fact on display in Figure 68 is that the festival’s operational model is, as it stands, unsustainable. The figures for the period 2009-2013 show the organization incurring annual operating deficits where the festival has drawn upon the
initial investments made in 2007 and 2008, a situation that one can safely assume was unforeseen, is untenable and cannot continue indefinitely. When we analyse funding by government source (Fig 69) the majority of that funding came from the provincial government, but with substantial support from the federal and municipal governments.

**Figure 69: Luminato – Government Funding Breakdown**

![Graph showing government funding breakdown]

When considered alongside the *2003 Culture Plan for a Creative City* that described Toronto as ‘asset rich cash poor’ (p. 18), and a city with 750 arts organizations (p. 17) Figure 69 clearly demonstrates how the politicization of arts funding decisions might present a threat to the equilibrium of the professional artistic landscape. I raise this point because Luminato’s funding pattern confirms to the independent observer that a political act had taken place outside the normal ‘arms length’ funding procedures available to, and followed by, professional arts groups and organizations throughout the city and province. Luminato's funding caused some anxiety in Toronto’s arts community:

At a press conference at Toronto's Royal Ontario Museum last month, staffers were happy to accept some extra funding from the Ontario government - but it was someone else's news that really had them buzzing. "Did you hear Luminato got $15-million?" they kept asking in amazement. How did a 10-day Toronto arts festival, which had completed only one season, win a direct provincial grant of a kind usually reserved for established government agencies? How did Luminato, that ill-defined grab bag of splashy public spectacles and pricey international performances (which gets under way for a second season on June 9) come out of nowhere so fast? The answer is: one part strategy, one part timing, many parts political connections. (Globe and Mail May 24th 2008)
The anxiety exhibited in the article clearly demonstrates how a political decision based upon economic rather than artistic criteria has the potential to destabilize a city’s or regions artistic landscape. This position was reinforced by the 2009 report ‘Democratizing Luminato: private-public partnerships hang in delicate balance’ which made the point that Luminato received millions of government dollars in public funds through direct intervention, money that could potentially have gone to other non-profit arts organizations in the city (Anderson, 2009).

The very interesting development pattern from Figures 68 and 99 is that the initial multi- million dollar provincial investment in the Luminato Festival was spread over five years, and can be clearly seen by total revenue figures and the provincial ‘fall off’ in funding post 2008. As previously stated this sizable investment of direct public funding served two key roles. Firstly to support the festival financially, but also to demonstrate ‘intent’ to the business community in order to attract the required support needed to make the public/private partnership a success as stated in the original document:

our major cultural institutions cannot be the preserve of a small elite, nor dependent on shrinking grants and public-spirited charity, if they are to become decisive factors in drawing new talent to The Creative City. The City needs to change its relationship with our major cultural institutions, from donor/beneficiary to partners in Creative City building (Culture Division, City of Toronto, 2003 p.9).

[g]overnments can’t make the cultural life of a city, but they can influence the climate that enhances it. It all comes down to capacity, and capacity is mainly a product of money -- which is spent on talent, capital, operations and marketing. The City of Toronto’s primary method for influencing the cultural climate is through grants” (Culture Division, City of Toronto, 2003 p. 14).

As these statements imply the new relationship between the arts and government is that of Creative City builders, based upon capacity and money. In the new deal the capacity and money is heavily dependent on the new cultural tourist. Which leads to the next step in this examination, an analysis of the cultural tourism statistics for which the festival received $3.67 million from the MTEP specifically to bolster the domestic and international tourism traffic.
The importance of Figures 70 and 71 is that they are taken from the two separate applications (2009 and 2010) to the MTEP. In each application Luminato were asked to provide actual audience figures for past festivals (2007 and 2008). They were then asked to project what the audience figures would be should their application to MTEP be successful. The real value of these figures derives from comparing the anticipated with the actual in Figure 70 and Figure 71.

**Figure 70: Luminato 2009 MTEP application audience projections**

![Graph showing audience projections from Luminato's 2009 MTEP application.](image)

Taken from Luminato Marquee Tourism Event Program application 2009

Figure 70 clearly shows the festival’s and government’s rationale in terms of MTEP funding. The actual figures for 2007 and 2008 are relatively static. However with increased funds to attract domestic and international tourists the figure are anticipated to rise significantly.
A comparison of Figures 70 and 71 show the disparity between the anticipated and actual figures should the MTEP application be successful. In both the 2009 and the 2010 MTEP applications the audience projections are over estimated by about 300,000 per annum. Perhaps the most important pattern to emerge from the MTEP applications is the relatively modest projected increases in the domestic and international tourists at the core of the MTEP program.

If we break out the actual figures for the three festivals 2007, 2008 and 2009 we see that local attendees remained flat at 86%, and tourists (international and domestic) also remained flat at 14%. The importance of these international and domestic tourism
figures is that the Luminato festival received nearly $4 million over two years specifically to attract tourists. This increasingly complex relationship between government arts funding and cultural tourism is a good example of the current politicization of arts funding decisions with no accountability for missed opportunities!

5.8.7. Luminato MTEP Economic Impact Studies 2009 and 2010

The MTEP program’s goals were clear. The program would: sustain or increase the number of out-of-country and out-of-province visitors; sustain or increase tourism-related spending; and sustain or increase revenues for the event. The government was equally clear in providing definitions of a local visitor as one that resides within 80 km of the festival’s location, and a domestic tourist as one travelling further than 80 km with an international tourist as a non-resident of Canada. As a successful MTEP applicant Luminato had to fulfil certain responsibilities. These included the commissioning of an economic impact study to provide a meaningful analysis of the program’s economic expectations.

Luminato’s 2009 Economic Impact study made no attempt to answer the questions that accompanied the MTEP $3.67 million funding commitment. For example the study informs the reader that 1,470,000 people attended the event. Of those 1,365,000 were same day visitors from Ontario. There was no breakdown by local versus tourist along the 80km radius. So for the 1,365,000 visitors from Ontario no mention is made of how many were considered local and how many were domestic tourists (either on a one day or overnight basis). The 2009 report goes on to state:

Given that the detailed breakdown of spending by the above visitors on category, such as transportation, accommodation, etc. is not available from the user, the TREIM utilized the average expenditure of visitors in Toronto with characteristics closest to those provided by Statistics Canada 2004 Canadian Travel Survey and the International Travel Survey (2009 Economic Impact Study).
Essentially the report is un-interpretable in terms of the MTEP requirements. The 2010 Economic Impact study again made no attempt to answer the questions that accompanied the MTEP funding. One point of particular interest was the following comment:

It appears that Luminato is developing two distinct audience bases – one for free events and one for paid events. Luminato has a strong brand presence at free events but compared to previous years those intercepted are less likely to know about the festival beyond the specific event they attended. Ticket buyers are less likely to attend free events compared to previous years (2010 Economic Impact Study).

The importance of this statement is that despite the multi-million dollar public funding investment in building the brand of the Luminato festival as a component part of Toronto as a creative city, large numbers of people interviewed had no idea what event they were attending. Similarly the overall ‘perception’ data for 2009 and 2010 (figure 73) indicated a decline in the general public’s feelings towards Luminato’s contribution to the City of Toronto. This demonstrates how an overt political policy aligned with substantial investment to attract out of town visitors does not necessarily support the strength and well being of the local professional arts community.
Figure 73: Assessment of Luminato taken from 2010 EI report

Taken from Luminato Marquee Tourism Event Program Economic Impact Report 2010

Figure 73 offers a view of public reaction to Luminato over two consecutive festivals 2009 and 2010. The above data taken from Luminato’s EI reports demonstrate a declining public perception of the event itself. The only upward trend being the % of paid ticket buyers who said that the festival was not as good as the previous year. The declining visitor numbers to ticketed events, the balance between free and ticketed, plus the falling public perceptions could become a serious issue for the festival. The danger was that the initial substantial government investment in 2007 and 2008 was to build the brand and put the event into the international spotlight attracting cultural tourism, sponsorship and positive economic development. If, after four years of operation the event is showing signs of declining public perception and falling earnings the question of economic viability becomes a serious issue. This question of economic viability and management competence is highlighted in Figure 74 taken from the Canada Revenue Agency, Charities Listing data.
Figure 74 shows that the fall off in total government funding (2009-2013) has not been counter balanced by increases in earned revenue or fundraising. In fact fundraising reached its peak in 2011 and has then declined in 2012 and 2013.

In July 2014 the Provincial government committed a further $2.5 million per year for the 2015, 2016 and 2017 festivals. The initial multi-million dollar investment has not translated into the commercial success envisaged by political and business leaders. If this is the case then the question must be also be asked as to what negative impact this situation may have on the overall arts community described by the 2003 Culture plan as ‘asset rich cash poor’.

5.8.8. Luminato Conclusion

The question for this section was to examine how government’s expanding sphere of influence over creativity, cultural plans and cultural tourism impact Canada’s professional artistic landscape? Does the increasing politicization of arts funding decisions present a potential threat to the equilibrium of Canada’s professional sector?
One cannot categorically identify a causal link between the Creative Class or City concept and the birth of Luminato. But one can say that the political and economic foundations laid by the Creative Class and Creative City theories, and their ties to economic development through the new economy and cultural tourism, were essential ingredients to support the creation of the Luminato Festival. The festival’s rollout exhibited many aspects of the *Culture Plan for a Creative City* that neatly dovetailed with the Creative Class theory and their marriage to amenities and flagship festivals.

The Luminato festival received substantial public funding support from all levels of government, including a direct provincial government investment in excess of $33 million between 2007 and 2013. In addition the provincial government has committed a further $7.5 million for the period 2014-2016. Public arts funding is finite and, unless public arts funds are expanding, when one organization or festival succeeds others may fall short. Given the City of Toronto’s extensive list of funding recipients, as outlined above, and the well documented decline in the ‘constant’ value of arts funding highlighted in Chapter 4 during the period 1990-2012 it is safe to conclude that several Toronto arts organizations will have had their artistic/creative capacity restrained or curtailed by the Luminato funding decisions as illustrated by this Globe and Mail article:

> If the lion's share of the money is going to get political, how can you compete? Asks one senior Toronto arts administrator who asked not to be named. "The Ontario Arts Council got $5-million [a year for four years in the same round of grants] The Ontario Arts Council serves maybe 400 arts groups across the province. ... It sucks." (Globe and Mail May 24th 2008)

The Luminato story to date demonstrates the increasingly instrumental role allocated to the arts sector in the provincial governments’ bid for creativity calculated to attract the ever-illusory creative class, the cultural tourists and drive economic development. Unfortunately from the evidence available, the Luminato experiment has to date been unsuccessful. Why? The initial investment has not attracted the expected returns in either dollars or tourists. With the recent provincial announcement confirming funding until 2017 the clock is now ticking. To satisfy such a large direct political investment the festival must both build its national and international profile and
substantially improve its financial revenues in order to achieve sustainability. If, as the evidence shows, government funding is declining, then the only avenue open to the festival will be to increase fund raising from other sources, the corporate and private sector being high on the list. The problem is that as the financial scales tip to the sponsor and the philanthropist then artistic creativity is increasingly impacted. In the words of the Canada Council’s 1980 report:

In order to flourish, the arts require daring, experimentation, and risk. But because of several years of budgetary restraints and even cutbacks at the Council, support to new companies, to younger artists, to those inventive spirits on the frontiers of art, is simply not possible unless we rob Peter to sponsor Paul (p.55/56).

The recent political maneuvering surrounding funding decisions that have accompanied the transfer of focus from the intrinsic to the instrumental benefit of the arts, looks very much like a case of robbing Peter to sponsor Luminato.

This section’s starting point was that the rationale for any governments’ decision to fund an arts festivals, event or organization is increasingly linked to the potential instrumental economic benefits rather than the intrinsic artistic and community benefits. This trend in the politicization of arts funding decisions present a real threat to the equilibrium of Canada’s professional artistic landscapes.

I would argue that, based on the figures available it is clear that the expected influx of tourists and increased revenue generation did not materialize. The initial public investment has fallen off dramatically from the start-up investment in 2007 and 2008. The level of direct investment in Luminato has impacted the equilibrium of the arts landscape as we saw from the reaction from the unknown arts administrator’s comment “it sucks”. What sucks? The fact that Luminato received more government funds than the 400 arts organizations serviced by the arms length, independent Ontario Arts Council in the period under study. Perhaps the most important lesson is that when looking at the major festivals and events around the globe their success has evolved from sustained long-term investment in the arts rather than a short-term investment based upon a quick fix economic model. Politicians, business leaders and cultural planners, from all three
levels of government, have hijacked the artistic funding process and their recent escapades are not a pretty sight. It is time that the artists, who have been successfully excluded from the major cultural planning processes across the country, are reinstated at the forefront of the artistic landscape and restore the equilibrium required for a thriving artistic landscape.

5.9. The MTEP program – Conclusion

The MTEP has provided a good model of short-term public policy. Policy whose introduction was both time restricted and that had relatively narrow policy outcomes through involvement with arts festivals and events.

Having analysed the selected MTEP case studies it would be fair to say that the evidence suggests that the program was not an unqualified success in achieving its aims. Perhaps the most damming indictment came from Industry Canada’s own evaluation\(^\text{78}\) of the MTEP:

Due to a lack of comparable baseline data, an assessment of the extent to which the program achieved its intermediate program outcomes was not possible. Specifically, an analysis of the change in the number of domestic and international tourists attending supported events, the change in the level of tourism related spending, along with the change in event revenues, could not be comprehensively conducted (Government, 2011 section 3.2.3).

The MTEP has also provided an invaluable insight into the realms of arts policy in 21\(^{\text{st}}\) century Canada. Initiated and developed by Industry Canada, with input from the DCH, it offers real insight into the paradox of modern cultural policy as expressed through the ever-present cultural and creative industries debate. MTEP is an example of modern ‘cultural industrialism’ where the customer and the market represent a higher priority than the artistic product.

\(^{78}\) http://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_03423.html
We have to consider culture and industry not as an identity but in terms of their shifting relationship to each other, particularly where it concerns the analysis of cultural policy. What this entails, in brief, is the development of an historical and contemporary understanding of the relations between industrial policy and what one might call an “arts policy”. Cultural policy has been split into two: areas of culture implicated in within economic strategies, the “cultural industries” proper, and “pure culture” – art (Dowler, 1996 p.343).

The MTEP provides the background from which a number of important conclusions can be drawn into this examination of the rhetoric and the reality of modern cultural policy in general and, as importantly, insight into the reality of how the various arts funding agencies complement or counterbalance each other’s activities.

In the Stratford Festival case study we saw how, once the federal MTEP program had ended, the Provincial government had to step in in order to maintain the funding or at least the perception of funding in order to maintain the tourist attractiveness deemed so necessary for the numerous local businesses that rely on the regions tourist activity.

Was the MTEP an example of the federal government downloading costs to the province? The MTEP case studies also offered a glimpse of the ever–changing funding landscape of government funding.

Finally the MTEP provides us with insight into the move from instrumental government arts policy into the area of government cultural policy as a tool of encroachment – where, on the face of it, the policy is primarily arts and culturally based but in reality the policy is aimed at serving another, non arts agenda.
Chapter 6. Conclusion

At the start of this investigation of federal arts policy I argued that an examination of both a continuous policy institution, The Canada Council for the Arts, and a time-restricted policy initiative such as the Marquee Tourism Events Program, would enable an assessment of the federal government’s shifting relationship with the professional arts and cultural sector. What this research highlights is a changing relationship bearing the hallmarks of the wider societal move from the philosophy of “professional art for everyone” to the neo-liberal, instrumental philosophy of professional art as a vehicle for economic and urban regeneration: either as an enticement for the creative class or bait for the cultural tourist.

This dissertation’s analysis has, I believe, demonstrated the widening gap between the rhetoric and the reality of Canadian arts policy. Since the FCPR report we have witnessed various commentators, including several chairs of the Canada Council itself in the annual reports, outline the slow erosion of government funding for the Canada’s professional artists. The Canada Council’s ‘current’ parliamentary allocation has consistently not kept pace with the inflationary figure causing an overall decline in ‘constant’ or real terms. At the same time the number of artists and arts organizations receiving Canada Council funding has increased dramatically. The result has been the average amounts of funding per organization continually declining. This simple fact touches another issue highlighted by the FCPR and others – that of the economic well-being of the sector. The arts, in order to play the societal role outlined by the FCPR in a modern democratic society must have the funds to be able to support the artists voice in both excellence and risk. Once again we have seen this policy ever diminishing under successive governments. Simply stated, the policy rhetoric and the policy reality are incompatible.
At the start of Chapter 4 I asked two questions: How has this financial situation been allowed to occur and, what are the cultural policy implications for Canada’s professional arts organizations and artists? These questions derived from the figures depicting federal funding of the arts through parliamentary allocations to the Canada Council over the period 1957-2014. This picture, which compared population growth, parliamentary allocations to the Canada Council, parliamentary allocations as a per capita figure, parliamentary allocations adjusted for inflation and parliamentary allocations as a percentage of Gross Domestic Product all combined to demonstrate the falling value of parliamentary support to Canada’s primary vehicle of professional arts funding, the Canada Council for the Arts and, consequently, to artists and arts organizations.

The data gleaned through my examination has confirmed the ever-increasing gap between the rhetoric of Canada’s support to the professional arts sector and the reality of that support on the ground.

Early Canada Council annual reports clearly stated that it would be tantamount to artistic suicide to try and support all the applicants that were approaching the newly formed council. Yet, year on year we have seen an ever-increasing number of applications to the Canada Council being supported combined with the overall ever-decreasing level of subsidy to organizations and individuals in real terms. We have also heard it said several times how artistic enterprise through public subsidy is based on the element of risk, and that any arts funding organization must place artistic risk at the core of its operation. To reiterate the Canada Council’s own submission to the FCPR in 1982 it stated ‘support to new companies, to younger artists, to those inventive spirits on the frontiers of art, is simply not possible unless we rob Peter to sponsor Paul (p. 55/56).

Yet government report after government report has only served to highlight that as the funding became more and more restricted the element of risk moves ever further from the centre of the operations. Also, we heard from several sources over several decades that the largest subsidizer of the arts in Canada has been, and continues to be Canadian artists and arts organizations themselves.
The rhetoric and the reality of federal ‘long term continuous’ arts funding policy has fallen well short of serving the needs of supporting a healthy, sustainable and vibrant professional arts sector where artists themselves are not subsidizing the entire sector.

Which leads us to ask: where does the MTEP as an example of short-term cultural policy fit into the overall federal arts policy picture? First and foremost it is necessary to repeat the findings of the review of the MTEP program conducted by Industry Canada, responsible for the formulation and implementation of the program itself:

Due to a lack of comparable baseline data, an assessment of the extent to which the program achieved its intermediate program outcomes was not possible. (Government, 2011section 3.2.3).

One of the most important lessons to be taken from the MTEP was that several of the recipient case studies clearly were unable to demonstrate that the MTEP funding successfully attracted the tourists expected by the program. Two examples were the Toronto Film Festival, that re-wrote the MTEP definition of what constituted a tourist to the point that if the Mayor of Toronto had attended he would have been classified as a domestic tourist, and the Vancouver Film Festival which having received nearly $450,000 reported 850 tourists attending representing a per capita cost to taxpayers of $550 per tourist.

The federal government invested millions of dollars in arts festivals specifically to attract numbers of tourists that, as we have seen from the Industry Canada review, could not be confirmed from the reporting. In fact from the research I have conducted it is all too apparent that the millions of dollars did not in fact translate to tourism. One of the main reasons for this was that the MTEP funds were directed at the business of tourism, the marketing and advertising of the event itself, as opposed to funding the artistic programme. I will return to this point in my recommendation section.

But the MTEP program tells us much more than simply whether or not the festivals in receipt of funding were able to attract tourists. My research provides a
plethora of data about the overall funding of the professional arts by municipal, provincial and federal levels of government.

At the keynote address for the 2014 Where Next Conference, Bob Sirman, then director of the Canada Council for the Arts talked about the fact that the demand for arts funding was outstripping the supply. He proposed that the three levels of government combine forces to deliver arts funding in a new format, a partnership where governments combined resources to meet the demand for funding. The flaw in this argument is evident throughout the examination of the MTEP program drawing on the data available through the Canada Revenue Agency. As I worked through the MTEP case studies it became quickly apparent that the various levels of government that funded the arts were not working in partnership. All too often we saw that with the introduction of MTEP funding, the provincial, municipal or other sources of federal funding would drop off only to be brought back to the original levels once the MTEP had come to an end. We also saw instances where funding sources would alternate with each other, as provincial funding increased the federal funding decreased.

This diversity of interest or seesawing of arts funding from the various levels of government transfers from MTEP clients to a host of smaller organizations across the country. For example, taking three local professional Vancouver theatre companies 2010-2014, in two, Pi Theatre and Touchstone Theatre we see evidence of the counter balance between federal and provincial funding where provincial funding makes a comeback and overtakes the federal funding in 2014. In the case of Carousel Theatre, Vancouver the counterbalance exists between federal and municipal funding. (Canada Revenue Agency)
Figure 75:  Pi Theatre, Vancouver

Figure 76:  Touchstone Theatre, Vancouver
It is increasingly obvious that each level of government comes to the professional arts funding table with a different set of priorities in relation to their municipal, provincial or federal objectives. These aims and objectives are often completely at odds with one another. What is priority arts policy in one municipality is not necessarily priority in another municipality, and similarly on a provincial level as well. One lesson learnt from the MTEP as a time restricted cultural policy that fits within a national framework.

To fully comprehend the implications of this for the future of professional arts funding we must return to the first two annual reports delivered by the newly formed Canada Council for the Arts. In the 1957/1958 report the Council asked the question “should the council meet the day-to-day costs of maintaining a local activity like a museum, library, choir or theatre group, heretofore met by local support?” (Canada council annual report1958 p.19). They proceeded to answer this question by saying that “the funds available could not be stretched to do everything, which merited support and assistance,” (p.19). Given the realization of the council’s inability to support the entire arts spectrum they recognized that they must concentrate their funds in such a way as to empower the brightest and best of Canadian talent. In this they recognized that an essential part of their operational success contained an element of risk analysis and risk assessment. In other words that to fund everything poorly would not best serve the
majority. This clearly highlighted the dichotomy of both the economic and geographic stress placed upon the newly formed Canada Council. The rhetoric employed in the 1957/58 and 1958/59 annual reports reflects that the council appears to be resolute in their resolve re arts funding, that they must resist both the urge to expand their support to the point where they become an irrelevance, or where they are in fact unable to carry out the remit on which their foundation rests.

In the policy discussions of these early reports, other important points are reiterated, including the relationship between grants and quality of work, “Council has recognized excellence wherever it appears, has assisted organizations to improve the quality of the arts they present, and has avoided sustaining mediocrity” (p31). At the same time the reports repeated a concern that would appear, in one form or another, with every major arts funding report over the next fifty years, that of the ability for artists to make a living and the financial problems connected with the professional arts (p. 36).

These early council reports reflect the reality of the Canadian professional arts funding system, yet the actions over the next 60 years of Canada Council arts funding went completely against the reality exposed so early on. Instead the Canada Council adopted a rhetoric that was in total opposition to the reality. This illustration of federal arts policy leads me to recommend the need for a new model of arts funding to which I will return in a later section.

6.1.1. Business Sponsorship

I would like to touch briefly upon the subject of the professional arts and business sponsorship. The rise of the corporate sponsor was often the chosen vehicle to overcome public funding deficiencies. The Bovey Report – Funding the Arts in Canada 1986 -2000 recognized the clear shortfall in government support for the arts and recommended a new approach to arts funding. The aim of the task force was, in their words, “not to carry out a cost-reduction exercise on federal support of the arts, but rather to study the provision of more effective funding to permit arts growth” (Bovey et al., 1986 p.19).
The Bovey report recommended a year on year increase in arts funding and laid the responsibility for this increase equally amongst arts funding partners, – governments, the private sector, consumers and the arts community. Rather than solve the situation and lay the groundwork for all parties working together, we once again witnessed that all parties came to the table with their own priorities, aims and objectives. The corporate and the business world’s vision as to which arts groups merited their corporate profile and backing favoured the national high profile over the local community arts group.

Another example of the instrumental approach to arts funding is demonstrated through government restructuring to shift the emphasis from the delivery of public services by the state to the transfer of those delivery mechanisms to the private sector (Harvey, 2005). The result, from a political standpoint, is that the role of ‘citizen’ is reconfigured to that of ‘consumer’. This transfer of emphasis from the public to the private sector impacts the arts and cultural sectors in a number of ways: a changing emphasis from public financing to corporate sponsorship, increased emphasis on ‘not for profits’ being run as private businesses and cultural policy dominated by economic goals (McGuigan, 2005).


The increase in the instrumentalist arts funding approach implemented by the Harper Government began when Stephen Harper was sworn in as Prime Minister on February 6th, 2006. In the 2008 election the Conservatives won another minority term and finally secured a majority in 2011.

I argue that this period 2006-2014 has seen a new dimension to arts funding, one of partisan political interference that borders on ‘encroachment’ when the arts were targeted by the Harper government in the search for new revenue sources typified by a

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79 Definitions of Encroachment: a gradual advance beyond usual or acceptable limits “encroachment of habitat”; an intrusion on a person's territory, rights, "encroachments on individual liberties"; any entry into an area not previously occupied. [http://www.thefreedictionary.com/encroachment](http://www.thefreedictionary.com/encroachment)
new period of cultural policy. The language, ‘elitist’ and ‘niche’, used by the Prime Minister to describe the professional arts gave an indication of the priority the new Conservative government placed upon the professional arts sector.

The negative public reaction to the Prime Minister’s statement made during the 2008 campaign that "ordinary working people were unable to relate to taxpayer-subsidized cultural elites when they see them at a rich gala on television”80 which led to his loss of seats in Quebec and the dramatic about turn in the language used to describe the arts three years later in the 2011 election as a means to ‘enrich’ and ‘strengthen Canadian identity’ indicates the potential impact of arts policy during an election campaign. But the more important question is: did this change of language indicate any underlying change in ideology? To answer this question we have to look more closely into the recent cultural policy actions of the Harper government.

How did arts funding become an issue in the 2008 federal election? After the 2006 election the Conservatives declared that they had identified two programs that, having achieved their goals, would be discontinued and that the $45 million savings would be re-directed to other programs including the 2010 Olympics, effectively cutting millions of dollars from the professional arts sector. The government then ignored calls for a moratorium on these cuts until the Heritage Committee could hold hearings on the question. As a result, both the NDP and the Liberals promised to restore these programs if elected in the 2008 election. The two programs were Trade Routes, a “trade development program designed for the arts and cultural sector’ and the Department of Foreign Affairs and International Trade’s (DFAIT) grant program for promoting Canadian culture to the world (Dewing 2010).

Following his 2008 comments about cultural elites and the negative public reaction it drew, the Prime Minister announced, that if re-elected, he would introduce a new family tax credit for children in arts programs saying that "[the Conservatives] spend

80 Globe and Mail September 29th, 2008 – Harper offers tax credits
a lot more on culture and arts but in a way that we ensure is an effective use of taxpayers money and ultimately, in this case, benefits families and all of society as well." The media reported "Harper denounced artists as a subsidy-reliant elite that has nothing in common with ordinary Canadians." Once again, the language offers a clear indication of the position arts policy played in the government's priorities.

Dismantling the Trades Routes and DFAIT programs was in direct contradiction to the promises made in the 2006 election platform *Stand Up for Canada*, where the Conservatives promised to both "strengthen national unity and advance our interests on the world stage” and "preserving federal arts and cultural agencies" (Conservative Party, 2006 p. 39). At the same time the Conservatives promised to combat the culture of entitlement through "limit[ing] growth of spending on grants and contributions and in government departments and agencies" (p17). It is this cultural contradiction, in terms of the rhetoric and the reality, that lies at the heart of the encroachment period that is evident in both government thinking and in their policy platform.

To restate, the 1982 AHR report concluded that “[h]appily, the Government of Canada has recognized and accepted the arms-length principle, which guides its relations with most of its cultural agendas” (Applebaum & Hébert, 1982 p.5). I argue that this statement that reflected the professional arts position in Canadian society in 1982 was seriously eroded over the years 2006 -2014.

The MTEP was a clear example of that erosion whereby certain “marquee” arts festivals were targeted as instruments of the federal government’s economic plan. The significance of the MTEP from an ‘encroachment’ perspective is that the funding was temporary, tourist orientated, solely based upon evidence of economic impact and, most significantly, the funding originated from Industry Canada rather than the Canada Council or DCH.

82 Globe and Mail September 29th, 2008 – Harper offers tax credits
As a result, we saw uneven arts funding patterns between cultural and non-cultural government departments based upon non-artistic criteria. For example, MTEP status and funding was awarded to the Calgary ($291k) and Winnipeg ($389k) folk festivals, but not Vancouver, Edmonton and Ottawa: what makes a folk festival in one part of Canada ‘tourism designated’ and not in other areas of the country? What implications does it have for arts communities when arts organizations are offered added financial incentive funding based upon tourism numbers as opposed to artistic criteria? Another example of this funding imbalance on display was the Stratford Festival which over the MTEP’s two year period received $2 million in ‘arms length’ Canada Council funding, whilst over the same time-frame received $6 million from Industry Canada in its efforts to attract domestic and international tourists. Chapter 5 of this thesis illustrates this funding imbalance time after time among arts festivals and organizations across the country.

The relationship between the professional arts, culture and creative destination was also examined in the OECD 2008 report *The Impact of Culture on Tourism*. The report highlights some important requirements necessary in order to support the development of both spheres: the permanence of cultural activities and the importance of participation by local people (OECD, 2008 p.33). The report makes the important point that the tourism sector is predominantly commercial or ‘for profit’ while the arts and cultural sector hail from the ‘not for profit’ hence the problem of communication at times between the two sectors. This difficulty to communicate highlights symptoms of cultural contradiction or encroachment already highlighted in the Conservative 2006 election platform.

In addition to the MTEP there are other examples of the erosion of the arms length funding principle during this period. In 2007 the birth of the Luminato Festival in Toronto was a case where the ‘arms length’ peer assessed funding procedure was bypassed by the both the federal and provincial governments. In 2008 the Auditor General’s audit highlighted examples of Canada Council procedures that detracted from the strength of the arms length funding principle.
In 2012 award-winning playwright Michael Healey presented a draft of his new play ‘Proud’ to the director of the Toronto Theatre where he had been playwright in residence for eleven years. The subject of the play was centred on a well-known authoritarian and controlling Prime Minister who had a reputation for disciplining people that crossed his path. A discussion by the board of directors led to the theatre seeking an independent legal opinion as to whether the play defamed the current Prime Minister Stephen Harper. Although the legal opinion was that the play did not defame the PM., the play was not produced at the theatre and Michael Healy resigned as playwright in residence.

On September 19th 2015, it was reported that an Iraqi Theatre Troupe had been barred entry to Canada. The group were scheduled to perform at a theatre festival in Kitchener, Ontario. The reason offered by the government was that there was a concern that the company members would apply for refugee status once in Canada. The director of the company said that this was the first time he had been denied entry to a western country. He had recently travelled to Sweden, Hungary, Germany, and France where he currently lives (Martin & Nestruck, 2015 p.14).

Although there is a strong link between artistic activity, funding and government influence in these examples, there is no direct causal effect between the artistic activity and the withdrawal of funding or permits: instead there is more an implicit understanding that if one’s artistic offering crosses certain government boundaries consequences may follow. However, in 2011, the case of artist Frankie James offered an explicit action of awarding and then the withdrawal of government funds due purely to the crossing of a political line.

The artist Frankie James’s troubles began in 2008 when she started to create and send a series of ‘visual letters and essays’ to Prime Minister Harper concerning his government’s environmental policy. The series of visual letters and their consequences were laid out in the book Banned on the Hill (James, 2013). The first visual letter was
entitled *Dear Prime Minister* a 15 page visual journey raising environmental concerns about the oil sands.

**Figure 78: Dear Prime Minister 2008**

![Image of a visual essay](James, 2013 p.14)

This was followed by fourteen page visual essay entitled *12,000 Sitting Ducks* and in 2009 *Fat Cat Canada's Giant Litterbox*.

**Figure 79: Fat Cat Canada's Giant Litterbox 2009**

![Image of a visual essay](James, 2013p. 43)

Frankie James’s visual essays caught the eye of a number of European Art Galleries and she was invited to exhibit her work in a twenty city European tour.
Frankie applied for and was awarded $5000 in government funding to support her European tour only to find that a few days later the funding was revoked without explanation. Frankie lodged a freedom of information request to see if she could determine why her funding had been revoked. It turned out that a senior director of the Foreign Affairs Department’s climate change division who felt that it would run “counter to Canada’s interests” had revoked the funding.

**Figure 80:** Banned on the Hill

Such cases remind us how the Federal Cultural Policy Review warned of the need for cultural agencies to be ‘protected against departmental encroachment’ going on to say that the resources essential to fulfil their role in the provision of cultural activity “should not be diverted to other channels more susceptible to political direction and control” (Applebaum & Hébert, 1982 p.47). The report promoted the position that the experience and expertise of cultural agencies in weighing the artistic cultural policy needs of the society they serve should at all times be respected and supported.
Upon close examination of the cultural policy examples in this dissertation, the *Canada Council of the Arts 1957-2014* and *The Marquee Event Tourism Program 2009-2010* can we say that these guiding principles have been met? I would argue that the decline in ‘real terms’ of parliamentary allocation to the Canada Council, the country’s primary vehicle for funding the arts, has been an example of political direction and control that has impacted the Council’s ability to fully support and sustain the vigorous active arts sector as a core component of a working democracy. I would also argue that by introducing a ‘time limited’ $100 million fund administered by Industry Canada (a non-cultural government department) a fund that bypassed existing cultural agencies and was created solely for the purpose of attracting tourists through existing arts festivals (MTEP), one could conclude that encroachment was an active ingredient of cultural policy and arts funding. By this I mean that funding was targeted, not as a primary mechanism where arts policy is harnessed to work in a mutually beneficial partnership for the society it serves, but instead as an industrial policy where artistic content is a ‘secondary’ or subordinate item delivered as a ‘decoy’.
Chapter 7. Recommendations

This dissertation has concluded that the federal arts funding system currently operating is flawed on a number of levels, primarily in the diminishing levels of real as opposed to nominal funds being distributed to artists and arts organizations through the public funding system. Another concern highlighted through the MTEP examination is the fluctuating or counter-balancing system of support employed by different levels of government. I will conclude by proposing some recommendations to modify and restructure the system for the sustainable well being of Canada’s professional artists, audiences, and educators. The recommendations contained here flow from this dissertation’s main research question: What evidence exists to support the premise that 21st century arts policy initiatives, both time-restricted and continuing, are delivering the support necessary to maintain and build a vigorous and sustainable professional arts sector?

Arts Funding in Context

I was struck by Bob Sirman’s presentation to the Where Next Conference when discussing annual funding levels in BC. Whilst writing this section of this dissertation there was a lot of discussion in the national press about the cost of the Harper Government’s decision to mount Operation Impact: the Canadian Armed Forces (CAF) contribution to the Middle East Stabilization Force in Syria.
Figure 81 places the government’s commitment to the professional arts in context by comparing the per capita expenditure of The Canada Council for the Arts and Operation Impact for 2014/15. Operation Impact employs approximately 600 CAF personnel. According to the 2008 Auditor General’s report the Canada Council employs approximately 200 personnel directly and based on the 2011 National Household Survey and the Labour Force survey there are 136,000 artists in Canada who spent more time at producing their art than any other occupation. As we can see from Figure 83 the arts funding sector receives a relatively low per capita level of support by comparison.

With regards to the suggested recommendations for restructuring the Canada Council I will assume that, in terms of expenditure, the nation’s professional arts sector (136,200 personnel) should be equal to the per capita expenditure of Operation Impact (600 personnel). If this was the case the Canada Council’s parliamentary budget allocation would increase from $180 to $528 million.

83 Canadian Armed Forces (CAF) contribution to the Middle East Stabilization Force
84 http://www.hillstrategies.com/content/statistical-profile-artists-and-cultural-workers-canada
Recommendation - A new Funding Structure for the 21st Century

Figure 82: The Existing Government Arts Funding Framework for the Arts (Producers)

Figure 82 is a representation of the existing Canadian public funding system for ‘producing’ cultural activity by professional artists and organizations. The Canada Council for the Arts, that forms the central focus of this thesis, is the principal federal vehicle for funding the creation of art in its many diverse formats across the country. Figure 82 shows that under the current model any professional ‘not for profit’ artist or organization across the country can usually apply to their municipality, province and the Canada Council for funding. Their application will be assessed according to a regularly updated set of guidelines. At the federal level this includes peer jury assessment. At each level the application will be approved, rejected, returned for clarification and funding allocated or not as the case may be. Increasingly with the decline in constant or real funding / per capita it is becoming the norm that the applications are approved but the funding amount requested or recommended was not forthcoming due to demands on the budget.

This model allows a company based in one municipality to apply to their city, their province and the Canada Council. Given that many local arts groups are funded by
all three levels of government but rarely or never perform outside their immediate municipality or province we should ask the question: would it not be more economically sustainable for the federal funding agency to support the creation of artworks that can, and should, be seen by the nation?

Choreographer Crystal Pite, (Kidd Pivot Company) widely recognised as one of Canada’s and the world’s leading artistic creators, opened her new work *Betroffenheit* on Feb 12th 2016 to much critical acclaim. The work has now been seen in Ottawa, Toronto, Vancouver and Victoria and will go on to be seen across the US and Europe in the coming weeks and months. The company’s producer recently reflected on the difficulties of securing further Canadian bookings in the next three years (2016-2019). The problem is not the quality of the work, or the lack of Canadian venues that could technically accommodate the work, or a lack of demand by Canadians to see the work (all Canadian performances sold out to date). The problem is cost – the truth is that there are very few Canadian presenters that can afford the relatively modest charges, in the wider world of performance fees, to actually book the work. Similarly the costs of hiring venues and technical staff to self-produce the work would not be cost effective and carry substantial risk. This is certainly not the first, nor will it be the last time, that a world class Canadian creative talent will have to look outside the country’s borders to perform their work.

Another of Canada’s greatest artistic creators is Robert Lepage from Quebec City, two of his most famous and celebrated productions *The Dragon Trilogy* and *Seven Streams of the River Ota* have been seen by audiences all over the world. In 1995 The Seven Streams of the River Ota was seen in Glasgow, Edinburgh, Manchester, London, Vienna, Braunschweig (Germany), Spoleto, Barcelona, Zurich, Aarhus (Denmark) Tokyo, Toronto and Hamburg. In 1996 the production was seen in Quebec City, Vienna, Dresden, Copenhagen, Ludwigsberg (Germany), London UK, Stockholm, Creteil (France) and New York. In 1997 the production was presented in Montreal and in 1998 visited Perth, Adelaide and Wellington, New Zealand where, after three years on the road the set was demolished. In Canada the production was only seen in the provinces of Quebec and Ontario.
Robert Lepage and Crystal Pite are just two world-class Canadian creators whose work, due to the current funding model restrictions are less often presented in Canada than abroad.

The new model proposed would be restructured with the aim of ensuring that Canada’s leading artists, whatever their chosen art form or combination of art/media forms, have access to the necessary funds to enable them to pursue their creative force and achieve both national and international recognition if they demonstrate relevance to at least one province outside of their residence. More importantly funding would be targeted to ensure that all Canadian citizens have access to the leading Canadian artists as opposed to those living in the major urban centres.

**Figure 83: New Model Stage One - Provincial and Municipal**

Figure 83 illustrates the proposal that municipal and provincial government funding will be the primary funding sources of sustainable funding for local performing and visual companies, organizations and artists. The rationale for this division of
sustainable operational funding is to ensure that local groups are sustainably funded by local funding agencies.

The potential for the creation of regional companies supported by two or more provinces can be illustrated by referring to the current provinces of BC and Alberta where there are currently four major opera companies operating: Vancouver Opera, Victoria’s Pacific Opera, Calgary Opera and Edmonton Opera. Under the current format each company presents three or four operas per year with an estimated 12 performances in total. As has been the case in recent years the financial viability of opera as an art form has been under stress. The proposal in Figure 83 would enable two or more provinces to co-fund a regional opera company that would perform 3 or 4 operas per year with 12 performances in total in each city. The detailed operational logistics would need to be addressed but the essential element being one regional company serving several communities in two or more provinces. A regional company model could operate for a number of performing arts genres.

The major modification in the new funding model would take place at the federal level with a significant restructuring of the Canada Council. For this exercise we will assume that in terms of expenditure the nation’s professional arts sector is equal to the per capita expenditure of Operation Impact. The Canada Council parliamentary budget allocation would therefore increase to $528 million.

The new model focuses the council’s sphere of influence on the arts from a national perspective. In future the sustainable support of local arts groups would be covered at the municipal and provincial government level. Once again I would like to provide some perspective as to what is meant by a ‘national arts’ focus.

A restructured Canada Council would ensure that productions like the Seven Streams of the River Ota, Betroffenheit and other future works are offered wider accessibility to Canadians and could be seen on the national stage across the country. These are examples of both large-scale productions of national importance. There are
other artists and companies that work on a much smaller scale who should also have access to the national stage and who the national audience should have access to.

**Figure 84: New Model Stage 2 - The Canada Council for the 21st century**

![Diagram of the Canada Council for the Arts](image)

Note: Figure 83 denoted the possible creation by two (or more) provinces of Regional Companies. A regional company’s work, in any genre, could be considered by the Canada Council under the national touring program, commissioning program etc.

**The Canada Council for the Arts**

An Act of Parliament created the Canada Council for the Arts in 1957 "to foster and promote the study and enjoyment of, and the production of works in, the arts."

The suggested restructuring would allow the organization to continue offering a broad range of grants to professional Canadian artists and arts organizations in music, theatre, writing and publishing, visual arts, dance, media arts and integrated (multidisciplinary) arts. The difference would be an increased national focus to ensure that the best Canadian artist’s work is shared with the entire country.
From a Regional to National Focus

The refocusing of the Canada Council would be designed to enable the best of local arts to access the national stage through consideration by a national peer jury composed of a selection of people with diverse cultural background’s and experience with relevant expertise. The peer jury system would operate on a one-person one-vote basis and would be a blind process with one member having one vote per application. The members of the jury will also conduct meetings online. Companies or organizations selected for national support would receive funding for either a one off project or a multi-year funding commitment after which any company would undergo evaluation before being re-considered.

Canada Council funding would be in addition to municipal and provincial support. If, following the awarding of national funding, there was any withdrawal of local and provincial support would result in loss of national funds. The practice of counterweight funding that we have seen throughout this dissertation where increased funding by one government funder results in the decrease by another government funder must be halted.

Destination Canada - An arts / tourism four year pilot program

This recommendation flows from this dissertation’s research question that asked: With the ever-increasing pressures on public funding in Canada how would the Canadian Tourism industry benefit from a better-funded professional arts sector based upon artistic excellence?

Canadian Heritage funds festivals and arts programs across Canada. These make communities not only richer and more interesting places to live but also more interesting places for tourists to visit. Through Canada’s Economic Action Plan, we delivered the two-year Marquee Tourism Events Program to support world-class programs and experiences (Federal Tourism Strategy, 2011).

As we have seen in Chapter 5 the government, through MTEP, invested $100 million in events and festivals across Canada to promote domestic and international tourism. Industry Canada’s own assessment was that the program was not a great success. The MTEP funds were allocated to the marketing of art as opposed to the creation of art.
The proposed Destination Canada pilot program’s focus would remain on attracting domestic and international tourists to Canadian arts festivals (as was the MTEP), but the new program would be centred on Canada’s artistic creativity and programming not solely on marketing design. The pilot program would be driven by the Canada Council which would be allocated $200 million over four years enabling ten $5 million commissions per year with the professional arts at their core. The criteria for the receipt of a Destination Canada Commission would be art, legacy and tourism.

Tourism products are diverse and include festivals, sporting events, arts centres, museums, unique architecture, heritage sites, parks and botanical gardens. Products must be renewed and created continually so that destinations remain attractive, meet changes in various market segments, give visitors a reason to stay longer, and generate new opportunities for job and wealth creation.


Lepage’s work The Image Mill, commissioned for the 400th anniversary celebrations in Quebec City, would be a prime example of a Destination Canada commission where an artistic vision translated into a tourist attraction that served for seven years. Another recent example of this type of project is Dismaland85 a project initiated by Banksy, the world-renowned underground street artist, to turn a deserted swimming pool complex in North Somerset into a parody of the modern theme park. Dismaland was one of the area’s largest tourist attractions of 2015 bringing thousands of people from all over Europe to see the ‘dark artistic attraction’. This was an example of the investment and renewal that the 2011 Federal Tourism Strategy tried to emulate but failed to achieve in relation to Canadian arts driven attractions.

National Touring Program

The Canada Council will have the ability to support touring applications for works by companies or individuals of national significance to be seen throughout the country. A touring application could come from the company itself in order to facilitate ‘self producing’ national tours on a ‘guarantee against loss’ basis. Similarly the

85 http://banksy.co.uk
application could come from regional presenters, thereby allowing, for example, Toronto based Soulpepper Theatre company’s work to be seen on the west coast for the first time.

**National Arts Training Program**

The Canada Council would continue to support the funding of the national training institutions such as the National Theatre School in Montreal.

**National Arts Commissioning Program** –

A National Arts Commissioning program operated by the Canada Council would be based upon the SSHRC model for graduate students where fixed financial amounts are awarded annually. The suggested budget allocation would be $3.5million per annum that would provide one hundred $35,000 commissions per year.

**Arts Investment Royalty Program** -

As we saw in the 1986 Bovey Report one of the ‘constants’ in the discussion re arts funding has centred on the balance between private and public funds. The LAC ministerial briefing notes related to The Bovey Report demonstrated that getting the balance right has proved difficult. The LAC ministerial briefing that centred on the future of the Canada Council recognized that the involvement of corporate support in the arts favoured the larger, high profile companies. With this in mind I would recommend the introduction of an Arts Investment Royalty Program. What is an arts investment royalty program? As we have seen in this dissertation, the public funding of the arts is based upon an artistic risk. Occasionally, the public funding in an artistic project acts as a form of start-up funding. The prime Canadian example would be the Cirque du Soleil, which was officially founded in 1984, thanks to financial support from the Quebec government on the occasion of the 450th anniversary celebrations of Jacques Cartier's arrival in Canada. The initial government funding of $500,000 ultimately resulted in a global company sold to Chinese and American investors for $1.5 billion. Similarly, the recent production of The War Horse that was developed at the publicly funded National Theatre Company, England, transferred to the commercial stage where its run netted 13.5 million pounds. There are other examples of visual and music artists, which have received public
funding on their journey to commercial success. I propose that a formula be developed whereby under certain circumstances where a royalty payment should be implemented so that a percentage of the profit or sale price would return to a secure trust held by the Canada Council for future investment in Canadian Arts. Auction houses around the world are selling artworks and taking a fixed percentage of the sale price. The sale of work by an artist that had received Canada Council support in their furtherance of their career could be subjected to the same concept. Similarly, the sale of a company founded with the support of government funding could also be subjected to an arts tax for the benefit of the future generations of professional artists.

**National Arts Company**

The dissertation has also demonstrated that the National Arts institutions have two distinct characteristics, firstly they are based in Ottawa, and secondly they received a much higher per capita spending allocation than their counterparts around the country.

To counter this state of affairs and to make the term ‘National’ truly mean national I would recommend the creation of a geographically mobile National Arts Company. The new Canada Council would provide annual multi-million dollar support to enable the creation of a new Canadian National Arts Company. The headquarters of the national company would be based in offices with no production facilities. Its remit would be to invest in and to partner with small, medium and large multi-genre companies across Canada to produce new works. The artistic director’s (and their production team) term would be four years. As a new management team is appointed the national office would move from city to city upon installation of a new director. Cities, large and small, urban and rural, throughout the country can apply to host the National Arts Company for the four-year duration. This is modelled upon the creation of the successful National Theatre of Scotland that was created several years ago with an annual grant of 14 million GBP. The Canadian National Company would be allocated a minimum of $25 million per annum.
Arts and Education –

Lastly, but perhaps most importantly I would recommend that the Canada Council takes responsibility for a National Professional Arts in Education component. As seen throughout this examination one of the most important aspects of a successful arts policy is that the art is both of a high quality and is widely accessible to everyone. To ensure the success of a National Arts in Education program I recommend that the Canada Council take overall responsibility for ensuring that every young person is given access to three professional arts performances per year. On a personal note, as Director of the Scottish International Children’s Festival in Edinburgh, based upon the Vancouver Children’s Festival model I spent some considerable time looking at ways that professional performances were delivered to a young audience. I sat for three years on the board of Green Thumb Theatre, one of Canada’s leading companies producing work for young audiences. At a number of Green Thumb board meetings there was continuing debate about the diminishing geographical scope of the company’s operation. The problem was that when the company performed a certain distance from the Vancouver base that made it impossible for the company to return to base then the costs of the performance rose due to increased costs of overnight stays and per diems. As a result fewer schools outside of the major urban centres could afford to book performances. A well-funded national art in education program would ensure that all Canadian young people across the country have access to high quality professional performance.

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I would like to stress that the above recommendations are a starting point for discussion as to the process to fund the professional arts for the next sixty years. Its foundation is aimed at removing the disparity between the rhetoric and the reality of the past sixty years and to provide arts funding which would aim to achieve what so many government reports and commissions to date have failed to achieve, which is to provide a fully funded system that does not require Canada’s professional arts community to subsidize the program.
Chapter 8. Final Reflection

Many lessons have been learned throughout this academic journey. One was discovering how difficult it is to access federal government information in modern Canada and I have to thank the SFU librarians, Carla Graebner and Sylvia Roberts, who have helped in this quest for information.

It isn’t just the level of technical difficulty one experiences in accessing information, 27 months to complete a FOI request, or the suspicion that often appears when one seeks access to government arts funding files or the geographical constrictions of travelling to LAC in Ottawa to discover that the some requested files have not yet been ‘officially cleared’ and that another trip will be needed.

But the most important outcome from this research has been to expose the methodological shortcomings central to late 20th and early 21st century federal arts policy design and evaluation procedures. Chapter 4’s examination of long term continuous policy, and Chapter 5’s, examination of the short term time restricted MTEP have provided evidence of spurious policy evaluation procedures.

Chapter 4’s look at the longer policy arc of the Canada Council 1957-2014 delivered clear evidence of the gulf between the rhetoric and the reality of arts policy. Throughout this period we saw policy documents that sanction the importance of the professional arts sector in modern Canada. Unfortunately, when the next report is commissioned, the process begins anew without fully evaluating the success of the previous policy review.

Chapter 5’s examination of the MTEP highlights, in microcosm, how arts policy produced from within a neoliberal regime, was inundated with examples of lax or bogus policy evaluation procedures that fell well short of actually capturing the economic data
the program was designed to collect. Conversely, the MTEP revealed the vulnerability of the system to mischievous activity or political gaming, through the counterweighting of funding, between the three levels of government.

The failure, both to measure and to achieve results demonstrated in this dissertation provokes a major rethink of the design, implementation and evaluation of professional arts policy.

The suggested recommendations above are based upon a philosophical return to federal arts policy designed to enable and support artistic creation at the highest level. Excellent creative work, as demonstrated by the examples of Crystal Pite and Robert Lepage and many others, can serve both citizens and tourists, but only if the artist and creator are placed at the centre of the circle.

The conclusion I draw at the end of the day is that only when one has determined the true picture of the rhetoric versus the reality can one set about the task of changing the structure itself.
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Appendix A.

Access to Information Request

12th July 2012
Industry Canada
Kimberly Eadie
Access to Information and Privacy Coordinator
West Tower 235 Queen Street,
5th Floor
Ottawa,
Ontario K1A 0H5

Dear Kimberly Eadie,

Access to Information Act

I am a PhD student at Simon Fraser University’s School of Communication, Vancouver. My thesis is focused on examining the relationship between Government, the Canadian arts and entertainment industry and the Canadian tourism sector.

I am writing under the Access to Information Act to request access to the following documents: the final reports / independent studies, of the organisations that received federal funding under the recent Marquee Events Tourism Program (MTEP).

MARQUEE TOURISM EVENTS PROGRAM (BUDGET 2009 AND BUDGET 2010)

Through Canada's Economic Action Plan (EAP), the federal government introduced the $100 million Marquee Tourism Events Program (MTEP), a temporary, two-year stimulus measure, which ended March 31, 2011. MTEP provided a much-needed boost to the Canadian tourism industry - an industry that faced challenges due to the global recession.

The Program guidelines stated that:

If You Are Awarded Funding
1- All recipients must sign a contribution agreement with Industry Canada prior to receiving funds under the Program;
2- All recipients must acknowledge funding from Industry Canada in promotional materials in a manner consistent with the new guidelines as part of the Economic Action Plan;
3- The contribution agreement will include an indemnification provision in favour of the Crown, whereby the recipient will indemnify Canada against any legal claims which might arise as a consequence of the project;
4- All recipients are strongly encouraged to obtain insurance to cover their own and their volunteers’ activities in support of the tourism event;
5- All recipients will be required to conduct and submit an independent study examining the overall attendance and point of origin of visitors attending the tourism event, and the economic impact of the tourism event. Reporting requirements are available on Industry Canada’s website at www.ic.gc.ca/tourism. Recipients of a contribution will also be required to submit audited financial statements of the organisation for the subsequent 2 years following the end of the proposed project;
6- All recipients must report on the progress of the project on a monthly basis;
7- Payment under the Program will be based upon the reimbursement of eligible expenses and a monthly progress report;
8- All recipients are subject to audit by the Program.

I am seeking access to the independent studies outlined in section 5 of “If you receive funding.
I attach a copy of the Access to Information Request form and a cheque for $5 payable to The Receiver General of Canada as directed.
I look forward to hearing from you.
Yours sincerely,
Duncan Low
Appendix B

Marquee Tourism Event Program Guide

Background

In Budget 2009, the Government of Canada announced $100 million over two (2) years for marquee festivals and events that draw a significant number of tourists. As a result, the Marquee Tourism Events Program (MTEP) has been established to provide significant economic stimulus in the short-term and, in the longer-term, opportunities for strengthening the competitiveness and growth of Canada’s visitor economy. In April 2010, the MTEP will be entering its second year of a two-year program.

Program Objective

Through targeted short-term support, the MTEP will assist existing organisations that manage marquee tourism events enhance their offerings to deliver world-class programs and experiences. This support will contribute to the long-term growth and viability of Canada’s visitor economy by attracting more tourists from within and outside Canada.

Expected Results

The goals of the MTEP are to:

- sustain or increase the number of out-of-country and out-of-province visitors;
- sustain or increase tourism-related spending (e.g. spending on hotels, restaurants and local businesses); and
- sustain or increase revenues for the tourism events that are funded.

Applicants are required to demonstrate how their project proposal will contribute to these expected results in their project application. In addition, all recipients will be required to report on the results achieved at the end of the project. The reporting requirements are available at www.ic.gc.ca/tourism.

Eligible Recipients

Contributions may be made to the following legal entities:

- non-profit organisations duly incorporated under Canadian laws;
- for-profit corporations duly incorporated under Canadian laws; and
- a First Nation government, including a Band or Tribal council or its agent (including its wholly-owned corporation) on the condition that the First Nation has indicated support for the project and for the legally-designated representative to seek funding through a formal Band or Tribal Council resolution, or other documentation for Self-governing First Nations.

Individuals and other levels of government are not eligible for Program funding.

Eligibility Criteria

For the purpose of the MTEP, a marquee tourism event is defined as an annual recurring world-class event that is well-established and has a long-standing tradition of programming and management excellence. Two funding tiers are described in this guide, each with different eligibility criteria.
**Tier 1 Financing:**

A Tier 1 event is defined as an annual recurring tourism event that meets all of the following criteria with reference to the last iteration of the tourism event:

- minimum overall attendance: 250,000;
- minimum percentage of attendees that are tourists: 10%;
- minimum cash operating budget: $2 million;
- minimum number of years event/organisation has been in existence\(^{86}\): 3 years;
- programming that lasts for at least 3 consecutive days; and
- has an existing international marketing strategy that incorporates overnight tour packages.

**Tier 2 Financing:**

A Tier 2 event is defined as an annual recurring tourism event that meets all of the following criteria with reference to the last iteration of the tourism event:

- minimum overall attendance: 50,000;
- minimum percentage of attendees that are tourists: 10%;
- minimum cash operating budget: $500,000;
- minimum number of years event/organisation has been in existence\(^{87}\): 3 years;
- programming that lasts for at least 3 consecutive days; and
- has an existing domestic marketing strategy and an existing or proposed international marketing strategy that would incorporate overnight tour packages.

An event that is eligible for funding under Tier 1 may not receive funding under Tier 2.

**Eligible Activities**

The activities that may be supported under the MTEP include activities which will help existing marquee tourism events deliver enhanced programs and experiences, thereby increasing or sustaining the number of tourists from within and outside Canada.

**Ineligible Events**

Tourism events not eligible for Program funding include the following:

- tourism events such as trade fairs, consumer shows, symposia, conventions, meeting and conferences, anniversaries (civic or national holidays and anniversaries, including the national days of other countries or nations), awards ceremonies, seminars and clinics;
- tourism events that are not open to the general public;
- tourism events that seek to attract only a special interest audience or recruit new members (e. g. religious or political events); and
- tourism events which are part of a year-round, ongoing performance or exhibition program.

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\(^{86}\) The applicant is required to have been in existence for at least three years and the funded event will have to be at least the third recurring iteration of the event as of the start of the funded event.

\(^{87}\) The applicant is required to have been in existence for at least three years and the funded event will have to be at least the third recurring iteration of the event as of the start of the funded event.
Eligible Expenses

Eligible expenses are those that are incurred and paid for by the recipients and that are reasonable and required to carry out the eligible activities. Only costs that are reasonable and incremental, and relate directly to eligible activities, are eligible.

Incremental costs are those that would not have been incurred in the absence of MTEP funding. Incremental costs can relate to either new activities or enhancements to existing activities. In the application form, applicants will be required to clearly indicate why the proposed project would not take place in the absence of Program funding. In addition, applicants will be required to indicate whether the activity is a new one or an enhancement to an existing activity.

Categories of eligible expenses under the Program include:

• programming costs (those relating to artists fees may not exceed 50% of the total funding made available for that tourism event);
• marketing and promotion;
• product development (e.g. new sub-theme or activity);
• equipment;
• capital and fixed assets; and
• audit and reporting expenses for funds provided through this Program.

Examples of eligible expenses under the Program include the following:

• costs for the development of new programming such as specialty attractions, new sub-themes or activities;
• incremental audit costs and reporting costs for funds provided through this Program;
• marketing and promotion;
• fixed assets / capital;
• equipment;
• artists fees including, costs for artists, musicians, performers, celebrities, special guests and speakers, including travel, accommodation and entertainment agencies;
• costs for the lease or purchase of assets (not a permanent installation) that support enhanced programs and services (e.g. stage, tables, bleachers, tents/awnings and canopy, stages, sound and lighting, fencing, etc.);
• costs paid for audio and visual support, and technical and stage crews for funded eligible activities;
• new or improved visitor services;
• translation costs required to promote tourism events in both official languages;
• services for persons with disabilities;
• site services related to a new program, activity or service such as security, sanitation services and shuttle buses; and
• other costs deemed reasonable.

Certain project expenses are not eligible for funding. These include:
• capital costs for which the applicant could receive assistance under other current or proposed federal infrastructure programs;
• core administrative and overhead costs such as rent, telephone and communication lines/services, utilities, maintenance costs and any operational expenses related to an organisation’s ongoing activities;
• salaries of staff not directly related to the project to be funded;
• deficit repayment;
• reception and hospitality, including alcoholic beverages;
• feasibility studies;
• the cost of providing a discount on admission prices or services offered to the public;
• legal, audit or interest fees for ongoing activities of the organisation or tourism event;
• bank administrative fees;
• permanent improvement to equipment or infrastructure not owned by the applicant; and
• the costs of merchandise for resale.

Application and Evaluation Process

MTEP is designed to support world-class events that propose a project that is expected to have a significant impact on the tourism event and Canada’s visitor economy. In the application form, applicants will be required to clearly demonstrate meaningful incremental outcomes as a result of their proposed project. More specifically, in section 4 of the application form, applicants will be required to provide a description of the proposed project. In sections 5 and 6, applicants will be required to demonstrate the impact of their proposed project and how it contributes to the Program’s expected results. Examples of projects that will be considered for funding include new world-class programming, increased event duration, new world-class products, and marketing activities directed at new international markets.

Applicants must meet all MTEP eligibility requirements in order to be considered for Program funding. Applications which meet eligibility requirements will be assessed by Industry Canada to determine the extent to which they fulfill Program goals and objectives. MTEP is a discretionary Program, and not all eligible projects will be approved for funding. Applications for funding must be approved by the Minister of Industry.

Applicants will be notified whether their application has been approved or not. Successful applicants will be required to sign a contribution agreement that outlines in greater detail the conditions under which funding will be provided. Industry Canada reserves the right to contact other government organisations to verify the information contained in your application.

88 Capital costs submitted as part of the application will require consultation with other federal infrastructure programs.
Funding Assistance

Funding available under the MTEP for any tourism event can be no greater than 20% of the cash operating budget of the last iteration of the tourism event, up to a maximum of $3,000,000 per fiscal year for Tier 1 applicants and up to a maximum of $1,000,000 per fiscal year for Tier 2 applicants.

For MTEP purposes, the cash operating budget is the total operating expenses of the tourism event as per the audited statement of operations or income statement, less non-cash expenses included in the operating expenses and extraordinary items. Applicants are to provide a list of non-cash expenses to determine the cash operating budget. Examples of non-cash items are amortization and in-kind expense items.

Funding is disbursed as a non-repayable contribution. Projects must be completed by March 31, 2011. All costs must also be incurred and services rendered by March 31, 2011.

Funding under the MTEP is project-based. Eligible capital projects can be funded up to 50% while the other categories of eligible expenses can be funded up to 75%. Programming costs relating to artists fees shall not be more than 50% of the total funding made available for that tourism event. A one-time advance payment (up to 25% of Industry Canada’s contribution) may be considered, although applicants will be expected to demonstrate the need for such an advance.

Some activities that are eligible under the MTEP may receive funding from other government sources (municipal, provincial/territorial or federal). The combination of financial assistance received from the MTEP and these other government funding sources cannot exceed 90% of the total eligible expenses of the project. You will be required to disclose these other sources of funding.

This application requires that your organisation submits annual financial statements for the past 4 years for the purpose of evaluating its financial health. At the very least, the annual financial statements that include the last iteration of the tourism event must be audited. For those situations where the tourism event forms only a portion the organisation’s overall activities, and supporting schedules are not available for the tourism event, a separate statement of revenues and expenses for the tourism event must be provided along with written confirmation from the organisation’s auditor as to the accuracy of the statement.

Applicants are also asked to provide information on support they receive from sponsors (including the names, amounts and whether sponsorship is confirmed).

How to Apply

Applicants must complete the following documents (the person who signs the application must have signing authority for the organisation and must be 18 years or older):

- the application form;
- monthly project timetable(s) for the proposed project (See Annex A - template provided). If the project is comprised of activities that each contain various cost categories, a monthly timetable will be required for each of these activities. A roll up table is required if multiple timetables are submitted; and
- monthly breakdown(s) of costs, funding and revenues for the proposed project (See Annex B – template provided). If the project is comprised of activities that each contain various cost categories, a monthly timetable will be required for each of these activities.
A roll up table is required if multiple breakdowns of costs, funding and revenue are submitted.

Applicants must include the following documents as part of their application (see Application Form - Document Checklist, Page 1):

• a letter from the tourism event’s chairperson stating that he/she supports the proposed project and will ensure that the project adheres to the Program’s requirements;
• a copy of the organisation’s annual financial statements for the past 4 years. At the very least, the annual financial statements that include the last iteration of the tourism event must be audited;
• a copy of the tourism event’s budget;
• the tourism event’s current domestic marketing strategy (mandatory for all tourism events), and the international marketing strategy (mandatory for Tier 1 events, and “if available” for Tier 2 events). If your tourism event does not have an international marketing strategy, you must develop one as a condition of receiving funding and provide a description of the activities you plan to undertake;
• a list of sponsors for your 2010-11 iteration\(^9\) of the tourism event including the names, amounts and whether the sponsors are confirmed;
• documents supporting the methodologies described in Section 5 of the application form (e.g. the tourism event’s most recent economic impact study, client visitor survey, report on gate receipts, etc.). Recipients that received MTEP funding under the first call for applications (2009-2010) must submit a copy of their economic impact study. If it is unavailable at the time of application submission, 2009-10 recipients must provide a signed attestation from the survey firm that validates the data submitted in this application. The final economic impact study must still be submitted;
• brochures, programs and other reports, such as annual reports, related to the last iteration of the tourism event;
• a copy of the letters patent or certificate of incorporation;
• a copy of the bylaws or articles of association; and
• a list of the members of the Board of Directors.

Applicants must be aware of their obligations under the Lobbyists Act as well as the prohibition against contingency fees.

If applicable, the following documents must be appended to comply with the Lobbying Act (see Section 9 of application form):

• a printout from the Registry of Lobbyists for those officials and/or consultants required to be registered with the Office of the Commissioner of Lobbying of Canada; and
• if there is a discrepancy between the list of names and printout(s) submitted, a written explanation must be provided to explain why the individuals on the list do not need to be registered under the Lobbying Act.

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\(^9\) Tourism event that will occur between April 1, 2010 and March 31, 2011.
1. Applicants must submit their application, in person or by mail, to Industry Canada head office (see address, page 8) no later than the deadline date. Applications postmarked after the deadline date will not be accepted.

Please note that the application and all documents submitted are subject to information requests under the Access to Information Act and are protected under the Privacy Act.

APPLICATION DEADLINES

All information required to support your application must be sent to Industry Canada (see address, page 8) and be postmarked no later than January 8, 2010.

Application Processing Time

Industry Canada will contact applicants, by mail, to acknowledge receipt of the application. Industry Canada may also communicate with the contact person identified in the application to seek additional information if necessary.

Processing time will vary depending on the overall demand for funding, as well as the nature and complexity of each proposal.

If You Are Awarded Funding

9- All recipients must sign a contribution agreement with Industry Canada prior to receiving funds under the Program;

10- All recipients must acknowledge funding from Industry Canada in promotional materials in a manner consistent with the new guidelines as part of the Economic Action Plan;

11- The contribution agreement will include an indemnification provision in favour of the Crown, whereby the recipient will indemnify Canada against any legal claims which might arise as a consequence of the project;

12- All recipients are strongly encouraged to obtain insurance to cover their own and their volunteers’ activities in support of the tourism event;

13- All recipients will be required to conduct and submit an independent study examining the overall attendance and point of origin of visitors attending the tourism event, and the economic impact of the tourism event. Reporting requirements are available on Industry Canada’s website at www.ic.gc.ca/tourism. Recipients of a contribution will also be required to submit audited financial statements of the organisation for the subsequent 2 years following the end of the proposed project;

14- All recipients must report on the progress of the project on a monthly basis;

15- Payment under the Program will be based upon the reimbursement of eligible expenses and a monthly progress report;
16- All recipients are subject to audit by the Program.

Before funding for the project can be approved, an environmental screening will be completed by Industry Canada staff to ensure compliance with the Canadian Environmental Assessment Act and the Canadian Environmental Protection Act.

In the event of disagreement between the Applicant and the Minister over the meaning of any terms or provisions contained in this Guide or the Application Form, the interpretation of the Minister shall prevail.

Glossary of Terms

**Artist fees**: Costs for artists, musicians, performers, celebrities, special guests and speakers, including travel, accommodation and entertainment agencies, which cannot exceed 50% of Industry Canada’s Contribution.

**Attendance**: Number of overall entries to your tourism event, which includes:
- local visitor: a visitor that resides within 80 km of the tourism event’s location;
- domestic tourist: involves a visit by residents of Canada that originates and occurs within Canada, is less than 365 days in duration and is 80 kilometres beyond the visitor’s home environment;
- international tourist: involves a visit by a non-resident of Canada to Canada.

**Audit and reporting costs**: Expenses related to the incremental costs associated with the preparation of audited financial statements and the cost associated with the preparation of an economic impact study for the tourism event.

**Capital costs**: Expenses related to acquiring, constructing or renovating a fixed asset (e.g. a permanent stage). Capital costs include improvements or additions that are amortized over a period of time.

**Cash operating budget**: The total operating expenses of the tourism event as per the audited statement of operations or income statement, less non-cash expenses included in the operating expenses and extraordinary items. Applicants are to provide a list of non-cash expenses to determine the cash operating budget. Examples of non-cash items are amortization and in-kind expense items.

**Contribution**: A conditional payment to an organisation for a specified purpose as outlined in a contribution agreement that notes conditions for payment and may require an audit.

**Consumer show**: An event at which participants display products and services at exhibits, displays, booths, etc., for the principal purpose of their marketing and sale. The primary activity of attendees is viewing the products and services presented for the purpose of making a purchase immediately or in the future. Ancillary activities may include demonstrations, lessons, meetings, etc. These events focus primarily on business-to-consumer/business relationships.

**Eligibility date**: Earliest date where eligible expenses can be incurred, or for which a contractual commitment related to these expenses can be entered into.

**Equipment costs**: Expenses related to the rental or the purchase of equipment.

**Gated**: Tourism event is surrounded by a physical structure that allows attendees to enter at a specific entrance.

**Government Fiscal Year**: April 1 to March 31.

**In-kind contributions**: Goods or services that are donated to a project by either a third party or by the applicant. An in-kind contribution is considered a real contribution to the total cost of the proposed activities of the project but it is not reimbursable, as no money has changed hands. In-kind contributions do not include discounts, preferential non-profit pricing, promotional prices and rebates.

Donated goods or services may be eligible as an in-kind contribution if:
the need for in-kind contributions are detailed in the application form (Annex B);
the in-kind contribution is essential to the success of the project, and is for goods or services that are eligible under the MTEP and would otherwise be purchased and paid for by the recipient;
the in-kind contribution can be assigned at a fair value at the date of contribution (i.e. fair value could be determined in relation to the purchase of similar materials and services); and
the in-kind contribution is recorded in the recipient’s accounting statements.

**Incremental costs:** Expenses that would not have been incurred in the absence of the MTEP funding. Incremental costs must relate to either new activities or enhancements to existing activities.

**Marketing and promotion costs:** Expenses related to marketing and promotional activities such as media buys, development and distribution of promotional materials, and website enhancements.

**Marquee Tourism Event:** Defined as an annual recurring world-class event that is well established and has a long-standing tradition of programming and management excellence. It generates significant levels of tourism and seeks, or has a plan to seek, a significant amount of international media attention for Canada as a tourism destination.

**Maximum funding amount:** Funding available for any tourism event under the terms of the MTEP can be no greater than 20% of the tourism event’s last iteration cash operating budget, up to a maximum of $3,000,000 per fiscal year for Tier 1 applicants and up to a maximum of $1,000,000 per fiscal year for Tier 2 applicants.

**Open to public:** The tourism event must be “open to all” persons. Access to an event supported by the MTEP cannot be limited to members of a particular ethnic, religious, linguistic or racial sub-group of Canadian society, nor to members of any particular club, organisation or other association.

**Product Development costs:** Expenses related to the development of new activities, such as a new sub-theme or an extension to the tourism event.

**Project Start Date:** First date when eligible expenses can be incurred. It cannot be sooner than the application deadline date of January 8, 2010.

**Project End Date:** Last date when eligible expenses can be incurred and paid. It cannot be later than March 31, 2011.

**Tourist:** See definition of “attendance”.

**Industry Canada Head Office**

All applications must be sent to Industry Canada head office at the following address. You may also contact us for more information about the MTEP or to discuss your application.

Industry Canada
Marquee Tourism Events Program
235 Queen Street
Ottawa, Ontario, K1A 0H5
Tel.: (613) 954-3588
E-mail: MTEP-PMTR@ic.gc.ca
Website: www.ic.gc.ca/tourism
Appendix C

MTEP Instructions for Economic Impact Report Data

“An Economic Impact Report based primarily on a visitor survey must be prepared and, at a minimum, must include the following factors:

I. Revenues of the supported tourism event and of the previous three years events.

II. Attendance

   a. Total attendance – a profile of overall attendance with a breakdown by origin (local and tourist - domestic beyond 80km and international); and
   
   b. Number of unique attendees with a breakdown by origin (local and tourist - domestic beyond 80km and international).
   
   c. Comparable attendance data for the previous three years where possible.
   
   d. Estimate of what overall attendance would have been in the absence of MTEP funding, broken down by origin (local and tourist - domestic beyond 80km and international).

   e. Percentage of tourists (domestic beyond 80km and international) that would not have come to the host city in the absence of the event.

   f. Percentage of tourists (domestic beyond 80km and international) whose decision to visit the host city was influenced by the event

III. Duration of stay of tourists with a breakdown by origin (domestic beyond 80km and international).
IV. Total tourism related expenditures at the tourism event (admission, food, souvenirs, etc.)

V. Total tourism related expenditure in secondary industries (accommodation, food and beverage, transportation, recreation and entertainment, other)

VI. Employment

   a. Number of people employed as a result of the tourism event:

      i. Full Time

      ii. Part Time

      iii. Seasonal; and

      iv. Contractors

   b. Wages and salaries incurred to manage and hold the tourism event – employees and contractors.

   c. Numbers of volunteers supporting the tourism event and the hours of volunteer work supporting the tourism event.

   d. Expenditures to manage and hold the tourism event – goods, services, capital etc.
# Appendix D

## MTEP Funding Recipients 2009 / 2010

The following tourism events have been approved for funding as part of the 2009 Marquee Tourism Events Program.

* Denotes two-year projects.

<table>
<thead>
<tr>
<th>Tourism Event</th>
<th>Contribution Recipient</th>
<th>Maximum Contribution Amount**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic Superstore Festival of Lights</td>
<td>Tourism Charlottetown and the Prince Edward Island Convention Partnership Inc</td>
<td>$177,594</td>
</tr>
<tr>
<td>Calgary Folk Music Festival</td>
<td>Folk Festival Society of Calgary</td>
<td>$291,375*</td>
</tr>
<tr>
<td>Calgary Stampede</td>
<td>The Calgary Exhibition and Stampede Limited</td>
<td>$1,923,750</td>
</tr>
<tr>
<td>Canadian National Exhibition</td>
<td>Canadian National Exhibition Association</td>
<td>$3,750,000*</td>
</tr>
<tr>
<td>Charlottetown Festival</td>
<td>Fathers of Confederation Building Trust</td>
<td>$958,000</td>
</tr>
<tr>
<td>Cloverdale Rodeo and Country Fair</td>
<td>Lower Fraser Valley Exhibition Association</td>
<td>$345,900*</td>
</tr>
<tr>
<td>The Contact Toronto Photography Festival</td>
<td>Contact Toronto Photography Association</td>
<td>$164,750*</td>
</tr>
<tr>
<td>Edmonton International Fringe Theatre Festival</td>
<td>Fringe Theatre Adventures Society</td>
<td>$414,300</td>
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<td>Le Festival acadien de Caraquet</td>
<td>Le Festival acadien de Caraquet Inc.</td>
<td>$307,461*</td>
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<tr>
<td>Festival de montgolfières de Gatineau</td>
<td>Festival de montgolfières de Gatineau Inc.</td>
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<td>Association de vilégiature Tremblant</td>
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<td>Festival du Bois</td>
<td>Société Francophone de Maillardville</td>
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<td>Festival du Nouveau Cinéma</td>
<td>Festival du Nouveau Cinéma de Montréal</td>
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<td>Festival du Voyageur</td>
<td>Festival du Voyageur Inc.</td>
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<tr>
<td>Le Festival Grand Rire de Québec</td>
<td>Le Festival Grand Rire de Québec Inc.</td>
<td>$953,700</td>
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<td>Festival international de Jazz de Montréal</td>
<td>Le Festival international de jazz de Montréal Inc.</td>
<td>$3,000,000</td>
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<td>Festival International des Rythmes du Monde de Saguenay</td>
<td>Festival International des Rythmes du Monde</td>
<td>$177,150</td>
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<tr>
<td>Festival Juste pour rire / Just for laughs</td>
<td>Festival Juste pour rire / Just for laughs</td>
<td>$3,000,000</td>
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<td>Festival Western St-Tite</td>
<td>Festival Western St-Tite</td>
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<td>Festivent Ville de Lévis</td>
<td>Festivent Inc.</td>
<td>$209,820</td>
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<td>Les Fêtes de la Nouvelle-France</td>
<td>La Corporation des fêtes historiques de Québec</td>
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<tr>
<td>Folklorama</td>
<td>Folk Arts Council of Winnipeg, Inc.</td>
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<td>Les FrancoFolies de Montréal</td>
<td>Les FrancoFolies de Montréal Inc.</td>
<td>$1,518,375</td>
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<tr>
<td>Event</td>
<td>Recipient</td>
<td>Amount</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>GlobalFest</td>
<td>The Calgary Fireworks Festival Society</td>
<td>$240,356</td>
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<tr>
<td>2009 Grey Cup Championship Game and Festival</td>
<td>Calgary Stampeder Limited Partnership</td>
<td>$302,164</td>
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<tr>
<td>2010 Grey Cup Championship Game and Festival</td>
<td>Edmonton Eskimo Football Club and Grey Cup 2010 Inc.</td>
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<tr>
<td>International Balloon Festival Saint-Jean-sur-Richelieu</td>
<td>Corporation du Festival de montgolfières de Saint-Jean-sur-Richelieu</td>
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<td>International Festival of Authors</td>
<td>International Readings at Harbourfront</td>
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<tr>
<td>Just for Laughs Toronto Festival</td>
<td>Just for Laughs Toronto Festival</td>
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<td>Kitchener-Waterloo Oktoberfest</td>
<td>K-W Oktoberfest Inc.</td>
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<td>Lindsay Central Exhibition</td>
<td>Lindsay Agricultural Society</td>
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<td>Loto-Québec World Choral Festival</td>
<td>Corporation du Mondial Choral</td>
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<td>Luminato</td>
<td>Toronto Festival of Arts, Culture and Creativity</td>
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<td>Montreal Fashion and Design Festival</td>
<td>Sensation Mode</td>
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<td>The Montreal High Lights</td>
<td>Festival Festival Montréal en Lumières Inc.</td>
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<td>Niagara Wine Festival</td>
<td>Niagara Grape and Wine Festival</td>
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<td>Old Home Week</td>
<td>P.E.I. Provincial Exhibition Inc.</td>
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<td>Ottawa Bluesfest</td>
<td>Ottawa Bluesfest</td>
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<td>Ottawa International Chamber Music Festival</td>
<td>Ottawa Chamber Music Society</td>
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<td>Pacific National Exhibition</td>
<td>The Fair at the PNE</td>
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<td>Pride Week</td>
<td>Lesbian, Gay, Bisexual, Transsexual, and Transgender Pride Toronto</td>
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<td>Quebec City International Festival of Military Bands</td>
<td>Quebec City International Festival of Military Bands</td>
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<td>Quebec City's Summer Festival</td>
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<td>Quebec Winter Carnival</td>
<td>Carnaval de Québec inc.</td>
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<td>Red River Exhibition</td>
<td>Red River Exhibition Association</td>
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<td>The Rexall Edmonton Indy</td>
<td>Edmonton Northlands &amp; Kirkness Lake Ventures Ltd.</td>
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<td>Royal Agricultural Winter Fair</td>
<td>Royal Agricultural Winter Fair Association of Canada</td>
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<td>The Saskatoon Exhibition</td>
<td>Saskatoon Prairieland Park Corporation</td>
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<td>Scotiabank Caribana</td>
<td>Festival Management Committee</td>
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<td>Shaw Festival</td>
<td>Shaw Festival Theatre Foundation, Canada</td>
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<td>Stratford Shakespearean Festival of Canada</td>
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<td>TD Canada Trust Ottawa International Jazz Festival</td>
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<td>Toronto Downtown Jazz Society</td>
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<td>Winter Festival of Lights</td>
<td>Winter Festival of Lights</td>
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<tr>
<td>The World Film Festival</td>
<td>Canadian World Wide Film Festival</td>
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</tbody>
</table>

** actual amount may vary

Date Modified: 2010-07-29
2010 Contributions and Recipients

The following tourism events have been approved for funding as part of the 2010 Marquee Tourism Events Program.

<table>
<thead>
<tr>
<th>Tourism Event</th>
<th>Contribution Recipient</th>
<th>Maximum Contribution Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary Stampede</td>
<td>The Calgary Exhibition and Stampede Limited</td>
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<td>Canada's Largest Ribfest</td>
<td>Rotary Club of Burlington Lakeshore Trust Fund</td>
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<td>Carnaval de Québec</td>
<td>Carnaval de Québec Inc.</td>
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<td>Charlottetown Festival</td>
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<td>Cisco Ottawa Bluesfest</td>
<td>Ottawa Bluesfest</td>
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<td>Festival de montgolfières de Gatineau</td>
<td>Festival de Montgolfières de Gatineau Inc.</td>
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<td>Festival des Traditions du Monde de Fleurimont</td>
<td>Festival des Traditions du Monde de Fleurimont</td>
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<td>Festival d'été de Tremblant</td>
<td>Association de Villégiature Tremblant</td>
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<td>Festival du Voyageur</td>
<td>Festival du Voyageur Inc.</td>
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<td>Festival International de Jazz de Montréal</td>
<td>Le festival international de jazz de Montréal Inc.</td>
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<td>Festival Juste pour rire</td>
<td>Juste pour Rire</td>
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<td>Festival Western de St-Tite</td>
<td>Festival Western de St-Tite</td>
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<td>Festivent ville de Lévis</td>
<td>Festivent Inc.</td>
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<td>Fort Festival Series</td>
<td>Thunderbird Show Park Ltd</td>
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<tr>
<td>Globalfest</td>
<td>The Calgary Fireworks Festival Society</td>
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<td>Grand Prix de Trois-Rivières</td>
<td>GP3R Inc.</td>
<td>$482,250</td>
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<td>2010 Grey Cup Game and Festival</td>
<td>Edmonton Eskimo Football Club &amp; Grey Cup 2010 Inc.</td>
<td>$425,914</td>
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<tr>
<td>Honda Edmonton Indy</td>
<td>Edmonton Northlands &amp; Kirkness Lake Ventures Ltd.</td>
<td>$821,250</td>
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<tr>
<td>Interior Provincial Exhibition</td>
<td>Interior Provincial Exhibition Association</td>
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<td>International de montgolfières de Saint-Jean-sur-Richelieu</td>
<td>Corporation du Festival de Montgolfières de St-Jean-sur-Richelieu</td>
<td>$1,082,100</td>
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<td>International Plowing Match and Rural Expo</td>
<td>Ontario Plowmen's Association</td>
<td>$255,460</td>
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<tr>
<td>Kokanee Crankworx</td>
<td>Whistler Mountain Resort Limited</td>
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<tr>
<td>Event</td>
<td>Partnership</td>
<td>Amount</td>
</tr>
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<td>--------------------------------------------</td>
<td>------------------------------------------------------------------</td>
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<tr>
<td>Luminato</td>
<td>Toronto Festival Of Arts, Culture And Creativity</td>
<td>$2,566,099</td>
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<td>Niagara Wine Festival</td>
<td>Niagara Grape and Wine Festival</td>
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<td>Norfolk county Fair and Horse Show</td>
<td>Norfolk County Agricultural Society</td>
<td>$171,000</td>
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<td>Old Home Week</td>
<td>PEI Provincial Exhibition Inc.</td>
<td>$134,888</td>
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<tr>
<td>Pacific National Exhibition</td>
<td>The Fair at the PNE</td>
<td>$2,984,250</td>
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<td>Québec City’s Summer Festival</td>
<td>Festival d’été international de Québec inc.</td>
<td>$2,895,592</td>
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<td>Red River Exhibition</td>
<td>Red River Exhibition Association</td>
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<td>Régates Moison Dry de Valleyfield</td>
<td>Les Régates De Valleyfield Inc.</td>
<td>$310,536</td>
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<td>Rodéo du Camion</td>
<td>Comité Des Attractions Touristiques De Notre-Dame-Du-Nord</td>
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<td>Royal Agricultural Winter Fair</td>
<td>Royal Agricultural Winter Fair Association of Canada</td>
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<td>Royal Manitoba Winter Fair</td>
<td>Provincial Exhibition of Manitoba Inc.</td>
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<td>Royal Nova Scotia International Tattoo</td>
<td>Royal Nova Scotia International Tattoo Society</td>
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<td>SaskTel Saskatchewan Jazz Festival</td>
<td>Saskatchewan Jazz Festival Inc.</td>
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<td>Shaw Festival</td>
<td>The Shaw Festival Theatre Foundation, Canada</td>
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<td>Sound of Music Festival</td>
<td>Burlington’s Sound Of Music Festival Inc.</td>
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<td>Stratford Shakespeare Festival</td>
<td>Stratford Shakespearean Festival of Canada</td>
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<td>TD Canada Trust Vancouver International Jazz Festival</td>
<td>Coastal Jazz and Blues Society</td>
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<td>The Saskatoon Exhibition</td>
<td>Saskatoon Prairieland Park Corporation</td>
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<td>Thousand Islands Playhouse</td>
<td>Thousand Islands Foundation For The Performing Arts</td>
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<tr>
<td>Tim Hortons Shuffle Blues &amp; Jazz Festival</td>
<td>Southside Shuffle Blues &amp; Jazz Festival</td>
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<td>Vélium - Festival international et championnats du Monde de velo du montagne</td>
<td>Corporation coupe du monde velo montagne</td>
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<tr>
<td>Whoop-up Days</td>
<td>Lethbridge and District Exhibition</td>
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<td>Winnipeg Folk Festival</td>
<td>The Winnipeg Centennial Folk Festival</td>
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<td>World Ski and Snowboard Festival</td>
<td>Whistler Mountain Resort Limited Partnership</td>
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* actual amount may vary

Date Modified: 2010-07-20
Appendix E


“In terms of the real buying power of the dollar our budget has declined steadily since 1978-79. The full picture of this decline is recorded on page 5 (below) in a graph depicting our support to the arts from 1971 to the present in current and constant dollars”.

2 http://www.cbc.ca/news2/background/sars/economicimpact.html
4 http://spectatortribune.com/article/canadas-most-creative-cities/
5 chttp://www1.toronto.ca/wps/portal/contentonly?vgnextoid=0fc91ba53b450410VgnVCM10000071d60f89RCRD
6 https://www.google.ca/ - q=The+Games+Effect+-+2010+PricewaterhouseCoopers+->+Report+6