NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.
STRUCTURE AND SELECTIVITY IN
THE CONTEMPORARY CANADIAN ART MARKET

by

Charlotte Ann Jones
B.A.(Hons.), University of Manitoba, 1975
M.L.S., University of British Columbia, 1984

THESIS SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS
in the Department
of Communication

© Charlotte Ann Jones 1989
SIMON FRASER UNIVERSITY
December, 1989

All rights reserved. This work may not be reproduced
in whole or in part, by photocopy or other means,
without permission of the author.
The author has granted an irrevocable non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of his/her thesis by any means and in any form or format, making this thesis available to interested persons.

The author retains ownership of the copyright in his/her thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without his/her permission.

L'auteur a accordé une licence irrévocable et non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de sa thèse de quelque manière et sous quelque forme que ce soit pour mettre des exemplaires de cette thèse à la disposition des personnes intéressées.

L'auteur conserve la propriété du droit d'auteur qui protège sa thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

APPROVAL

NAME: Charlotte Ann Jones

DEGREE: Master of Arts (Communication)

TITLE OF THESIS: Structure and Selectivity in the Contemporary Canadian Art Market

EXAMINING COMMITTEE:

Chairman: Dr. Jan W. Walls

<table>
<thead>
<tr>
<th>Dr. William H. Melody</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor</td>
</tr>
<tr>
<td>Senior Supervisor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dr. Robert S. Anderson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Professor</td>
</tr>
<tr>
<td>Supervisor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dr. Alison C.M. Beale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Professor</td>
</tr>
<tr>
<td>Supervisor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dr. Evan W. Alderson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Professor</td>
</tr>
<tr>
<td>Centre for the Arts</td>
</tr>
<tr>
<td>External Examiner</td>
</tr>
</tbody>
</table>

DATE APPROVED: 5 October 1989
PARTIAL COPYRIGHT LICENCE

I hereby grant to Simon Fraser University the right to lend my thesis or dissertation (the title of which is shown below) to users of the Simon Fraser University Library, and to make partial or single copies only for such users or in response to a request from the library of any other university, or other educational institution, on its own behalf or for one of its users. I further agree that permission for multiple copying of this thesis for scholarly purposes may be granted by me or the Dean of Graduate Studies. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Title of Thesis/Dissertation:
Structure and Selectivity in the Contemporary Canadian Art Market.

Author: Charlotte Ann Jones
signature
name

5 October 1989
date
ABSTRACT

This thesis is concerned with how and why certain artwork is seen, collected and preserved as representing the art of a specific time and place while other artwork is ignored. It proposes to examine one mechanism underlying this selectivity and the implications that this has for both dominant and alternate traditions. Applications to government policy formulation are explored.

Specifically it argues that structural features of the dominant distribution system for visual art serve as a mechanism of selectivity which screens artworks at each stage of distribution. A model which employs a structural analysis is proposed as a means to assess past and present government policy and as a basis for formulating effective policy in the future. It assumes that government policy seeks to encourage a rich and diverse visual culture.

The thesis examines a specific distribution system: the contemporary Canadian art market. The first part of the thesis is devoted to identifying the major structural features of the market: the visual art object itself, interests and production patterns of visual artists, interests of and constraints upon dealers/distributors, and interests of and collecting patterns among buyers. A distinction is made which divides buyers into three groups: the individual, the corporate and the public buyer. The second part examines how a price is established for a work of art in this market. The pricing mechanism is seen as indicating the dynamics of the system because it brings the major actors
together. Further, as a method of resource allocation, price is seen as an important mechanism of selectivity.

It was found that structural constraints did act to select works of art at every stage of the distribution process. Buyers were found to have distinct patterns of collecting and that when a group acted in concert, as did the public buyer and the corporate buyer, this obviously affected the pattern of resource allocation among artists. The public buyer was found to have a conflict of interest because it was a major participant in the market but had non-market means to affect price. Second, government policy has been aimed at stimulating production and consumption but virtually ignores the problems of distributors.
# Table of Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Introduction: The Distribution System of the Visual Arts in the Market System; Notes</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>Art as Object; The Art Object; Notes</td>
<td>19</td>
</tr>
<tr>
<td>III</td>
<td>Artists and Dealers/Distributors; Notes</td>
<td>34</td>
</tr>
<tr>
<td>IV</td>
<td>Introduction: Buyers; Private and Corporate Collectors; Notes</td>
<td>65</td>
</tr>
<tr>
<td>V</td>
<td>The Public Buyer; Notes</td>
<td>106</td>
</tr>
<tr>
<td>VI</td>
<td>The National Gallery of Canada; Notes</td>
<td>118</td>
</tr>
<tr>
<td>VII</td>
<td>The Art Gallery of Ontario; Notes</td>
<td>138</td>
</tr>
<tr>
<td>VIII</td>
<td>The Canada Council Art Bank; Notes</td>
<td>155</td>
</tr>
<tr>
<td>IX</td>
<td>Summary: Private, Corporate and Public Buyers; Notes</td>
<td>173</td>
</tr>
<tr>
<td>X</td>
<td>Price and Value; Notes</td>
<td>193</td>
</tr>
<tr>
<td>XI</td>
<td>Conclusion; Structure and Selection; Implications for Government Policy; Notes</td>
<td>232</td>
</tr>
</tbody>
</table>

**Sources Consulted**

249
List of Tables

TABLE 1: Comparison between Collections 188
TABLE 2: Comparison of Total Acquisition Funds for and Value of Donations to Publicly-Funded Institutions 189
TABLE 3: Ranking of Public Galleries, Institutions, Museums and University-Affiliated Art Galleries in 1985/86 with Acquisitions Budgets of over $100,000 190
TABLE 4: Comparison of Estimated Selling Prices: Montreal and Toronto 228
TABLE 5: Comparisons of Prices at Auction and Retail Prices 229
CHAPTER I
Introduction: The Distribution of the Visual Arts through the Market System

Issues of communication arise in the visual arts at three levels. First, the visual art object itself is a means of communication for the artist/producer, although the language, and for that matter, the intent of the visual artist may be subtle and/or the message self-referential (art for art's sake). Simply put, the artist hopes to express and communicate some meaning. Second, content or meaning may be implicit in the form or medium of the art object. The object, itself, may communicate meaning. An artist may choose a monumental form and medium--bronze sculpture--for example, to convey a sense of importance or prestige to the subject matter of the art work. Or a more experimental form which is temporary implicitly makes reference to the commodity potential of the art object. And third, the visual art work is communicated to an audience. The first level relates to the artist; the second, to the art object, and the third, to the means by which the art object reaches and is understood by an audience. It is this third level--the institutional environment surrounding the distribution and communication of the visual arts--which forms the basis of this thesis.

This institutional environment, it is proposed, acts as a mechanism of selectivity within the visual arts; thus a closer examination of this mechanism is essential for added dimension in the understanding of the visual arts. In fact, it will be seen that the process whereby a work of art reaches an audience, is exhibited, collected and preserved screens works of art at each stage. Art history, seen in this light, is no longer simply the triumph of the
beautiful over the bad, the linear progression of forms, and so on: art is a social (and economic/productive) process subject to external structural pressures. If the institutional environment does indeed limit what art is seen, supported and preserved, then it is integral to a definition of the art of any period. Furthermore, the notion of selectivity implies that alternatives—which might be equally valid and valuable as art—are ignored. As Raymond Williams notes:

... that which, within the terms of an effective dominant culture, is always passed off as 'the tradition', 'the significant past'. But always the selectivity is the point; the way in which from a whole possible area of past and present, certain meanings and practices are chosen for emphasis, certain other meanings and practices are neglected and excluded. (2)

And furthermore:

I am saying then that in relation to the full range of human practice at any one time, the dominant mode is a conscious selection and organization. At least in its fully formed state it is conscious. But there are always sources of actual human practice which it neglects or excludes. And these can be different in quality from the developing and articulate interests of a rising class. They can include, for example, alternative perceptions of others, in immediate personal relationships, or new perceptions of material and media, in art and science, and within certain limits these new perceptions can be practised. (3)

This becomes less a theoretical question and more an issue which should be considered in policy for the visual arts.

This thesis examines the problem of selectivity in the visual arts. It is hypothesized that the institutional environment serves to select art because it governs what art is seen, supported, and preserved. As such, the institutional environment is integral to the understanding of the visual arts at any time. The working questions are: what are major features of the institutional environment which surround communication of the visual art object; and how
does this environment serve to select what is 'art' in a specific place and
time.

In order to answer these questions, the thesis will analyze a fairly
restricted time period and situation in this light. What follows is an attempt
to define the institutional structure of the exchange process for visual art
objects, at the level of interchange between buyer and seller in order to
discern the relationship, if any, between structure and selection. The 'real
life' situation is that of the contemporary Canadian visual arts. In other
words, what is the structure of the market for contemporary Canadian visual
arts and what, if any, relationship does this structure bear to resource
allocation among the participants? The thesis will first define what the
important features of the structure are, and second, demonstrate how, if at all,
these features affect price.

These issues assume a practical importance in the area of public policy
in the arts. If public policy is aimed at supporting artists/producers and at
educating the public to be knowledgeable of the nation's artistic heritage and
current artistic course and, as a result, fostering an enjoyment of the arts,
then it should encourage the broad spectrum of art production and
'consumption'. A second purpose for the thesis is to evolve some useful model
for policy analysis for the visual arts--a model which is based on a concrete
situation, not wishful thinking, and which is based on an understanding of and
is developed from the specific attributes of the visual arts.
1. Research Model and Definitions:

The exchange process between buyer and seller in the contemporary Canadian visual art market forms the basis of the thesis. The proposal is to investigate the institutional dynamics of this time and place to see how and if structure and selection are related, in an attempt to demonstrate an operational aspect of the 'selective tradition'. How do the structural/institutional features of the exchange process select and define the visual art produced by Canadian artists from 1952 to present? The focus is the interchange between buyer and seller and, most particularly, the features of demand, exchange and price.

1.1 Institutions:

For the purpose of the thesis, institution is defined as in the Concise Oxford Dictionary. It is "established law, custom, or practice; familiar object". (4) We will be examining established patterns of behaviour, as well as laws and organizations established by law, in an attempt to define the structure of the communication of the visual art object.

1.2 Contemporary Canadian visual art:

Contemporary Canadian visual art, for our purposes, is visual art produced by a Canadian artist from 1952 or thereabouts to present. There are two reasons for this arbitrary limit. First is that many of the leading/influential artists now were close to or at the beginning of their careers. For example, two of Canada's most renowned (nationally and internationally) artists--poles apart in terms of their art--are Michael Snow and Alex Colville. In 1952 Alex Colville was 32 and had, according to Dennis
Reid, painted little before 1950. (5) Michael Snow was 23 and held his first one-person show in 1956. (6) And secondly, the Massey Report, whose recommendations literally have shaped the form of state/public participation in all the arts since they were implemented in 1957, was submitted in 1951. (7) The extent of state intervention or support in the arts since 1957 is such that its involvement has been a major feature of Canadian art in this time period.

Additionally, this definition applies mainly to the art objects; when it comes to analyzing the activities of specific organizations the time period will be shorter and more recent because many of these organizations (public museums, corporate collections, etc.) have only come into being recently.

1.3 Major actors in the market:

Briefly, the major actors/levels in the production, distribution and consumption of the visual arts in the market system are the artist/producers, the distributors/sellers and the buyers/collectors. External but intimately related to the market system are non-market forms of support (that is, patronage) and information-generating and disseminating bodies.

Artist/producers are often only rudimentally involved in the exchange process--for the most part, this takes place at the level of buyer and seller. Though the artist/producer is the major actor at this level, there are other parties: studio assistants, printshops and foundries, for example.

The most visible form of the distributor/seller is that of the commercial gallery. As well, artist agents and art consultants who do not, as a rule, have a permanent exhibition space, may participate in the exchange process in the
role of distributor/seller. Auction houses serve to redistribute works of art but, although they may feature in the contemporary market (for reasons we will deal with in a later chapter), they are not a major agent for distributing contemporary Canadian visual art.

Buyers fall into one of three groups—the private individual, the for-profit corporation and the state or public agency. In Canada, the public collections of visual art occur in the municipal, provincial, national and arm's length institutions. At the federal level is the National Gallery, and to a minor extent, External Affairs and Public Works; at arm's length, is the Canada Council Art Bank; various provinces have public collections, and/or fund public galleries, and often have their own arts council collections. And some municipalities have municipal collections in addition to providing funds for provincial galleries.

1.4 Major non-market actors:

Non-market actors which bear on the exchange process are patrons, government and otherwise—and the information-generating and disseminating bodies. As Williams notes in his discussion of cultural institutions:

Yet modern cultural institutions cannot be understood exclusively in terms of the corporate market and the persistence of some earlier market forms. (8)

He suggests three categories which are descriptively useful to the situation under study—modern patronal, intermediate and governmental. (9) The first is a wholly independent or private undertaking such as a foundation; the second is a body which is wholly or significantly financed from the public purse; and third is the purely state-financed venture. A prominent example of the
first might be the Ford Foundation; of the second, Arts Councils; and of the third, Public Works Canada.

Two forms of patronage occur more or less frequently in Canada. The most high-profile is the Canada Council system of arts awards to artists, in particular, the 'A' and 'B' grants. The Senior awards ('A' grants) are substantial and are intended to allow an artist to work, to purchase materials, and time to think for a year. Nothing is asked of the artist in return. 

The commission arrangement, too, provides funds at the early stages of production but, in this case, there is an exchange of sorts—the artist provides his/her creative labour and materials usually to the commissioning body's specifications. This type of arrangement does take place between individuals, corporations and public organizations and artists.

Information-generating and disseminating organizations and individuals represent other non-market activities and interests that influence market activities. Critics, curators and historians, and their related institutions—art journals, public museums and their exhibitions and collections, and academic institutions and publishing houses all operate to document art and artist's careers, create context for and understanding of art and artists and to select among the art and artists in a specific time and place those that are influential and/or noteworthy. While these activities are supposed to be outside the market, as we shall see, they do bear strongly on the exchange process.
1.5 Price and the exchange process:

Price and pricing act as both a barometer of the play of power among the interests and as a means of consolidating power which converges at the point of exchange between buyer and seller. Conventionally, the price mechanism:

is the system whereby price serves to co-ordinate activities within an economy, regulating supply and demand, and (so it is claimed) directing economic energy to areas where it is most profitably employed.

(11)

The danger is that when price is not representative of supply and demand, nor even necessarily of an exchange process, then resources are not allocated to areas of most need, that is, "where economic energy can be most profitably employed."

Structural considerations at the point of exchange which are relevant to the situation of the market for contemporary Canadian art are the major actors and their interests; concentration among the buyers and formal and informal liaisons which allow buyers to act in concert or direct other actors; the features of the art object; and barriers to entry, especially among sellers.

The interests of the major actors are instrumental in determining the criteria to be used in selecting (and supporting through purchase) a work of art and the authorities to be consulted. The varying financial power which each actor brings to bear on the process will reflect the varying incentives and drives to achieve interests.

If indeed there is concentration among buyers with similar interests this may affect the extent of support to art forms and/or artists which serve those interests best. As well, concentration among buyers can give that group of
buyers with similar interests financial power to achieve objectives which, if each party were acting individually, would be impossible to attain.

For some actors authority and power within the exchange process may derive from features of the product—the art object. Owing to the unique nature of the art object, certain actors, normally outside the exchange process, are referred to to make or help make a decision in the selection process; and other actors have bargaining power.

Moreover, barriers to entry into the market for the seller may develop out of certain features of the art object. Barriers to entry act to select participants for the exchange process or determine those most likely to succeed. In turn, the need to overcome barriers may influence the seller's selection of art and artists to promote.

2. Research Methods and Problems:

To gather pertinent information and compile case histories a combination of three approaches was used: interview; personal experience; and annual reports, government reports and statistical publications. As will be evident in the organization of the thesis, research was aimed at gathering information in two relatively distinct areas—one, indicative of structural features which characterize the exchange process; the other, concerned more with the dynamics of the exchange process whereby an art object acquires value-in-exchange.

For the former, nine case histories of collections were completed to reveal key actors and interests, important features of the selection process (that is, authorities referred to, criteria used, importance of price to the
decision-making process) and the nature of the collection. The case histories were based on interviews with collectors; or, in the case of the public and corporate collections, with key figures within these organizations; annual reports and catalogues of corporations and public bodies; and publications of statistics by the Council for Business and the Arts in Canada (CBAC), various editions of Canada Council Arts Research Statistics and other government reports.

Governing the choice of case histories were five overall requirements. First, was that they were all located in Ontario; thus the individuals and organizations were subject to similar restrictions, legal and otherwise, incentives through tax benefits, influences (fashions/trends, authorities, commercial dealers, exhibitions, and so on) and possible avenues whereby liaisons could be established might be more easily discerned. A second consideration was that the collector and collection be representative of an approach to collecting. Where possible or where necessary it was important that the collection be strategic or major. Owing to the central role accorded to the public sector in all aspects of the market, this was especially true of the public organizations chosen. These collections are major in terms of budgets for collecting and in terms of influence on other collectors and collections both across Canada and within Ontario. A third guiding principle in the selection was that the case history covered as much ground as possible. This often was illustrative of how liaisons were formed, as well. In other words, the three private collectors interviewed were all members of the Board of Trustees of the Art Gallery of Ontario (AGO) and one of these collectors
was instrumental in the selection process for an important corporate collection. A fourth requirement was that the collections be relatively longlasted. This is a volatile area so a collection which has sustained interest and collecting activity over a period of five years would be termed longlasted. Finally accessibility to the interviewee was a deciding factor.

The case histories were as follows:

(1) Michael Koerner: private collector since his university days; former president of the Board of Trustees of the AGO; places his own collection in his offices in Toronto; President of Canadian Overseas Investment; collection includes Emily Carr and the Group of Seven paintings as well as the work of contemporary artists.

(2) Gerald Schwartz: private collector since his university days; at the time of the interview was a member of the contemporary Canadian art acquisitions committee at the AGO; places his own collection in his offices in Toronto; collection includes the work of several well-known contemporary Canadian artists; President of OMEX.

(3) Michael Hasley: private collector since the early 1970's; at the time of the interview was chairman of the corporate fundraising committee at the AGO; was the driving force behind the Guaranty Trust collection.

(4) The Toronto-Dominion Bank collection: a major corporate collection of contemporary Canadian art, a collection which was begun in the mid-1960's. The Bank employs an in-house curator/consultant who makes the final decisions about acquisitions with a value up to $3,000; over that limit the decisions are made by committee.

(5) The Bank of Montreal: represents a collection which has gone through several stages with differing mandates. Of interest here is the project by project funding tied into decorative purposes. This bank has hired an outside consultant, although decisions regarding art are made by committee.

(6) The Guaranty Trust collection: an extensive corporate collection which was initiated in the early 1970's. Initial selections for the art were made by an in-house consultant while final decisions for the most part rested with Michael Hasley. In 1987 Guaranty Trust became Central Guaranty Trustco and the future of the collection is currently under review.

(7) The National Gallery.


These last three collections represent the public (partly state-financed) collections with the greatest acquisitions budgets in Canada; as will become apparent they are indeed strategic in that all three have influence both within the province of Ontario and across Canada.

Much of the information for Chapter X on price and pricing, that is, how an art object acquires value and how it subsequently increases (or decreases) in value is a result of personal experience over the years as an employee in various capacities in several commercial galleries, and, as a result of a commissioned project in 1985 to help evaluate for insurance purposes a major corporate collection of contemporary Canadian art. In a field where confidentiality is the byword, this project gave the author access to pricing information which would otherwise be inaccessible. Many dealers are reluctant to give out pricing information. For example, several dealers routinely will not give out prices over the telephone. The information was from 'real life' and included specific examples of current and previous prices, descriptions, and first-hand inspection of actual works. It gave the author a chance to view a comprehensive collection of contemporary Canadian art and access to records of the values of the works over a number of years. Also, the situation and the procedural considerations were tied to an actual project with a specific purpose. It was a privileged position which carries this caveat: the information is privileged and confidential. To circumvent this problem, unless it is public knowledge, no names of artists will be mentioned in connection with prices. This protects the collection as many of the works were extremely valuable and it allows the analysis to be more open.
Methodological problems stem from an unwillingness or inability on the part of the author to betray trust; from secrecy and the secret manoeuvres which pervade the market in the visual arts; from changes in reporting information in annual reports; from the absence of consistent definitions of visual art, artist and many of the media and visual art forms; and from a relative lack of reliable statistical or factual information about the market for visual arts—an absence which embraces information about sellers, buyers and collections.

These problems were most salient when trying to compile a profile of the visual artists and in trying to analyze the composition of the museum and Art Bank collections. The Bovey Task Force encountered similar difficulties and chose to resolve them in the same manner which is described below:

We have calculated operating revenues for non-profit arts activities at $400 million for 1985. Determining the exact amount has been made difficult by a number of factors. The available statistics are often dated, and their coverage is not always comprehensive, and they do not correspond directly to the art forms which fall within the terms of reference of this inquiry. In some areas, we have made the best estimates possible. In others, particularly in the sections which follow on capital facilities and commercial arts activities, little relevant or reliable data are available. We have therefore worked with approximations often derived from indirect sources. (12)

An illustration of these problems is shown by the definition of visual artist. Definitions change, depending on who is doing the defining and for what purpose. The Macaulay Report quotes the International Association of Arts as defining a visual artist thus:

An artist may be considered professional not only if s/he earns his/her living through his/her art, but also by any one of such criteria as the following:

(a) if s/he possesses a diploma in painting, sculpture or graphics, or in other areas considered, by the cultural criteria of his/
her country, to within the domain of fine arts;

(b) if his/her work is often seen by the public or is exhibited frequently or regularly in group shows or individual exhibitions, in his/her own country or abroad;

(c) if s/he teaches art in a school of art or applied art;

(d) if s/he is recognized as an artist by the consensus of opinion among other professional artists in his/her country, even if s/he possesses none of the preceding qualifications. (13)

Having no real classifications or provision for artists, Revenue Canada, on the other hand, examines the commercial fait accompli: a person is a small manufacturer, and may deduct expenses against total income, if s/he sells enough work consistently to give rise to reasonable expectation of profit; otherwise, they are hobbyists. (14)  

Distinctions can be made among the applied, commercial and the visual arts. The Applebaum-Hebert Report distinguishes the visual artist from the applied artist:

This chapter embraces both visual and applied arts—in the former, painting, drawing, sculpture, printmaking, photography and such newer forms as conceptual, computer and performance art, and in the latter, crafts, graphic, interior and industrial design, architecture and urban and landscape design. (15)

But these, too, are boundaries which are equally tenuous—for example, ceramic sculptors, in addition to major sculptural works, often craft goblets, plates and the like.

Statistical information, in this respect, will never be particularly accurate. Statistics culled from the Canada Council Statistical Tables show that Revenue Canada in October 1981 under the classification of self-employed artist (026) listed fifteen occupations ranging from 'Graphic Artist',

'Magician', to 'Singer'. In the same tables under "Fine and Commercial Artists, Photographers and Related", classification 3311 relates to "Painters, sculptors and related artists" and 3315 to "Photographers". (16) Pierre Jalbert's socio-economic profile of the visual artist in Quebec includes painters with illustrators with animators. (17)

Canada Council Art Bank, nonetheless, purchases photos along with other fine art. For institutional funding purposes the Canada Council now distinguishes between Media Arts and Visual Arts. The Visual Arts Program embraces "Canadian visual art in all its forms, including film, video, architecture and crafts" while Media Arts "administers three major programs: film and holography, video and audio, and integrated media." (18) The Canada Council's Arts Awards Services which gives grants to individuals demarcates these fields of endeavour: architecture, film, video, visual arts, multidisciplinary work, performance and photography. (19)

For the purposes of this study, the definition outlined by the International Association of Arts but excluding (c) will be most appropriate: it is all inclusive and production-oriented, while still making reference to fine art; thus the visual art object is seen here on similar heterogeneous terms but ones which are above-all production-oriented—a visual art object is what a visual artist, with an intent to create an art object, produces.

Finally, related to the problem of definition, was the means of assessing collections in a manner which represented the integrity or the unique qualities of the visual arts but which provided an assessment that was measurable and not overly open to subjective interpretation. In other words, the task was to
circumvent notions of good and bad, which artist was favoured, and so on, but all the while indicating meaningfully, reliably and verifiably what the patterns of collecting were. The issue was resolved by classifying collections by general categories of form or medium and by looking at the trends to collect in depth works by artists.

Accordingly, Chapters II through IX describe the pertinent structural features of the contemporary Canadian art market: Chapter II describes the product and the relationship certain features bear to the exchange process; Chapter III outlines the interests of the artists/producers and the distributors/dealers; Chapters IV to VIII discuss the buying patterns of the three groups of buyers (the private, corporate and public buyers); and Chapter IX summarizes and analyzes the findings of Chapters IV to VIII. Chapter X describes the evaluation process—that is, how a price is placed on work of art and analyzes how the structural features as outlined in previous chapters affect the pricing mechanism. The pricing mechanism is seen as a mechanism of selectivity because it works to allocate resources. Chapter XI summarizes the findings in light of current policy for the visual arts in Canada and makes some suggestions for further research.
Notes:


3. Ibid., 43-44.


6. Ibid., 291.


9. Ibid., 55.

10. In 1985-86, for example, visual artists could ask for up to $28,000 for a year. Canada Council, *Aid to Artists*, (Ottawa: Canada Council, 1985), 5.


13. Report to the Honourable Susan Fish, the Minister of Citizenship and Culture by the Special Committee for the Arts, by Robert W. Macaulay, Chairman (Toronto: 1984), 2/20.


19. Ibid., 23.
CHAPTER II
Art as Object; The Art Object

The most elemental of structural features of any market is the nature of the product. An analysis of a particular market must consider certain product characteristics which can and do define, for example, geographical sub-markets, distributors and, perhaps most importantly, buyers and aspects of demand. Although in many cases this may be stating the obvious, the contemporary art object has subtle qualities which must be acknowledged as having extensive bearing on the exchange process at the level of seller and buyer of the contemporary art object.

In this chapter the several features obtaining to the visual art object are examined to show how each serves to structure the exchange process. These features are that: the visual art object chronically defies definition, or, at least, consensus regarding definition; the role relegated to it in contemporary time is ambiguous; the popular perception of the art object is as a luxury item; the art object, more often than not, is an object and as such may be bought and sold, traded, as a commodity; the art object embraces a vast discrepancy between value-in-use (production costs) and value-in-exchange; and finally, of particular cogency to the contemporary situation, criteria by which the art object may be judged and a method of applying criteria are nonexistent, continually open to debate. In the end, the nature of the art object in true contradictory fashion helps define the exchange process by virtue of its lack of definition and by virtue of its definition as a luxury item.
1. Definition of the art object and its role:

That the art object defies precise definition—ontological, functional or otherwise—is, of course, no surprise. The field of aesthetics is devoted to just these questions. But Gallie in 1956 turned this ambiguity into a hard-edged quality—that is, the essence of art is that the naming of something as art is habitually open to dispute. Concepts similar in this manner to art he called essentially contested concepts which are
essentially questionable and corrigible concepts, partly because of
their connection with variable human emotions rather than scientific curiosity or with the basic needs of men as natural objects. If some of
the grounds of classification are to be found in changing human desires and attitudes towards things, and in changing social forms, rather than in the properties of natural objects undisputed and standardised criteria of application cannot be expected. (1)

Furthermore, Gallie offers that

the adequate understanding of such concepts involves some appreciation of their history. At the very least we must accept that
every proper contestant use of such a concept can be traced back to a commonly acknowledged exemplar, and can be justified on the ground that, and to the extent that, people can be found who regard it and can rationally defend it as the best possible development of the original exemplar's aims. Evidently among those who subscribe to any particular interpretation of an essentially contested concept the amount of such historical appreciation . . . will vary enormously. (2)

Gallie amply discusses art as an essentially contested concept and outlines
we approaches to exploring the concept of the work of art:
... configurationist theories, theories of aesthetic contemplation and response (usually couched in psychological terms, usually—though not necessarily—hedonistic), theories of art as expression, theories emphasizing traditional artistic aims and standards, and communication theories. (3)
The disputed nature is perhaps one of the few consistent qualities of an essentially contested concept. Wollheim finally dispenses with definition and posits context and function that is, an institutional meaning, in its place.

Wollheim makes the useful point that there is a great difference between the art and the object.

It can be argued that the work of art has properties which are incompatible with certain properties that the physical object has; alternatively it can be argued that the work of art has properties which no physical object could have: in neither case could the work of art be the physical object. (4)

The art object is more than the sum of its parts. Practically speaking, costs of materials may be a very small portion of the retail price of a work of art. Overall production costs—costs of materials, labour, rent/mortgage, etc.—may figure very little in the value-in-exchange. The Canadian Postal System recognizes this by insuring works of art posted only for the value of the materials used.

Moreover, between the materials and the final completed object lies a critical gulf. Neither the materials themselves nor the form predicate an art object. This is an especially pernicious point. Art is renown for appropriating for its own purposes the tools and forms of new technologies only to find that the new form is subjected to rigorous debate regarding its validity as art. Again Wollheim discusses this in reference to film. (5) Photography, as well, has undergone similar scrutiny and sceptism. Clearly two photographs may be made by the same process of production, incur the same costs of production but at some critical point one photograph is labelled art and another merely a photograph.
Eventually even a photograph, or what was at some point merely serviceable, can assume exchange value and use value in the art historical debate. For example, some of the first etchings were assumed to have been made by Daniel Hopfer. Print art historian, Arthur Hind, describes his contribution thus:

DANIEL HOPFER, who was already working in Augsburg in 1493, was certainly one of the first, if not the earliest, of the German artists to practise etching in our sense of the word. He used it, like many another before him, for ornamenting armour and guns, and the majority of his rough etchings were intended as little more than patterns for the goldsmith or sculptor. (6)

Nevertheless, Hopfer's prints are accorded a place in art history and the technique which he pioneered was recognized for its potential by several artists, for example, Durer.

Wollheim and others have attempted to resolve the difficulty of definition by defining art institutionally. (7) He concludes that attempting to define a work of art is virtually impossible and suggests that a more useful alternative is to establish means for identifying works of art. In so doing he is suggesting an institutional definition or working definition of art:

Enough has been said in this essay to suggest that our initial hope of eliciting a definition of art, or of a work of art, was excessive: to suggest this, though not to prove it. However, it may anyhow be that a more fruitful, as well as a more realistic, enterprise would be to seek, not a definition, but a general method for identifying works of art, and, in the concluding consideration of the preceding section, there is an indication how this might be obtained. For the method might take this form: that we should, first, pick out certain objects as original or primary works of art; and that we should then set up some rules which, successively applied to the original works of art, will give us (within certain rough limits) all subsequent or derivative works of art. (8)
In other words, art is defined as art in terms of historical context. Art is what is named as art. Art assumes a functional role in being pinpointed in terms of context. Wollheim ends his argument by suggesting that the richer the details of the context, the more enlightened and useful the discussion becomes. Although he is referring to informed discussion centering on formal considerations, it should be obvious that examination of the social context is equally necessary.

One point immediately suggests itself. And that is, when we consider the question asked of any particular stuff or process, why is this an accredited vehicle of art?, we need to distinguish between two stages at which it might be raised, and accordingly between two ways in which it might be answered. In its primary occurrence we must imagine the question raised in a context in which there are as yet no arts, but to the consideration of which we perhaps bring to bear certain very general principles of art... In its secondary occurrence the question is raised in a context in which certain arts are already going concerns. It will be apparent that, when the question is raised in this second way, the answer it receives will in very large part be determined by the analogies and the disanalogies that we can construct between the existing arts and the art in question. In other words, the question will benefit from the comparatively rich context in which it is asked. It is, for instance, in this way that the question, is this film an art? currently discussed. (9)

Given the importance of socio-historical context, if we accept the necessity of defining art institutionally, the process of institutionalization is crucial to an understanding of the course of the visual arts. Institutionalization connotes selection as well as acceptance and context. A popular concern of the visual arts currently has been the investigation of physical context and its relationship to naming art. This is seen as well in attempts to circumvent conventional systems for distribution of art objects. (10) In addition, the market or point of exchange equally has the ability to confirm an object as art. Art is art because someone has purchased it as art.
The market serves as a context which legitimizes an object as art. (11) And finally, those given the power to name art as art are integral to the process of institutionalization.

2. The commodity form of the visual art object:

The visual art object as an object which is unique and irreplaceable and as a visible, concrete object, lends itself to market activity. It may be bought, sold and then traded at a higher value. Access to the object can be restricted thereby creating a situation of scarcity. The discussion surrounding this aspect of the visual art object is lengthy and the literature immense.

What is pertinent to the present problem is merely that some visual art forms do lend themselves to a market situation more than others—that which is easily transportable, provides investment incentive (unique versus multiple works), does indeed take on physical form (painting, sculpture, drawings, an other objects as opposed to undocumented performance art, large editioned prints and books, etc.). Lucy Lippard discusses this thoroughly but inversely in *Six Years: the Dematerialization of the Art Object*. (12)

3. Criteria for assessing quality of the art object:

Even when certain objects come to be called art by means of institutional practice, for example, painting on canvas, within that set, there is a void in criteria for judging standards of excellence. This is endemic to contemporary art. Critic, Peter Fuller, argues that contemporary art and its audience lacks a shared symbolic order and hence, common understanding. (13) Criticism tends to avoid any rigorous assessment of technical, formal and conceptual excellence. Opinion based on opinion is rampant:
The tarpaulins on which *The Recognitions* are painted are like skin flayed off Marsyas, or like the skins the Aztec priests flayed off the victims they sacrificed to their violent gods. They are skins ripped off the still living victims—still wet with the blood of life, if, by the time Schnabel acquired them, the blood had dried and the skins have become ancient history. There is still—always—the moment of violence in Schnabel, but here it is more restrained. The tarpaulins are an attenuated violence. It is violence that is in the past rather than, as in the plate paintings, one that is in process. (14)

This extremely non-substantive assessment of Schnabel's work is by prominent critic and art historian, Donald Kuspit. Of the same violence and plate paintings which Kuspit speaks in the last line of the quote above Robert Hughes, critic for *Time*, writes:

But at least his exercises in self-pity are less foolish than his claims to tragic elevation. He describes his paintings in terms of ‘parents screaming on Kristallnacht, as their voices are lost as they were being dragged down the streets of Berlin while pieces of shattered glass glistened in the moonlight; or after some great violent act. The plates seemed to have a sound, the sound of every violent human tragedy...All of this was happening before I even started to paint the painting' One does not need to be a Jew to be repelled by Schnabel's facile appropriation of that tragedy. If broken plates really did 'mean' *Kristallnacht*, how could he bear to use them in his society portraits, in his crude renderings of Texan millionairesses and Beverly Hills producers? But they don't mean anything of the sort. They are just bombast and texture—a fresh 'look' that found its temporary spot in the Academy of the briefly New, and promptly became a cliche. (15)

The implication here is that in the absence of tangible criteria of excellence, the power of authorities—the individuals invested with the authority to name some art as good or bad—becomes paramount. A work of art is 'good' if the person who evaluates it as such holds credibility. Artist, Ian Carr Harris (and Canada's Venice Biennale representative, 1986), as interpreted by Carole Corbeil, discusses this point in light of his experience as artist, curator and art librarian:

The work is not seen, in other words, "in its productive terms—that is to say in terms of its argumentation or logic—but in circumstantial
terms, as an artifact." This status accorded to the work—as a more or less valuable artifact—goes hand in hand with the perception of the artist as hero. The artist is perceived as hero, the art, as evidence of his heroic quest.

The trouble with this view is that the work is perceived as passive, and all sorts of forces act on this "passive" work. The elevation of the curator to cultural impresario is one of those forces. The curator as impresario controls who is to be selected as hero, but also uses the work as evidence of his taste, or "intellectual skill in delineating thematic motifs for which the artwork must serve as more or less appropriate illustrative support." (16)

In sum, the disputed nature of the art object and the futurity of assigning incontestable criteria to the evaluation of the art object shape the exchange process for the art object and designate a certain amount of power to some individuals seemingly indirectly related to the market for contemporary art. Even when the specific art object is accepted as art, a contemporary art object defies objective evaluation.

These phenomena are directly related to the changing role of the artist in relation to society. Of course, Fuller touches on this in discussing what he sees currently as the absence of a shared symbolic order. The position the artist occupies in relation to society is inevitably entwined with questions of patronage and support.

The sociology of culture, at this level of institutions, has then to take account of both historical and contemporary diversity. It is important to retain the full range of provisional classification of institutions and types of relations, as the means to specific analysis, rather than to work with the (pre-sociological) formulas of 'the artist' and 'his public', or the 'cultural superstructure' and the 'economic base'. Indeed it is at once the changing social history and the complex sociology of the changing institutions and relations which take us beyond these formulas to the possibility of more precise analysis. (17)

For example, Williams sees the evolution of the artist as the instituted artist, the artist with patron (including sponsorship), the artist as commodity
producer participating in a market, and currently, the artist as a commodity producer and/or benefitting from modern patronal (state, corporate, arm's length funding, etc.) arrangements. (18)

4. Value-in-use and value-in-exchange:

More specifically, the Wittkowers detail the change from artist as a wage earner to the Renaissance notion of the artist as genius and the work of art as inspired object to be offered for sale:

The assessment of artists cannot be dissociated from the mode of financial compensation. The fact that artists earned money by manual labour put them at the bottom of the social hierarchy in antiquity. It might be argued that something of a similar stigma marked artists in later periods as long as they, like craftsmen or journeymen, received daily or weekly wages or as long as their earnings depended on extraneous matters such as the amount of gold and azure used, the number of figures represented, the size of the work, and the time spent on it. By and large, the medieval artist was a wage-earner.

When people began to take cognizance of the difference between craftsmen and artists the old terms of regulating payments slowly broke down. There are clear indications to this effect in fifteenth century Florence.

Even before the end of the fifteenth century emancipated Italian artists contested the traditional wage pattern. Art, they maintained, cannot be paid by the standards of ordinary wares.

It was not until well into the sixteenth century that artists stated with vigour that the compensation for a work of art depended on the ingenuity and not on the length of time that had gone into its making. This 'discovery' could never again be lost and, willingly or unwillingly, patrons had to take note of it. Once the traditional standards for fixing the price of a work of art had been rejected, the door was open to a somewhat irrational price policy. (19)

Thus emerged the widening gulf between production costs and the asking price for a work of art—a gulf that was and is filled, more often that not, by promotion or the artist's 'fame' which is enabled by the disputed nature of the art object and the futility of assigning incontestable criteria to the evaluation of the art object. Even when the specific art object is accepted as
art, a contemporary art object defies objective evaluation. This shapes the exchange process for the art object and gives a certain amount of power to individuals—art historians, critics and curators—who do not appear, on the surface, to have much bearing on the market for contemporary art.

According to Haskell, in the nineteenth century the curator/critic was closely involved with the dealer/scholar and the collector/scholar. Furthermore, he notes that it is the art advisor (in the form of curator/critic/historian/practioner) who held evident sway over the collector. As one illustration, he discusses the president of the Royal Academy of the Arts, Benjamin West, and the dealer, John Buchanan:

But, beyond all this, Buchanan realized the most important fact of all: that real power lay not with the collectors themselves, but with their advisers. Only Sir George Beaumont, who wrote, bought entirely on his own initiative. The others relied on advice—advice that came from the artists, and it was therefore essential to bribe these. There was no awkwardness about the word which is used quite openly in the letters, though it is appreciated that certain formalities had to be observed. Benjamin West, the president of the Royal Academy, was the most important catch and presented the least difficulties—"Doctor West, that learned and enlightened quack, who has the address to make some folks believe that white, is black, and au contraire, Black, White." (20)

Little has changed. For example, Bystryn mentions the New York dealer of the 1940's and 50's, Sam Kootz:

... Furthermore, he himself wrote on art as an historian. This type of activity has direct implications for the business, as it allows the dealer to write on his artists from an apparently objective position. It also allows him to define a style or movement and to locate it within the flow of history, thereby legitimating it. (21)
5. The art object as a luxury:

Regardless of whether the visual art object should be or not, it, nevertheless, is held to be a luxury item with all the connotations that such a concept would hold for price, market and the exchange process. As a luxury object the art object holds the power to indicate the prestige of the owner; thus, conventional studies of price are inappropriate: price competition as a strategy for obtaining a share of the market is largely irrelevant while promotional tactics which portray the object as indicative of status (financial, intellectual or otherwise) are integral to the exchange process. Stimulation of demand (as opposed to supply) assumes the upper hand in market strategies.

Studies of market structure have long shown the importance of promotion (product differentiation) to selling luxury items. These items are prey to swings of fashion with the result, as Innis has noted, that price is arbitrary and volatile. (22) Bain has noted

... buyers may view some products as superior in one respect or another even when they are not, because of established product reputations or brand names, successful persuasive advertising, and so forth. In fact, a not uncommon pattern in product-differentiated markets finds a group of heavily advertised products with established brand names selling at a given top level of prices, and another group of products that are much less advertised selling at appreciably lower prices. Correspondingly, the two groups of products may respectively attract buyers who are "quality-conscious" (or are susceptible to advertising appeals) and who are "price-conscious", at least as a matter of emphasis. (23)

Demand must be created for products which have no overt physical/practical usefulness. Moreover, this takes place along two dimensions: first, the item must be portrayed as prestigious, exemplary of sophistication, or desirable for whatever reason; and then advertised as such to a wide
audience. The centrality of information and its dissemination to the exchange process at the level of seller/buyer—first in establishing something as art and second, to the dispersal of information about the object to an audience—is clear. Melody makes the distinction between two types of information markets:

(a) those in which maximum market value is achieved by the maximum dispersion of the information; and (b) those in which maximum market value is achieved by restricting information to specialized users who value its scarcity and seek a monopoly of specific information. (24)

In the exchange process for the art object both markets are crucial: once the art object is established as such, its ability to connote prestige to a wide audience and the power of the owner to augment its value emanates from the continued generation of information about the object (and its author) and the restriction of similar information for other objects.

Just as evident is the power of the information-generating and disseminating bodies of the visual arts. In the first category would fall the public museums and their curators—collections and exhibitions, critics, and art historians; and in the second, the mass media (articles, reviews and advertisements), public museums, commercial galleries, and to a limited extent in the contemporary scene in Canada, academic institutions. Obviously, then, the interests of the curator, critic and historian will be reflected in what they select as art by means of their authority or 'seal of approval'. In Chapters III to X it will be shown what influence these bodies have on buyers and how that influence is exerted.

A corollary of the luxury item placing the onus on the seller to create demand is that it is the buyer who holds the power in the seller/buyer
Elemiroff of the National Gallery put it quite bluntly (regarding negotiating prices with dealers and/or artists) that she argues from a position of power—if something is too expensive, she cannot buy it; and at that point she finds the dealer/artist is receptive to lowering the price.

(25).

In conclusion, while the buyer may hold the upper hand in the exchange process for the visual art object, the information-generating and disseminating sectors are crucial to this power and to shaping the exchange process. They are doubly so when the two roles—buyer and information-generating/disseminating—converge as is the case of public museums, who publish catalogues on art and artists and exhibit and collect art. This is instructive for the analysis at hand in this respect: the components of demand should be of central interest; non-pricing strategies as competitive weapons for gaining market share are integral to survival at the levels of artist/producer and dealer/distributor.
Notes:


3. Ibid., 176.


5. Ibid., 168.


9. Ibid., 168.


18. Ibid., 32-56.


CHAPTER III
Artists/Producers; Dealers/Distributors

This chapter will outline two levels of the art market and their point of interchange: it will examine the artist as producer and the dealer/distributor as seller in the specific context of the contemporary Canadian art market. Of major concern are the institutional characteristics of that particular level/interchange; and the institutional nature of their convergence. These features are important insofar as they impinge on the point of exchange between buyer and seller; that is, the role these levels and their point of interchange play in the introduction of the art object to the market process and in establishing the price of an art object.

1. Producers

The 1981 Census shows 7,950 "experienced" painters, sculptors and related artists—a huge jump from the 2,310 figure of the 1971 Census. This represents a 244% increase. (1)

1.1 Costs of production; revenue:

The artist may derive his/her income, however meagre, from a variety of measures, the most obvious of these being from sales of artwork—be this outright sales to a buyer or consignment sales where the gallery takes a commission after a work is sold. Relatively rare is the stipend arrangement whereby a commercial gallery pays the artist a regular stipend in anticipation of future sales towards the purchase of work. These practices constitute the
commercial/market side of production for they are linked to the art object as commodity.

Occupying a middle ground is the patronage arrangement, middle ground in that the artist receives money in exchange for services rendered as an artist, though not necessarily for a specific product. Both the Canada Council 'A' and 'B' grants provide public patronage in this form. (2) As a rough gauge of the extent or frequency of these awards, in the year 1984/85, 28 visual artists, 2 video artists and 2 artists working in multidisciplinary areas received 'A' grants; 4 performance, 6 multidisciplinary, 4 video and 100 visual artists received 'B' grants in the same time period. (3) The producer may subsidize his/her creative efforts through employment in another field—most commonly, teaching. Canadian art history is rife with references to artists who, either came to Canada to teach or who, unable to support themselves by means of sales, became teachers, often forming their own art schools. The Ontario College of Art Prospectus 1985–1986, 1986–1987 shows the two departments most immediately concerned with fine art/visual art—Fine Arts and Experimental Arts—to employ 52 artists. (4) There are in Canada four other art colleges with large fine arts departments. In addition, universities and technical colleges generally have studio art programmes which also potentially offer work to the practising fine artist. (5)

Finally, a hybrid of employment and public patronage, is the artist-run organization. In that they tend to specialize in the more experimental forms of art, they provide support to a specialized group of artists. (6) In 1984–1985 forty-three artist-run galleries received a total of $1,184,500 from the Canada
Council Visual Arts Services for programmes and operations, in a range of $6,000 to $67,500. These funds do provide some salaries, often on a minimal and temporary basis. Artist-run galleries undergo a similar vetting process to individual applicants for grants. The association for these galleries, ANNPAC/RACA received in the same year a Canada Council grant for $85,000, as did CAR/FAC, the national artists' union. (7)

According to the Canada Council figures, the average gross income of the visual artist in Canada—income derived solely from sales was $7,483. (This category includes painters, sculptors and related artists) as compared to $14,391, the average amount earned in the labour force as a whole. (8) The Globe and Mail's assessment of these figures notes that approximately 65 artists earn more than $40,000 from art sales and that half of the 8,000 artists earn more than $7,483. This would indicate, then, that a good half must earn quite a bit less than that average. (9)

The income figures are somewhat misleading on three counts: first, they do not hint at the huge cost associated with producing art; second, they embrace a huge divergence in costs within the group; and third, they do not demonstrate that few artists, indeed, do try to survive only on revenue derived from art sales. Pierre Jalbert's small survey of Quebec artists (N=396) might help illuminate the latter. This survey, conducted in 1984, looked at visual artists and included a broad mix of categories: mixed media, sculpture, drawing, animation, textile arts, illustration, installation, performance and photography. As a group, the average income total was $18,318; however, revenue from sales of artwork or work related solely to their activities as an artist
accounted for $7,547 of this total income. A further $5,568 was derived from art-related activities--teaching, for example, thereby leaving $5,203 earned in work apart from art.

When production expenses of $6,866 were deducted from the revenue from art activities, net income in this area was reduced to $681. Major production expenses included studio maintenance, rent/mortgage ($1,334); materials ($2003); operating expenses ($1,135); exhibition and other promotional expenses ($1,206). (10) On the other end of the scale, the Globe and Mail quotes Christopher Pratt as grossing (before tax) between $135,000 and 145,000 annually, out of which he pays $7,000 for models and other assistants, $12,000 for the studio upkeep, and, for business travel and entertainment, $20,000. In other words, Pratt estimates that it costs him about $40,000 a year to produce work. (11) And, approximately 17% of production costs of the average artist is devoted to promotion as compared to Pratt who devoted about 50% of his production costs to promotion-related expenses.

1.2 Incentives:

Beyond the financial and expressive, other incentives are equally compelling—not the least being the fame and glamour of being an artist, a need which might be satisfied just as readily by reviews and media attention as through sales. An interaction where all three play off against one another is likely:

In the past 15 years or so, this popular fascination has been fed by bigger and bigger servings of hype, and the projection of a new, hot, rich image of the art world (especially in the American popular press). The highly publicized legal fights over Picasso's $250-million estate, the Rolls-Royces of Vancouver artist Toni Onley and the crumbling baronial castles of some new German painters, the spectacle of thuggish punk artists sling paint around while dressed in $700 Italian suits, the
reports of young New York artists being lured by New York galleries with up-front bait in the $1-million range--such facts, phenomena and rumors have helped create the current popular view of the art world (at least in part) as a glittering, action-packed episode of Dynasty that goes on forever.

But the international hype has also had a practical impact far beyond Manhattan and the fashionable European art-world centres--an impact that's dramatically shaped the dreams and influenced the career decisions of many Canadian young people. Of course, few of the emerging Canadian artists of the 1970s were motivated solely by craving for star status and the hope of great riches. (12)

As we have seen, the chances of reaping huge fortunes, especially by means of the Canadian market and audience are slim--most artists are compelled to find alternative employment to supplement their income. There must be a drive which complements profit maximization to entice the artist and guide his/her business practice.

It does appear that increased availability of funding, be it through perception of increased sales and/or demand--that is, a wider audience, or through government grants or other forms of institutional support--does act as an inducement for the individual to enter the art market. As stated already, the number of artists in Canada has nearly tripled since 1971: there were 2,310 artists in 1971 and 7,950 in 1981. Certainly during the 1970's public funding of the visual arts--directly by means of grants and public purchase and indirectly through the growth of arts institutions, schools and galleries, which provide alternate arts-related employment to the artist and venues where his/her work may be exhibited--has increased. As an indication of the institutional growth between 1973-74 and 1983-84, the number of major public galleries increased from 15 to 20; attendance increased from 1,580,000 to 2,151,000, and staff increased from 231 to 761; tri-level public support for
these institutions blossomed from $3,082,000 to $7,162,000 in constant 1971 dollars. (13) More specifically, the number of artist-run centres grew from 1 in 1973 to 23 in 1981, and earnings from public support burgeoned from 6,000 to 386,000 in constant 1971 dollars. (14) While in terms of constant 1971 dollars, aid from the Canada Council to visual arts organizations dropped between 1974-75 and 1983-84, it increased for individuals from $643,000 to $867,000 (in constant 1971 dollars). (15) These figures exclude the Art Bank purchasing program which, itself, began in 1972 and has since then injected $8,567,367 into the contemporary Canadian market as of 1984. (16) As for the actual number of grants, although on the average the value of the individual awards in constant 1971 dollars may have dropped slightly in that ten-year period (2,083 to 2,064), in 1983-84 double the number of individuals than in 1973-74 actually received grants. In 1973-74, of 1,086 artists who applied, 223 received some form of funding; in 1983-84, of 1,878 applicants, 420 were successful. (17)

Not only do these facts and figures connote a broader support base for the visual artist, at least in the public forum, but also they signify a larger portion of the limelight. Audiences and institutional attention have increased; discussion in the mass media is fairly common and material support from the public sector was more widely available in 1984 than 1974. A greater interest, more extensive coverage by the media and augmented public support may well have served to invite potential artists into the art market and/or related art systems.
1.3 **Summary: Artists/producers**

In sum of this very brief overview of the artist/producer in the Canadian context, what is cogent to the present analysis is: that promotional costs assume a substantial portion of production costs; that extra-market considerations—notably employment and patronage—are crucial to the artist entering and surviving in the market and that these considerations increasingly in the three decades since the mid-1950's have been dominated by the public sector—as patron, employer, buyer and promoter.

2. **Sellers/Distributors**

The most defined form the seller/distributor takes in the contemporary Canadian art market is that of the commercial dealer and/or gallery. For this reason, this study of the seller/distributor will concentrate on the operations of this group, with the acknowledgement that contemporary Canadian art is sold through other agents—among them, artists themselves, art consultants and agents, and art auctions. Furthermore, in evaluating the price of an art object in the contemporary Canadian market the dealer is often the first, foremost and only source of information in this regard.

The Applebaum-Hébert Report describes commercial dealers thus:

*Commercial galleries play a vital role as intermediaries between artists and collectors. They do not merely offer artwork for sale, they promote and encourage the careers of individual artists and expand the artist's potential audience and market.* (18)

Ideally this is what commercial galleries do. Additionally, the Report states that at the time of writing and of the hearings each of Canada's large urban centres supports approximately 20 commercial (private) galleries and that
there are about 350 galleries in the country as a whole, a number which represents three times as many as 20 years previous to the Report. Some idea of the distribution of the sellers can be extrapolated from the Professional Art Dealers' Association of Canada (PADAC) advertisement appearing in a 1985 art magazine. One of the membership requirements for this organization is that the dealer have been in business for more than five years. Of its 52 member galleries listed therein, 23 were located in Toronto, 11 in Montreal, 4 in Vancouver, 3 in Ottawa, 2 each in Edmonton, Calgary and Winnipeg, and 1 each in St. John's, Halifax, London and Regina. This indicates neatly the degree and strength of activity in the various centres across Canada. Further, and quite rightly, the Report uses the number of commercial galleries as a rough index to the number and commitment of private collectors in each area.

2.1 Revenue:

Obviously the intra-market source of revenue is the sale of artwork; less apparent, but certainly significant to the market and any analysis of price, are the services rendered that may provide substantial income—evaluations and consulting. Frequently outside sources of revenue, such as framing, contribute to maintaining and subsidizing the art sales and may have comprised the original business from which the gallery enterprise evolved. This situation has its parallel with the artist/producer who cannot live by the means of his/her chosen profession.

Moreover, the commercial dealer in Canada does not, cannot ordinarily, restrict the gallery's undertaking exclusively to selling contemporary Canadian
art, but in order to survive must deal with a mélange of 'goods'—be it blue-chip international or blue-chip Canadian. The two dealers interviewed both described their galleries as having a product mix. Waddington and Shill handles the work of seventeen Canadian artists side by side with some international—mainly British—artists, for example, British sculptors, Elizabeth Frink and Lynne Chadwick. They also supplement this inventory with Inuit graphics and sculpture. Isaacs, while stating that it handles Canadian art exclusively, does qualify this by adding that they do have an interest in and exhibit ethnological art—that is, they show Inuit prints (to the extent that Avrom Isaacs owns the Inuit Gallery as well), folk art and recently have begun to show art/artifacts from New Guinea. Neither gallery restricts itself to one art form—sculpture, for example—but show artwork in a variety of forms from painting to installation. (22)

This is not a phenomenon peculiar to the Canadian contemporary art market:

Most London galleries supplement their incomes by "backroom dealing" in old and modern masters like Picasso. Leslie Waddington makes a feature of this approach, which therefore earns him a good deal of money—despite his overheads the gallery pays half a million pounds in taxes every year. He describes it as a "stock gallery—a center of catholic taste that makes people aware of divergent styles and orientations."

But Leslie comes from a family of dealers and has been in the business for a long time—he split from his father Victor in 1966. For younger people like Nicola Jacobs, whose Cork Street gallery opened six years ago, stock dealing is "fun and lucrative," but not to the point. "It makes you into a salesman. I'm much more interested in my own artists. I feel strongly about the thirteen that I represent, and I want to establish myself further and also build up their careers."

This is clearly sound business sense, but it also represents a commitment that goes beyond the merely financial. If you are not solely reliant on your artists for your income, you can afford to show people because you believe in them, rather than because their work is
commercially viable. And because the market there is so difficult, a sound financial strategy is an essential prerequisite to keep going. (23)

If the gallery does restrict itself solely to the exhibition of contemporary national art, Canadian or British, one might intuit qualifying circumstances: financial independence; a benefactor; or a devoted clientele. Isaacs Gallery, by their own account, would not have been able to survive in the 1970's without consistent sales to public buyers, especially the Canada Council Art Bank. (24) Few can afford to represent contemporary Canadian art because the net gain in doing so is small as is the audience and market. One sale of a $50,000 painting by a member of the Group of Seven could yield a dealer, taking a 20% commission, $10,000. To reap the same amount by means of sales of work of living Canadian artists might entail fifteen sales which could involve even greater selling costs associated with the promotion of little known art. As the Globe and Mail report by Bentley Mays indicates, the number of Canadian artists working now who can command high retail prices for their work is small (sixty-five of some eight thousand artists earn more than $40,000 a year from the sales of their art). (25) Demand for contemporary Canadian art is low and market precedent (which would reinforce demand) as established on the resale market is almost non-existent. The McAuley Report of 1984 found that at the time of writing:

... the market potential, especially for lesser known visual artists, has diminished. Here again, there is increased competition for the available dollar. (26)

And, as a more concrete example, in her summary of Canadian auction activity in 1987 Lisa Balfour Bowen states:

Among the contemporary works offered by Sotheby's, only a canvas by John Meredith provided a significant breakthrough. Estimated at $5,000 to
$7,000, it was knocked down for a surprising $17,600. Other works by contemporary artists Jack Bush, Tom Forrestall, Ken Danby, Paul Fournier, Molly Bobak and Toni Onley fell below their estimates, whereas paintings by Harold Town and Richard Gorman came in at the low end or middle of their estimates. (27)

Moreover, for those lured by the excitement of the game, the exhilaration of selling a major work is infinitely more attractive.

Implicit, however, in this resort to a mix of goods or outside support is that the dealer's motivation in handling contemporary Canadian art is not necessarily direct profit maximization; it may, though, indirectly lead to greater profits in the long run, through promotional aspects—the legitimation of his/her business which supports the struggling Canadian artist or projection of an image of being on the cutting edge of art—and/or through seeding for the blue chips of tomorrow. (28)

A standard arrangement for the sale of work is commission. In a dealer-artist relationship, after a sale has been made, each party receives a percentage of the retail price, generally 60% for the artist and 40% for the dealer—although a 50-50 arrangement is becoming increasingly common. The dealer's commission allows for some profit over and above cost entailed in promoting and selling the artist's work. If the dealer purchases the work outright, especially in large quantity, then in consideration of this commitment s/he can usually demand a higher cut.

If, on the other hand, the dealer is involved with work for resale—for example, work received from another dealer or from a client—the commission s/he receives might be less (10 to 20%); or, the dealer may purchase the work
at auction. As a rule, though, the commission contract is characteristic of
dealer/'living' artist agreements in the Canadian fine art scene.

2.2 Costs:

Owing in some part to the secrecy which attends this business, and in
some part to the diffuse nature of promotional costs, figures regarding
expenses, as well as income, are never readily available; however, dealer
demands for government aid as outlined in the Applebaum-Hebert Report and
elsewhere might adduce the relative importance of various costs.

Inventory (including purchase of work and/or commissions paid to
artists), labour, rent/mortgages and associated maintenance costs, insurance,
promotion/advertising and shipping/transportation, all figure prominently in
costs, but dealer demands return most often to promotional costs, costs of
product differentiation and shipping. All three are related. The commercial
galleries' representations concerning contemporary Canadian art to the
Applebaum-Hebert Report thus:

During our public hearings, we heard from private art dealers about
their difficulties in representing contemporary Canadian visual artists.
We were told that Canada's geography makes shipping costs prohibitive
and limits interregional and international exchanges. We were also told
that the Canadian public is exposed daily to mass-produced "art" objects
offered as original artwork or as sound investments, when they actually
have very limited aesthetic or economic value. An unregulated visual art
market means that consumers, artists and serious dealers have very little
protection against competition from the ersatz or misrepresented product.
This is a particular problem in the one-flourishing market for original
prints. All these factors, exacerbated by difficult economic circumstances
at the time of writing, threaten artistic production and consumption by
creating an unstable market environment in which private galleries must
operate. (29)

Miriam Shiell stressed the importance of government assistance to allow
galleries to attend trade fairs such as the Chicago Art Fair, thereby aiding
the gallery to act as a business and actively promote her 'goods' to national and international colleagues. (30) The PADAC primary demand survey emphasizes the need for dealers to become more skilled in marketing techniques and called for a co-ordinated effort by the public and private sectors in creating a greater understanding of demand for the visual arts. (31)

Accounting for promotional/advertising costs is often an oblique task: for example, the location of the gallery can be of prime importance in projecting an affluent, prestigious, and successful image; therefore, many galleries must locate in up-market, high rent areas. (32) Overt promotional costs comprehend more than advertising, production of catalogues, invitations and other printed materials, mailings and vernissage expenses: in order to concrete and extend the valuable social network crucial, it seems, to the visual arts, promotional costs must embrace a vast amount of entertaining and honing of the appropriate image.

The one-person exhibition is seen to be integral to the understanding and promotion of an artist's work. These exhibitions usually necessitate the following expenditures, which, undertaken in varying proportions by gallery and artist, are all associated with promotion: photography, production and printing of invitations, advertising in the local newspapers and in a national magazine, mailing, individual meetings with critics, the artist's transportation to the opening, proper presentation of the work—including framing and lighting, shipping, and finally, the actual costs of the opening—for example, wine, cheese and liquor license.
Closely allied with promotional/advertising costs are those of shipping. This is especially telling in the Canadian situation where a small population is thinly spread along an east-west band. Shipping expenses are cogent not only in the instance of the gallery sending work to clients (the fait accompli) but also in the instance of attracting potential clients and of acquisition and de-acquisition of inventory. Ordinarily the artist is responsible for shipping work on consignment to the gallery; if the work is purchase outright by the dealer, shipping costs redound to the gallery.

Alloway sees the emphasis on promotional costs as a recent development in the commercial gallery system:

There has been a shift of emphasis during the century, ca. 1870-1980. During much of the time galleries were essentially shops with small but informed clienteles. According to Kahnweiler, when he represented Braque, Gris, Leger, and Picasso, "there was nothing—no publicity campaign, no cocktail parties, nothing at all . . . I didn't even spend a cent on publicity before 1914, not one cent. I didn't even put announcements in the paper." However, galleries became increasingly transmitters of information, with catalogs and announcements, advertising budgets and mailing lists. At first this publicity was addressed to a narrow audience, as by Leonce Rosenberg in Paris or Reid and Lefevre in London. Gradually democratization lengthened the mailing lists and expanded the budgets for advertising. By the late 1940's this tendency had carried the art world a good way towards present standards of topicality and access.

As transmitters of information the dealers have been immensely successful . . . (33)

2.3 Formations:

A tiny, splintered market has bred fierce competition and a Byzantine-like atmosphere among Canadian dealers, an atmosphere not necessarily conducive to formal professional liaisons. The one art dealers' organization, PADAC, founded in 1966, is comprised of 52 members from across Canada. This association does not discriminate according to the type of art. PADAC exists
as a lobbying group and as a trade regulatory agency attempting to impose some standard of business practice and ethics. One of PADAC's most recent efforts has been the commissioning of the primary demand survey and report to the Bovey Task Force for the Funding of the Arts in Canada. Unfortunately, PADAC lacks the power to enforce measures which might serve to bring truant members in line, and so, as a policing agent, it is fairly ineffectual. Of greater significance, as more binding and powerful, are the informal liaisons among dealers. Again, owing to the clandestine and competitive nature of the business and these relationships, they are difficult to document and remain more a matter for inference. It would seem likely, for example, that galleries which exhibit and back certain artists or schools of art would benefit from co-ordinated selling efforts among themselves—whatever form these selling efforts may take, be it shared underwriting of promotional costs, shared exhibitions, or the notorious dealers' rings.

2.4 Condition of entry: Incentives, inducement to enter, and barriers to entry

The problem of the dialectic of the art object, which seeks to reconcile the economic and the spiritual, the intellectual and the practical, seems most focussed at the level of seller, and hence, it might be conjectured, a cause of the market's labile character. As with the artist/producer profit maximization or financial profit is not necessarily the overriding incentive for the seller. This is voiced explicitly in Talking to Some London Dealers which begins with:

... to be a dealer in Britain requires a high degree of dedication and bloody-mindedness. Opening a gallery here that sells only contemporary art is one of the surest routes to bankruptcy. Getting rich is, therefore, rarely a dealer's primary motive. (34)
Yet, here lies the essential contradiction: more than at any other level of the market, the seller seems to represent the business of art, the art industry and as such, requires that market/commercial principles operate in order to survive; the bottom line, however, does not appear to be purely profit. The glamour associated with the arts, a genuine interest in art and/or the need to create art in a secondary manner, could be every bit as driving. For the dealer there is the huge satisfaction of being instrumental to an art movement, in putting forth his/her taste, of asserting his/her own aesthetic and convincing others of its rightness, and of helping to support those people in whom s/he believes—to say nothing of the power this connotes. Martha Burns of the Isaac Gallery in Toronto sees the commercial dealer in contemporary Canadian art as entertaining a romantic notion; the person feels like s/he is doing something of worth. (35) Beyond these motives one other suggests itself: the lure of the game, the wheeling and dealing that attends much of the business. The result is an unpredictable, unbusiness-like business.

Stereotypical inducement to enter, that is, entry which bears a direct relationship to price, does not always work in a linear manner in this peculiar market; nevertheless, increased public support since the 1960's for the visual arts (in the form of public collections), and, since the 1970's, increased corporate purchasing, does parallel the growth during the Seventies of the number of commercial galleries. (36) Public support for the visual arts, and more particularly, public collections expanded overwhelmingly in the 1970's and does parallel the growth of the number of commercial galleries. Between 1971 and 1981, the period which also saw the inception of the Art Bank,
acquisition funding for public galleries in Canada rose from $177,000 to $2,245,000 in constant 1971 dollars. Funding was a blend of contributions from federal, provincial, and local governments, corporations, individuals and foundations. (37) One implication is that if a major incentive for the actors at this level is the public acknowledgement and the opportunity to create, then increased public support and its attendant florescence in public debate would help satisfy these motives. Perceived chances of survival and easy profit do play a part in enticing parties to enter the market.

Significant barriers to entry stem from the institutional characteristics of the art object—that is, it is seen as a luxury good. Demand for it must be created; thus, the market is volatile and greatly tied into how convincing promotional strategies are and into the overall health of the economy. Strong barriers to entry, then, are promotional costs which serve both to establish demand globally for the art object and to introduce the gallery’s stable of artists and entrench their reputations; and capital which is required to ride out swings in fashion, general demand, and the period of time needed to confirm that the gallery is reputable and that the artwork is desirable. The PADAC survey emphasized that a united effort by all sectors—commercial and public—towards demand creation is crucial to the art market in Canada as a whole, and to the individual dealer. (38) Further, as stated previously, a large proportion of dealer costs are associated with promotion; moreover, the PADAC prerequisite for membership being that the dealer must have been in business for five years would indicate product differentiation/promotion is a serious obstacle to entry.
The all-pervasive character of promotion or product differentiation as a competitive weapon is such that competitors, and by extension, clients are slower to react than they would be in reacting to price competition. To supplant already established preferences is no easy task: potential clients have invested psychologically and materially elsewhere and, therefore, have a psychological and financial interest in maintaining that investment. Also, serious buyers as a rule do not purchase on impulse—most buyers interviewed described their buying process as one of watching and waiting, of following the artist's career. (39)

Longevity of a gallery's career, too, has the added advantage of demonstrating the dealer's credibility, and as a result helps to create some client trust. Simply, buyers go to dealers they can talk to and trust. They go where they know the dealer's predispositions and approach to art and feel that these verge on their own. This takes time.

2.5 Producers and sellers: the selection process

The first and crucial aspect of the producer/seller interchange is the selection process, a process itself which has two main features: first is the means by which the art/artist is brought to the dealer's attention; and the second consists of the criteria that the dealer brings to bear in his/her selection, criteria which reflect that dealer's interests.

For an individual motivated by emotional, altruistic and aesthetic reasons, fulfilment or success is measured by the degree to which these beliefs can be confirmed. Believing in the art gives meaning to the enterprise. This could be termed the more spiritual face of the dialectic of the art
object; the economic is that unless one does feel strongly about the art, it is difficult to sell. Furthermore, it is good public relations to believe in the artist. Art seems to be one of the few 'products' which requires the seller to believe in it, almost as an act of faith. Of course, outside sources of revenue allow one more liberty to act and select according to belief:

Robin Klassnik has little interest in making money. "I'm not against selling, but I don't know anything about it. The gallery is not about making a living, it's about making art." He also gets a grant from the Greater London Art Association and teaches four days a week to fund the five exhibitions mounted each year in his studio space, just down the road from Interim Art. Each show is a close collaboration between himself and an artist, the work often being made in situ over a two-month period. "That's absolutely crucial, otherwise I'd be just another boring old gallery director. My gallery is my art. The actual exhibition, which usually lasts a week, is like a celebration . . ." (40)

The image of a dealer released from the profit motive and acting according to altruistic aims can be seen as a commercial ploy as it gives the gallery an aura of authenticity, respectability and credibility—that is, the gallery is not showing the work 'just for the money'. This so-called disinterestedness can put buyers at ease; over and over again, the buyers interviewed voiced their distrust of dealers and their advice because the commercial gallery owner had something to sell. Toronto artist Ian Carr-Harris discusses this in relation to an exhibition held recently at S.L. Simpson, a commercial gallery in Toronto, and curated by independent critic and curator, Bruce Grenville:

In fact, Grenville's selection is as significant in showing how serious art is introduced as it is to a discussion of what it seeks to state. The fulcrum here is the S.L. Simpson exhibition. Sandra Simpson is a commercial dealer with her own slate of artists; the gallery is a business in competition with other galleries. Yet of the five artists Grenville selected for this exhibition, only one is represented by Simpson; the remainder are represented by other commercial dealers. Clearly, this is not garden-variety business competition. What Grenville does—for Simpson of course, but also for the other commercial dealers noted in the catalogue—is to establish the serious nature of her gallery,
its distance from mere market economy. S.L. Simpson becomes, that is, as seriously engaged as our public institutions--The Power Plant, for instance. The message is easily read: work shown here is already within the public domain; it is already valid. (41)

On a practical level, as a participant in a market situation who must to some extent act according to a profit motive, the commercial gallery does keep in mind saleability--present or future. A dealer may have in mind clients already interested in that artist's work or in that particular type of work, that is, a clientele with defined preferences. If, for example, the clientele is comprised of the public sector, then naturally work which would attract or serve the interests of that specific group would be appealing to the gallery. An artist with an already established following beyond the gallery's clientele, might prove attractive to the dealer, as well, on the basis of his/her potential for bringing new buyers into the gallery.

Additionally, the artist's work may represent stylistic or formalistic trends in vogue; or, it may supplement the gallery's inventory chosen according to a specific art critical mandate--for example, sculptural works only; or it may fill in the gap in the gallery's overall offering.

Finally, some part of the artist's oeuvre must be compatible with the market system--some part which may be quantified and traded. Some art forms, as we have seen already, bring a greater return for less expense than others. Work for which a higher price can be exacted but entail proportionately small selling costs, is ideal: this is work for which there is prior demand, which takes little storage space, is relatively (relative to its price) easy to ship and promote. This does not necessarily restrict the dealer to conventional fine art forms--painting, drawing, sculpture and printmaking (by well-known
artists). Photodocumentation, for example, accompanies the art of many artists involved in more experimental forms while installation and conceptual artists may and have been commissioned to create major works for which the dealer, as the artist's agent, presumably would receive a cut. A case in point is General Idea, who have been associated mainly with multimedia, installation and performance art, but who were commissioned to create a wall piece for the Toronto Stock Exchange. The 'cutting edge', anti-commodity side of the artist's work may act to signal the artist's and the gallery's image as being progressive to buyers whose main concerns are served by such work; in other words, this type of work, albeit not commercially viable by virtue of its transitory or anti-object character, may still serve as a valuable technique for product differentiation. The vanguardist art form, also, can provide acceptance for the more conventional or saleable side of the artist's output.

The Issacs Gallery representative listed the following as means by which they at Issacs became aware of new art and artists: while slide presentations acted as introduction, the more substantial means were word-of-mouth, group shows, alternative spaces and friends. (42)

'Word-of-mouth' would include other artists, curators, critics and clients and would operate to maintain general awareness in an unfocussed manner: for example, artwork may be discussed in gallery and studio visits. Or, it may act in a direct way—when an individual is a referee and specifically brings the art to the dealer's attention. As all three parties above-mentioned carry weight with the dealer, it behooves the latter to listen carefully to their
suggestions, all the while tempering it with his/her own criteria and objectives.

A landmark case in Canadian art history and a good detailing of the process is Massey's sponsorship of David Milne. Blair Laing, the Toronto dealer, describes his discovery of Milne through Alice and Vincent Massey:

The year 1934 turned out to be an eventful one in the life of our gallery. Among other things it was the year Vincent and Alice Massey invited us to hold an exhibition of paintings by an extraordinary Canadian artist they said they had recently discovered, David B. Milne.

Vincent and his wife Alice did everything together as a couple except when they bought pictures for each other as gifts, and on looking over the collection were delighted at the originality and quality of the paintings and decided to buy some 250 works outright for cash, offering, on average, $10-$15 per painting. Milne, who was desperate for money, was glad to accept the offer.

I liked Milne's work from the first moment I saw it; it was fresh and original, but my father, for that very reason, was afraid that if an exhibition was held, it would be a failure. The paintings, he thought, were too modern for the public's taste, and he was right. However, the Masseys' assured us they would send in their friends to buy.

Of course the Masseys' social, political, and business connections in those days were enormously strong and far-reaching, and I have often wondered since whether the motive for some of these purchases was a liking for the picture or done out of personal deference to Vincent Massey. (43)

What the Masseys gained in bringing in an intermediary, aside from realizing philanthropic motives, was the wherewithal to establish prices and a market for Milne's work, and in the end, justify their investment. Laing for his part gained access to new clients and the opportunity to cement his relationship with the Masseys.

Artists, themselves having already undergone the screening process, and critics, curators and other representatives of the media/informational sectors who are integral to promotion and product differentiation, also endorse work,
which must needs reflect their own interests—aesthetic or otherwise. Group shows and alternative spaces do serve as less compelling but more impartial showcases for new or untried art; the former, however, undergo curatorial assessment either by representatives of the media/informational sector or by producer/artists that already have gained collegial or curatorial acceptance.

When an artist and dealer do decide to enter into a business relationship, the dealer for his/her commission undertakes promotion of the artist's work and administrative and business details in exchange for his/her commission. To do so, between the dealer and artist some understanding of exclusivity usually exists—be it within a relatively confined geographic area or applied globally—in order that some of the advantages of monopoly control might be reaped, that is, control of output and consequently, price.

3. Auctions

Some reference should be made to the auction, though its role as a marketplace and distributor for contemporary Canadian art specifically is indirect and secondary.

In Canada, the main auction house for the sale of art has been Sotheby Parke Bernet (Canada) Inc. Established in 1968, it has held two sales a year devoted to Canadian art—one in the Spring and one in the Fall. As well as holding auctions, the house will also, for a fee, appraise artwork. Recently, Geoffrey Joyner, who until 1983 had been president of Sotheby's in Canada, left them to establish his own auction house, the only auction house in Canada dealing entirely in Canadian art. Balfour Bowen describes the general Canadian auction system as follows:
Unlike Toronto auction houses, such as the internationally connected Sotheby's and the recently formed Joyner Fine Art Inc., Fraser Bros. doesn't normally handle specialized sales of Canadian art. Like most other respected auction houses in Canada—including Maynards Industries and Love's in Vancouver, Waddington's in Toronto and Pinney's Auctions in Montreal—Fraser's generally runs auctions that include not only Canadian and international art, but also furniture, silver, porcelain and jewellery. Although D & J Ritchie Ltd. in Toronto does conduct specialized Canadian art sales, it doesn't usually attract the calibre of material that comes to Sotheby's and, more recently, to Joyner's. (44)

The main body of art that passes under the gavel is comprised of Canadian 'masters'—historical figures, Group of Seven and generally artists whose place in Canadian art is already firmly secured—and it is brought to auction by collectors and dealers alike, who have chosen the auction route: to reach a wider audience and perhaps, as a consequence, higher price, than might be available through one gallery; to avoid paying a higher dealer commission; to dispose more conveniently of an entire collection; and to test the market for 'real demand'. Important buyers are dealers—either charged by clients to obtain certain works or looking for inventory, work that has been market-tried and for which there exists a proven demand. Seller and buyer both pay fees for actively participating and this must be taken into account when reckoning auction records as indications of fair market value. At the time of the auction the house estimates a probable price range as a guide to bidders. Clearly the house's interest is to attract attention to the work in order to sell it and sell it for a good price.

An unfortunate facet of the auction sale is the potential it offers for clandestine negotiations to take place among the parties. Blair Laing hints at some of the subtle manoeuvres attendant at the auction:

I bought the picture at a pretty stiff price for those days. It turned out later that the under-bidder was one Dr. Armand Hammer...
only knew of Dr. Hammer by reputation in those days, but his brother, Victor, owner of the Hammer Galleries, New York, had been a long-time friend. Anyway, on this occasion I was able to outbid the multi-millionaire because I had the specialized knowledge of Krieghoff and knew the market better than he did, and also because Hammer never gambled against the odds. Later when Victor heard that I bought it, he gently chided me for not letting him know in advance of my interest in the picture since we could have bought it together at a much lower price.

4. Summary

From this discussion certain patterns emerge which have a direct bearing on an analysis of the point of exchange between seller and buyer. These are: first, that neither artist nor dealer participate in the market purely for profit or to make a living—glamour, fame and aesthetic ambitions are all considerations; second, promotional costs at both levels assume a large proportion of overall costs; and third, extra-market considerations have great bearing on the market performance of the art object in question.

State patronage, in the form of grants, though an extra-market device, obviously affects the market performance of the artist and his/her product. It affords the artist time and money to work, a decided advantage over others who usually have to resort to other forms of employment to subsidize their art production. In order for most artists to exist at an income level beyond the poverty line and to continue to create, they must find supplementary work. In so doing, s/he loses time and energy which could be devoted to his/her chosen profession. This thrusts the artist into a spiral—the less time s/he has to devote to his/her production, the less time s/he has to develop in that area.

Employment, particularly in the public/education sectors, and a system of grants allow some artists and some kinds of art which are institutionally
vetted, a means of supporting themselves without the pressures of the market; hence, their participation in the art market does not have to be competitive—it does not have to relate to production costs or demand—and this will affect prices, usually by making them 'unrealistic': too high or too low. This inevitably places artists who are competing in the market at a disadvantage.

Also, these activities contribute to consolidating an informational network for the artists involved. The process of awarding grants—adjudication—helps arts administrators, historians, curators and critics to become aware of or maintain currency with artists' work. Both Nemiroff and Monk, while dismissing the awards as influencing their purchasing or critical decisions, admitted that in the odd occasion that they were asked to sit as jurors, it was helpful in making them aware of what art was being produced. (46) In the case of academic institutions, not only do other instructors at the assorted institutions, but students as well, who at some point may be well-placed to act as advisors or purchase work, become familiar with the institutional artist's work. These institutions are logical starting points, too, for those wishing to research what artists are working on what.

Employment for the artist and patronage, despite the fact that they are extra-market, are crucial to the artist entering and surviving in the market. Both areas are currently dominated by the public sector—as patron and employer. The educational system and its institutions, the various ministries of culture and the arts councils not only provide employment but are a source of grants to artists who comply with their criteria. Thus, both these systems, though not engaged directly in the market process, have the potential to affect
the visual artist's ability to survive in the market and are, therefore, able to wield a tremendous amount of power.

That the chances of surviving by virtue of sales from art are slim stresses by default that the financial (profit maximization) incentive is not ascendant. The Applebaum-Hébert Report found that

It is true that artists choose their profession freely without much expectation of a large income. It is also true that they have other rewards, such as the satisfaction of expressing themselves and communicating their values. (47)

Costs tied to strengthening the informational network, that is, promotional costs, can assume a large proportion of an artist's outlay. Jalbert's survey puts these costs at roughly 17% (after studio upkeep and materials) while Pratt's expenditure on travel, entertainment and associated activities, at approximately $20,000 is close to 50% of his total costs related to his art production.

Costs of promotion and product differentiation comprise a major portion of a seller/dealer's expenditures. Not only do these costs serve to act as barriers to entry, they may act to screen some art forms from the market. The extent to which a gallery undertakes promotion will be proportional to the artist's and the art's price range. Selling 10 works at $200 each will not even cover the cost of a mailer containing a colour reproduction. The unfortunate consequence of this is a tendency toward the promotion of work which commands a higher price. Shipping costs also have an editing effect on art that is exhibited. Sculpture, by way of illustration, must be sufficiently expensive to warrant the prohibitive costs of moving it from one location to another; further, shipping costs predispose the market (as reflected by a
regional variation in price, as we shall see) to localism, regionalism and, as the major art centres in Canada are Toronto and Montreal (as indicated by the number of commercial galleries), centralism.
Notes:


5. The other art colleges are: Nova Scotia College of Art and Design, Emily Carr College of Art and Design, Alberta College of Art, l'Institut des beaux arts.


9. John Bentley Mays, *Despite the hype, the art world is no place to get rich quick*, Globe and Mail, 1 March 1981, p. D1.


11. Mays, *Despite the hype*, D17.

12. Ibid., D1.


15. Ibid., 26.


19. Ibid., 150.


24. Martha Burns.

25. Mays, *Despite the hype*, D17.

26. *Report to the Honourable Susan Fish, the Minister of Citizenship and Culture, by the Special Committee for the Arts*, by Robert W. Macaulay, Chairman (Toronto: 1984), 9/27.


30. Miriam Shiell.


32. Miriam Shiell.


35. Martha Burns.
36. Applebaum and Hébert, Report, 150.


38. PADAC, Primary Demand, 20.

39. See Chapters 4 to 9.


41. Ian Carr Harris, Canadian Art, Spring 1988, 88.

42. Martha Burns.

43. Laing, Memoirs of an Art Dealer, 51-54.

44. Lisa Balfour Bowen, And So To Bid, 72-73.

45. Laing, Memoirs of an Art Dealer, 51-54.


47. Applebaum and Hébert, Report, 150-151.
CHAPTER IV
Introduction: Buyers/Collectors; Private and Corporate Buyers/Collectors

The ensuing seven chapters will delve into questions of demand and the institutional features of the market at the level of buyer. In this chapter the format for the research—which for the most part takes the form of case histories—is set forth with general comments which give a brief overview of buyers as a whole. The main body of this chapter, though, is concerned with two groups of buyers—the individual and the corporate buyers. The key questions are: how do these collectors buy artwork, what are their major interests as a group, how can they stand to benefit, who and what are their influences and how do these patterns relate to artwork they buy or want.

1. Introduction

Three types of buyers of contemporary Canadian art emerge: the private individual; the corporation; and the institution. They may be distinguished as having quite different mixes of objectives and incentives; as being accountable to discrete bodies; and finally, as a result, as bringing a different set of criteria to bear and thereby following opposite and distinct decision-making processes. The outcome may be collections which are characteristic to each type of buyer and in the end may be supportive of one art form, style, or group of artists, which suit the buyer's purpose best. A concentration of one type of buyer or a consensus among buyers, then, might be seen to be instrumental in defining the art of a particular era; it is, therefore, important to discern types of buyers, their particular incentives, overt or
imputed, which motivate them to collect art, their resultant criteria, and the avenues which exist whereby consensus may be reached.

The research and analysis at hand will focus on the collector/buyer instead of the one-time purchaser of fine art. Further, no distinction will be made between the small-time buyer—that is, the collector of relatively inexpensive works of art (for the most part, original prints and other works on paper) and the collector who spends considerably more on the acquisition of art objects. In fact, as will be seen, the latter often begins by collecting inexpensive work. The important consideration here is that the activity is ongoing.

The one-time buyer is assumed to reinforce certain structural trends. The analysis is concerned with identifying what the trends are, how they arise, and what their relationship is to resource allocation. The emphasis is on the collection—that is, individuals or institutions which acquire art over a period of time as opposed to the one-time purchaser.

As the introduction pointed out, the collectors which will be studied as case histories were selected on the basis of their typicality as collectors in that specific group and, if possible, their centrality to key positions in the visual arts in Ontario in order to give the most complete picture possible of the dynamics of the situation.

The private individual, naturally, is the individual acting on his/her own, spending his/her personal savings or income and, on the surface at least, satisfying his/her own tastes and needs. The corporation, a group of individuals, is purchasing art for business purposes, or at any rate, in the
business context; funds emanate from within the corporate budget; and ultimately the purchases, the actual fact of a collection, must be justified on business grounds to shareholders and the corporate authority holders (CEO's, etc.)

The institution--foundations, public art galleries and museums, public collections--draws to some extent on public funds, and on corporate and private contributions, ostensibly for purposes of the public good. The emphasis--especially in the Canadian situation--is on public/state funding; thus we find institutions ranging from the Art Gallery of Ontario which survives through the auspices of private, corporate and state support and collects artwork by means of the AGO Foundation; the National Gallery, solely dependent on federal government funds; to the Art Bank collection, dependent on its own rental revenues and the arm's length funding from Parliament to the Canada Council. Institutional bodies must answer to a far more generalized, bureaucratic entity which may, in practice, be so general as to be unobvious or non-existent.

Each type of collector and collection deserves separate description--especially by means of case histories--and analysis of their concerns, towards appreciating the role or potential role each plays with respect to the visual arts in Canada.

2. The Individual Collector

The extent of the market related to the private collector is extremely difficult to discern and this will be assessed later in the thesis. This
section will focus on examining this buyer more in the light of being capable of playing a pivotal part with respect to the other two types of collectors.

Incentives might be summarized as: satisfying a personal aesthetic interest; investment purposes, particularly by virtue of the Cultural Property Export and Import Act; decorative aims; and social goals, usually by indicating prestige. When incentives are translated into a specific mandate or collection policy, a commonly-stated objective is to support Canadian art and artists through the purchase of contemporary Canadian art. A mandate becomes apparent more by action than a stated collection policy. In general, the collection may be catholic and adventurous in scope and may function as a discussion point—that is, the collector may be called upon to defend his/her acquisition to friends and family or conversely, may be esteemed for the acquisition. The collection is to be noticed and noticeable.

Private collectors may not budget or set aside yearly amounts for their collections; it may be a more sporadic thing. Similar to participants in and audiences for other art forms the social background is crucial to fostering an interest in visual art and/or collecting. (1)

In marked contrast to the artist-patron/collector associations of earlier times in Canada, the private collector usually goes through a dealer to purchase work—despite a general mistrust of dealers—and consequently, it is by means of the dealer and the commercial gallery that this collector is made aware of an artist and his/her art. This occurs as a result of commercial gallery exhibitions and the spin-offs—ads and reviews in journals, gallery mailings—and personal contact with the collector by the dealer knowing the
client's taste and interests. Equally important is the social network. A collector may be made aware of new work through friends' acquisitions or interests. Also, their activities in other spheres of life, especially with respect to other collections, may serve to introduce the individual collector to new artists and art; for example, the private collector's interest in collecting and the visual arts may extend to his/her professional existence, where s/he might be a member of an art committee for the business; or, the individual's interest may lead to volunteer work for public art galleries. Either activity could be instrumental in acquainting the individual with new work. On the other hand it does give the private collector the opportunity to occupy a pivotal position in the contemporary visual arts market.

The process of acquisition consists, at the very least, of two steps—in contrast to impulse-buying. The collector first, by any of the channels above-described develops a concern with an artist's work (for whatever reasons). Subsequently, s/he usually becomes well-acquainted with the artist's oeuvre (that is, his/her work as a whole rather than individual works) through articles in journals, looking at a good deal of the artist's work usually in commercial venues and public exhibitions, and sometimes consults friends. Purchase is the result of matching that individual's criteria and incentives—stated or otherwise—with a particular work, and the individual's 'gut-feeling' which is aided, abetted and confirmed by respected authorities—be it knowledgeable friends and family, paid advisors or dealers.

Pertinent criteria for the individual collector would be nationality—that is, the position the artist holds with respect to Canadian art; affordability
for that person; often, whether or not the work is executed in a form, medium
or size that is appropriate to the home; on a more nebulous level, the quality
of the work, the artist’s reputation and career; sometimes, the investment
potential of the work; and, whether or not that artist shows in a ‘respectable’
gallery. Obviously the latter three stipulations are closely related,
particularly if the collector has in mind the eventual resale or donation to a
public institution in return for tax concessions. Donations are vetted by
curators of institutions who ostensibly subject the work to the more concrete
criteria of the art historical/critical context. A reputable gallery, too,
testifies to some stability of the artist’s reputation; and such galleries
generally offer a milieu for resale. Moreover, in the case of donation,
appraisals for the work’s fair-market value are sought by the institution from
members of the Professional Art Dealers’ Association.

Exclusivity of the artist’s work combined with long-term availability to
that collector might be a major consideration to the collector. This
exclusivity gives the collector an aspect of control over the artist’s career,
and in the long term, some degree of power over the artist’s market. For
example, Toni Onley’s sale of more than a thousand works to a small group of
Vancouverites was made contingent on a limited output of work over a specified
period of time; as well, the sheer quantity of artwork permitted the buyers
effective control over Onley’s previous oeuvre. (2)

Price apparently is of little consequence to most individual collectors
but does serve to distinguish general categories—that is, collectors do not
‘comparative shop’ (often, in fact, owing to the unique nature of much visual
art it is not possible) although they do seem to be aware of logical or fair price structures. Some artists, however, might price themselves out of a collector's limited budget. Some collectors have stated that one of the reasons they collected only the work of living Canadian artists was the accessibility in physical and financial terms of such art. (3) Perhaps the relatively small size of the Canadian art market is enticingly easier to manipulate.

Accountability or justification for the purchase varies, naturally enough, according to the individual's own incentives in and objectives for collecting. If one purchased work for investment or resale purposes, then appraisal or evaluations, actual resale or donation, which showed the artwork to be growing in market value, would be the measure of the work. For others who collected for more purely aesthetic reasons, the artwork's longevity in being able to hold the individual's interest and appreciation would be a gauge of the success of the purchase. In any event, the individual is accountable to him/herself and, in the case of museum donations, to the museum.

Canadian art history is rife with associations of artists and patrons, possibly as a response to an inadequate distribution network for Canadian artists. (4) Currently, though, formal alliances among private collectors or even among artists and private collectors do not appear to exist. Participation on museum boards or other related volunteer work, on the other hand, could be seen as replacing the earlier patron/artist groups.

We will look more in depth at three private collectors and a historical study of a private collector. We stress the term, 'collector'. These are
individuals who have purchased consistently over a number of years the work of Canadian artists.

2.1 Cornelius Van Horne and a historical perspective

A historical note outlining the art collecting and patronage activities and the snowball effect of these activities will illuminate the pivotal position of the private collector, historically at least, and the circuitous route by which power may be exerted for profit-making—of many sorts, and will provide a backdrop and a working blueprint for the more current case histories.

William Cornelius Van Horne, a private art collector and amateur artist, in 1882 introduced and directed a pioneering corporate art sponsorship programme for the Canadian Pacific Railway (CPR) which was successful to the point that it probably was the model for the Atchison Topeka and SantaFe Railroad who instituted a similar programme in the early 1900's. (5) Based primarily in Vancouver and Montreal, Van Horne was a member of and advised a circle of prominent collectors of the time and took an active role in promoting and guiding the artists in whom he took an interest. (6) It was, however, chiefly through the medium of the CPR programme that his multifaceted influence was exercised; therefore, it is to this that we first turn.

In 1882 Van Horne was General Manager in Winnipeg of the transcontinental operations of the CPR where he launched that promotional scheme ostensibly aimed at encouraging immigration to the Canadian West and advertising for the tourist trade the services of the CPR. This scheme offered to artists free transportation to the West Coast and back, and to some artists
outright commissions to record the visual splendour of the West. Some of the work produced was used in reproduction form for advertising brochures, while some evidently were hung on the walls of CPR agencies in Canada and abroad. Other works, the result of the trips West, merely were exhibited within and without Canada and, as such, testified both to the glory of the scenery and the philanthropic and enlightened attitude of the CPR. Van Horne even exerted his power to ensure the inclusion and beneficial exposure of the CPR-sponsored art in major public exhibitions, for example, the 1886 Colonial and Indian Exhibition:

The fact that Van Horne placed Begg in charge of bypassing and/or influencing the selection/hanging committee of the Colonial and Indian Exhibition was the first sign of his considerable power over, and organizational role in, Dominion art-related events. An arrangement was reached with Sir Charles Tupper, the Dominion Government's official representative at the Exhibition, to have Fraser's paintings hung in one of the best positions in the Canadian Art Gallery. Van Horne was most cautious. He was determined that Sir George Stephen's paintings should receive maximum exposure.

As predicted by Van Horne, Watts proved to be obstinate. He disregarded Sir Charles Tupper's express instructions and chose to hang two of Fraser's watercolours on a screen and the third in a position which, according to Begg, was "neither prominent nor befitting the character of the picture." Tupper was forced to intercede once more, the result being that more satisfactory positions, "better almost than those of O'Brien," were afforded Fraser's works.

At the close of the exhibition, Begg hinted that favouritism had been shown toward Fraser's watercolours not because of outstanding artistic merit, but because of the influence of Van Horne and his C.P.R. associates in the organization of the show. With reference to the fine placement that had ultimately been given Fraser's pieces, Begg wrote: "... Fraser has to thank, in large measure, the fact that three of his works have been painted for the President." It further appears that the C.P.R. played a role in soliciting favourable exhibition reviews for Fraser. (7)

Pringle notes that the success of the programme with the artists was not solely a result of free transportation but, also, the programme arrived at an
opportune time in the growth of Canadian art. Artists were searching for a definitive Canadian subject matter and approach and many saw the spectacular Rocky Mountain scenery as being able to provide the basis for this.

Now, Van Horne, as a private collector, brought members of the CPR Syndicate into contact, not only with Canadian artists, but with others as well, by means of his own personal purchases and his involvement with the CPR art programme. Further, the exhibitions of CPR-sponsored artists, artists who had been selected for sponsorship by Van Horne, provided a venue for Van Horne's colleagues to see these artists. Van Horne, as a private collector purchased Fraser's work, for example, and advised others to do likewise, as was the case of the CPR President, Sir George Stephen's acquisition of the three Fraser paintings referred to in the above-quoted passage. According to Pringle, though some paintings were utilized in the C.P.R. advertising campaign, many more found their way into the private collections of Company officials and their friends. The founding members of the Canadian Pacific Syndicate, George Stephen, Richard B. Angus, Donald Smith and James Hill, together with Van Horne, Charles Hoosmer (Manager of C.P.R. Lines, a company working closely with the C.P.R. in its immigration efforts), and James Ross (President of the Dominion Bridge Company, a firm constructing many bridges and trestles for the transcontinental railway), ranked among the foremost art collectors and patrons in North America.

And it was to these men that Van Horne acted as art advisor.

The work of the CPR artists, then, in this manner found their way into important private collections and the public eye. Van Horne's interest as a private collector thus went a long way towards defining the content of the art of an influential portion of Canadian artists of the time and towards defining the nature, subject matter and artists of private collections. The extent and one-sidedness of this achievement was evident in the 1888 exhibition of Royal
Canadian Academy (R.C.A.) and the Ontario Society of Artists (O.S.A.) artists where the outstanding criticism levelled at the exhibition was the preponderance of Rocky Mountain landscape:

The economic significance was not lost on the Toronto Globe which in 1888 granted the arrival of a collection of new watercolours its qualified approval: "The result of focusing so much attention on the beauties of Canadian scenery cannot but have a salutary effect on both home and foreign markets--to put it commercially; to encourage native painters, enabling young Canada to form a school of her own that shall not be ashamed to compete with the older civilizations. The only drawback at this juncture is that perhaps there is somewhat too much Rocky Mountain."

Van Horne's sponsorship--private and corporate, alike--was especially profligate with and salient to the careers of Lucius O'Brien and John Fraser. Moreover, Van Horne's selection of artists for the railway project was primarily confined to the members of the R.C.A. Lucius O'Brien was first, a vice-president of the O.S.A., and then moved on to become the first president of the R.C.A. As we have seen, the members of the R.C.A. were required upon acceptance into the Society, to deposit one of their works with the National Gallery collection, its (the R.C.A.'s) sister institution. These donations, until the National Gallery moved into new quarters and received a new charter in 1921 to seriously acquire art, formed the bulk of the Canadian collection--hence, the R.C.A. was the prime interpreter of Canadian visual art for a number of decades. If, then, a preponderance of the art in the collection dealt with one subject, one theme, especially under the banner of a national art--for example, landscape--it could go a long way towards laying the foundation in one particular area for future Canadian art. As well, this area would be buoyed
up by an art audience schooled in these issues, perhaps to the exclusion of others, by the National Gallery collection.

Similarly, the O.S.A. (of which John Fraser was the organizer and first vice-president) was associated with the inauguration of the Toronto Art Gallery in 1901 and the Art Association of Montreal (A.A.M.), founded in 1860 by a group of Montreal collectors and artists, developed into the Montreal Museum of Fine Arts. Pringle sums up the length and breadth of Van Horne's influence on these collections and other private collectors:

Van Horne maintained extremely close ties with Canadian art activities during the remainder of his career with the C.P.R. Not only did he frequent annual R.C.A. meetings and openings as an honorary member of that society, but he became actively involved in the functioning of the Art Association of Montreal. Commencing in 1891 he and his business associate Robert Reford sat on the A.A.M. Gallery Committee. In that same year Syndicate members Sir Donald Smith and R.B. Angus served as President and member, respectively, of the Advisory Council. It is therefore not surprising that a record of Dominion artists directly or indirectly involved with Van Horne and/or the C.P.R. reads like a nearly complete list of significant personalities in late nineteenth-century Canadian painting. Existing documentation reveals that before the turn of the twentieth century Van Horne issued free passes or reduced-fare tickets to not less than thirty-three prominent artists (all regular contributors to the R.C.A., O.S.A. or A.A.M. exhibitions) on more than one hundred occasions. He commissioned and/or purchased at least fifty-six landscape paintings on behalf of the C.P.R. pass recipients for their private collections. (10)

Van Horne's activities, while having been enacted on the grand scale, are by no means unique in the history of Canadian art nor in the contemporary scene. Canada's former Governor-General, Vincent Massey, was also a prominent collector who had a large hand in shaping federal government policy towards the arts in Canada by virtue of his role as chairman of the Royal Commission on National Development in the Arts, Letters and Sciences, 1949-1951, which led to the formation of the Canada Council. In his capacity as a private collector
Massey purchased a huge body of work by David Milne and engineered the introduction to and placement of Milne's work in several private collections. Further, his collection which included the works of J.E.H. MacDonald and A.Y. Jackson was donated to the National Gallery in the 1960's, thereby allowing the Masseys a hand in shaping the face of the visual arts in Canada as shown in the National Gallery. A more recent example of this potential for global influence by a private collector is that of Edmund Bovey, chairman of the recent Task Force on the Funding of the Arts in Canada to the Year 2000. Bovey's own private collection grew into the Norcen corporate collection and now parts of this collection have been donated to the Art Gallery of Ontario and the Glenbow Museum (12). And finally, Ron Longstaffe, an avid collector in Vancouver, has since 1979 been donating his collection to the Vancouver Art Gallery, a process which culminated in the 1984 exhibition of the Longstaffe collection at the Vancouver Art Gallery. The more than 1,000 works donated over the years now form the basis of the contemporary Canadian collection of that gallery and, according to the former director, Jo-Anne Birnie Danzker, will direct the collections policy in the future. She states: "It is obvious we will be building on the strengths that are there." (13)

We will look more in depth at three private collectors as representative of this type of collector, on a less grand scale.
Gerald Schwartz is a private collector who places his own collection in his offices at ONEX Corporation, of which he is president. As of 1985-86, he was a member of three years standing of the contemporary Canadian acquisitions committee at the Art Gallery Ontario (AGO) and a member of the board of trustees there. Also, he is a member of the board of directors of the Council for Business and the Arts in Canada (along with Edmund Bovey, amongst others). He has been collecting art since 1965, his original interest stimulated by his friendship with the nephew of the prominent Winnipeg collector, John McAuley.

Schwartz's overall criteria indicate in some part his motivation as a collector. He purchases work according to two rules: he must like it hanging on the wall (aesthetic); and he must feel the work is going to increase in value (investment). Closely related to this investment aspect is the Cultural Property Export and Import Act which has been important to Schwartz as a collector and patron, for under the auspices of this act he has donated four pieces of art to various institutions. In addition, his almost entirely Canadian collection stems from his 'nationalist' sentiment—that is, he feels it is important both to support and protect the country's cultural heritage. This he can do, he says, by participating in the Canadian art market in that this type of support (purchase of work) is especially important to younger artists. Thus he collects work which evokes a real response in him regarding Canada.

Schwartz must have an intuitive feeling for the art; on the other hand, he does not impulse buy and seldom buys anything from group shows. For him the
Intuitive feeling requires spending time looking at a lot of art. If he is interested in an artist's work, he will view two or three shows of that artist before buying anything. Needless to say, the commercial gallery plays an integral part in Schwartz's acquisition process. In fact, an indicant to him that a work will increase in value is if the artist is represented by a good solid gallery. He sees some dealers as having more integrity (especially with respect to prices) than others and as having a greater degree of commitment to the artist.

First and foremost, then, is his feeling for the work of art. Once so-inspired, the written word, curators, art advisors and friends inform his opinion. For example, he does subscribe to art magazines and will refer to them to see what has been written about the artist.

The artwork's price apparently has little deterring or encouraging effect; if similar quality of work by the same artist were available at various prices, as in the case of Riopelle, he would indeed shop comparatively. But this is rarely the case and, as he stated previously, it is the intuitive feeling he has for the work which is the major factor. Further, he never 'needs' a painting, so it does not matter whether he purchases it this year or the next; moreover, even if the work is what he considers to be over-priced, but he likes the work and is assured that the price would continue to rise, he would buy the work regardless. His estimation of the fair value is derived from comparisons with what similar work (style, medium, size, artist-status) is selling for elsewhere.
The net effect—the combination of his incentives which then direct his criteria and decision-making process—is an on-going private collection which is mainly Canadian, with a representation of blue-chip Canadian (such as the Group of Seven painters, Lawren Harris and A.Y. Jackson, and the Laurentian landscape painters of the mid-twentieth century) and contemporary Canadian paintings. It is a collection containing some works of a quality to qualify for museum acquisition under the Cultural Property Export and Import Act.

Now, as a member of some three years' standing of the contemporary Canadian collections committee at the AGO, there are certain differences in Schwartz's mandate and, hence, criteria and this will be noted in the section of the institutional buyer. It is, however, important to note here at this stage what his objectives are in participating in the institutional process. He feels that in so doing he is exposed to a broader range of art, that he can learn from the experience, and that, subtly, dealers are better to him.

2.3 Michael Hasley (16)

Michael Hasley was a senior vice-president of Guaranty Trust Ltd. (now Central Guaranty Trust Co.) and was heavily involved in the Guaranty Trust collection. He collects privately and, as a trustee of the AGO, was at the time of the interview, chairman of the annual corporate fund-giving campaign.

In describing his personal collection, Mr. Hasley states that he views it as "something that grew" and something which reflects more than one person's taste (his and his wife's). Although not totally abstract, the focus is certainly in this genre and is comprised of two-dimensional work. His collection contains only the work of Canadian artists because of his
Involvement in the Guaranty Trust corporate collection which purchased the work of Canadian artists. He feels that one buys what one knows best.

For Hasley, aesthetic objectives are involved in his collection; he wants to enhance the space. Investment is not a great concern; in fact, his opinion is that it is impractical insofar as reselling or de-accessioning work in general.

The Hasleys do try to spend a set amount of money a year on their collection.

There are two main venues which bring new work to his attention: commercial galleries and work brought in by the company's art advisor for viewing. Of these two, he deems the dealer connection more important. He may be exposed to a greater variety of work coming through Guaranty Trust, but he can follow particular artists through keeping in touch with certain dealers. Also, when confronted with art that is new and/or unusual which intrigues him, he will and can spend time talking to dealers about the artist.

As a private collector (versus corporate) he is more conscious of the retail cost of the work of art. Naturally, he is interested in the best work and in that sense price is not important; however, in the event that a work which he was interested in was overvalued by a great amount, this would discourage him from buying it.

2.4 Michael Koerner (15)

Michael Koerner is a private collector (who also collects harpsichords) who, as president of Overseas Investment, places his collection in his offices in Toronto as well as at his home. He was president of the board of trustees
for the AGO during the years 1982-1983 and 1983-1984. Currently he is a member of one of the acquisitions committees at the AGO.

Koerner's description of his collection, which is Canadian, is that it is non-structured and personal. Like Schwartz, he has collected since college, his first purchase being an Emily Carr painting which he bought with $100 given to him by a relative. Contrary to the usual discreet art seen in offices, the reception area of Koerner's office displays a three-dimensional work by Quebec artist, Ulysses Comtois, which sprawls along the floor. In Koerner's own office was (at the time of the interview) a very good (that is, representative) mid-50's painting by Borduas and a bright red canvas by Montreal artist, Yves Gaucher. The meeting room contained small works by Emily Carr and the Group of Seven. These are all artists who have had long exhibition records and for whom exist large bodies of critical/curatorial literature. (17)

Koerner says that he and his wife approach collecting as a learning process; thus their objective is, rather than decoration, to receive some sort of enlightenment. Nevertheless, many of the Koerners' purchases have both appreciated over the years and the artist, taken a place in Canadian art history. (18)

Naturally, this objective informs their criteria for selection and, in turn, the acquisition process itself. First, the work that interests them is work in which the artist is doing something which gives them some pleasure which is linked to receiving some 'enlightenment'. As they do not buy 'raw' artists (that is, new, in effect, untested by the market) the artists whose work they see and follow are represented by commercial galleries. As a rule
they do not buy historical art but prefer that of contemporary Canadian artists.

Koerner defines quality as the level of workmanship; and whether the message comes across and makes sense—that is, the work has to have some meaning to him.

He does not buy on impulse; rather, he describes the route by which he comes to acquire a piece of art—as more thoughtful. Through a synthesis of friends' advice, gallery visits, advisors, curators/public exhibitions and art magazines, he will see an artwork somewhere that he identifies with. Subsequently, he will try and read about work by that artist. He mentions the example of Borduas whose work he had seen and which twigged an emotional reaction; as well, he adds, he had read about Borduas previously. He did buy the work of Gaucher on impulse but qualifies this with the fact that he was with two friends whose judgement he trusted.

As far as authorities are concerned, he emphasizes that he would not buy a work of art because someone or something told him to, but, on the other hand, once intrigued, he will follow-up the interest by referring to the art magazines or the literature in general. Second, the opinion of friends whose 'eye' he trusts may help him to gain insight into the artist and the work.

Like Schwartz, although he approaches dealers with some skepticism because he feels that their own interests predominate, this is in some conflict with the fact that he tends to buy the work of artists who are represented by galleries and who have been 'market-tested'. 
Another party that qualifies as an authority to Koerner is the artist. Him/herself; therefore, in an effort to understand more fully the artist's work, he and his wife make an effort to meet the artist to talk about the work.

While wanting the sense of getting 'value', the Koerners' do not comparative shop and usually buy at the dealer's price.

3. The Corporate Collector

As we have seen, William Van Horne's scheme for the CPR of sponsorship, purchase and commission of artwork was the notable pioneer programme for the corporate collector in Canada; however, the corporate art collection does not appear to be a feature of the Canadian art scene/market until contemporary times. This might be associated with the boom years and the consequent available funds, building, prestige and optimism generally present in good economic times in the centres of Canada.

Like everything else linked to the art market, accurate estimates of the extent of corporate participation in art collecting are non-existent--this activity, too, often veiled in secrecy. For example, Michel Lessard found in his article on corporate art collecting that Peter Brown, president of Canarim Investment Corp. Ltd., was "reluctant to give details on his company's collection. 'It is,' he says, 'a partially private collection, so understandably we don't go in for much publicity.'" (19)

As a rough gauge, the Council for Business and the Arts (CBAC) revealed that in the year 1983-84, of its 121 member corporations, 21 maintained collections; sponsored exhibitions and/or commissioned works of art, thereby spending a total of $2.4 million: $1.8 million on collections of fine art;
$440,000 on exhibitions and $185,000 on commissions. In 1982 at the height (or depth) of the recession, only a total of $1.2 million was expended. For 1985 CBAC projected a $2-3 million expenditure on the visual arts. (20) CBAC judged that 25% of the top 300 corporations in Canada collected art. In the United States, Glueck found that corporations "do spend money in the process (though far less, according to dealers, than museums and private acquisitors). (21) Certainly it would make sense that the corporate collector, being the most allied to business incentives and the economic climate, would be the most volatile of the three types of collector.

In contrast to the private collector--on the surface at least--incentives in the final analysis must be translated into financial objectives--profit maximization. Despite specific objectives being fulfilled, the president, and in turn, the chief executive officer (CEO) must justify to shareholders their actions and this must be done in terms of profit.

The irony is that the corporations do not make full use of tax measures available to them for charitable donations (22) and, if 21 corporations spend $1.8 million between them on collections, neither, it appears do they make significant use of tax allowances for this expenditure. Given the weak resale market for contemporary Canadian art, the investment potential may not be realized for a generation at the earliest. Apparently, a similar corporate attitude is prevalent in the United States also, and may thus, reflect business thought in this area in general:

Despite the charges of cynics, the investment factor in buying art seems to have low priority for most companies, since they do not customarily sell it unless they run into trouble or undergo a major policy change (this past week, for instance, Coral Petroleum Inc. of Houston, now in bankruptcy proceedings, sold its collection of some 60
Orientalist paintings, including works by Delacroix, Corot, and Gérôme and considered one of the finest in this highly academic genre, at Sotheby's). Being businesses, however, they can't help taking a certain satisfaction—as private collectors do—when yearly appraisals for insurance purposes reveal an appreciation in value... says Charles Salinas, senior vice president in charge of corporate communications at the Chemical Bank. "Acquiring art is not a profit-making venture for us, but clearly on the basis of insurance appraisals, we have an appreciating collection." (23)

This may be, in part, the outcome of diminished personal responsibility—that is, a number of people could be involved at the time and/or over time in the decision-making process (rather than acquisition being the jurisdiction of one person). And even if one person were initially involved their period with the corporation is usually finite—others will follow who may or may not be interested. Chase Manhattan in the U.S. is an example of the opposite. It has collected art for decades but it has been in the hands of one family—the Rockefellers—who have maintained an interest in the arts since the turn of this century. In contrast, we will be looking at corporate collections which were for the most part begun in the 1960's or early 1970's. It would seem that the route to 'profit maximization' is not so direct.

In fact, the potential for promotion through support of the arts is the more far-reaching benefit of collecting. It is made all the more desirable, nevertheless, because while enhancing the image of the company, the corporation may receive some tax benefit and guard something tangible, long-lasting and something which may possible increase in value. For example, the Continental Bank's 1984 annual report devoting its essay to corporate philanthropy, cites the MacMillan-Bloedel purchase of paintings by J.Fenwick Lansdowne as producing a beneficial image for their company:
Between 1968 and 1975 MacMillan-Bloedel purchased 22 J. Fenwick Lansdowne paintings. The vice-president in charge later acknowledged a "love-hate relationship between people and the forest industry. We tear down trees and people love trees." The Lansdowne paintings, he felt, showed that forest companies "care about the flora and fauna. That we're responsible custodians of the forest." (24)

And more,

There is an even more compelling reason for companies to explore the marketing opportunities of a cultural and philanthropic program: conventional advertising has become outrageously expensive and beyond the reach of many firms. (25)

Two major American corporations, Equitable Life Assurance Society and the Chase Manhattan, state the following reasons for maintaining an art collection:

For the Equitable, the art is a real-estate investment, according to Benjamin D. Holloway, chairman of the company's far-flung real-estate group and one of the project's instigators. "We are doing these things because we think it will attract and hold tenants, and that they will pay us rents we are looking for," he said at a press conference announcing the coup. As for Chase Manhattan, it's playing up to the district's livelihood. "The business in the neighborhood is art, so it makes sound business sense to feature that," says Jack L. Boulton, art advisor to the bank. He points out that in the year since the branch began to make specific overtures to its art-minded clientele, its position has zoomed from 185th to 15th on the bank's sales chart. (26)

The concrete evidence of the promotional priority of the art collection is the fact that increasingly budgets for fine art are yearly financed, at least in part, by the marketing of public affairs division of the company. Other departments which commonly contribute to the budget for the collection are office furnishings/design. Sometimes funds are sought on a per project basis as a percentage of building costs.

Specific objectives behind the purchase of artwork are to enhance the environment (that is, decorative purposes); to establish better employee relations—by involving employees in in-house art programmes and enlivening
their work spaces (although if the art is deemed too 'far-out' or controversial by the employees, this scheme can backfire); and to support Canadian art and artists. The latter shows the company to be a good corporate citizen. In practical terms, this means that only the work of living Canadian artists is purchased which, at the same time, allows the company to take advantage of the 20% capital cost allowance.

Collections which are especially image-oriented, with some consideration of investment potential tend, first of all, to have in-house curators/advisors who are well-versed in the field and in the market, and a well-developed collection policy which provides for the acquisition of art by senior artists, middle-range (that is, younger artists working in the major media)—the venture capital of the art world—and works on paper (less expensive works). Companies may put money aside for a specific group of artists or one artist in particular. This 'museum quality' approach, it should be noted, necessarily involves in some form or other the curatorial and media sectors who are responsible to a great extent for determining or rationalizing who senior artists are—who has made a worthy contribution to the on-going progress of Canadian art. Further, if the work is to have value for donation in the future, it is best to consult that curatorial community which is to be the arbiter as to whether or not the work is suitable for museum acquisition.

The corporate collection, itself, is displayed in company offices, public areas usually taking priority. Work may be acquired or commissioned—particularly in the case of large public areas—expressly for that area, or it may be acquired more or less for the work's appositeness to the requirements
and needs of the collection. The difference here is that in the former situation the curator would be looking for a work by a certain artist only if there were a space for it and in the latter case, only for the best work by that artist. Some collections—for example, Alliance Mutual in Montreal, the Toronto-Dominion Bank in Toronto, or Shell Canada in Calgary—have a company gallery open to staff and public alike; others—for example, Lavalin—tour among public galleries exhibitions of various aspects of the corporation’s collection. Still other collections may feel it important to collect museum quality work which may be lent to appropriate exhibitions in public galleries. These last measures afford the public viewer a glimpse of the corporation’s enlightened and generous attitude towards the visual arts.

Just as Van Horne was the prime mover in the CPR programme, most corporate collections are the efflorescence of an individual executive’s own interest and his/her ability to convince others of the worth of a corporate collection. Selection of work tends to rest with this individual—sometimes exclusively. This may be either an in-built feature of the selection process or an inevitability, the result of the individual’s persuasive powers owing to his/her strong interest.

The decision-making may involve one person on an ad hoc basis, a resident curator, an external paid art advisor or a committee. Amongst these, there may exist a hierarchical combination: an in-house curator may select a group of works for presentation to an executive committee; or s/he may be responsible up to a certain budget limit and works priced over that limit would require presentation to a committee.
The greater visibility, formality and ostensibly larger budget of a corporate collection versus a private collection lead to a greater number of avenues whereby those concerned may be 'courted' and made aware of art available. Gallery and studio visits, artist and gallery slide submissions figure prominently at this stage. Just as important is word-of-mouth information. Corporate collections can be somewhat competitive with one another regarding acquisitions and the collectors, themselves, do keep in touch with one another, using one another as sources of information about artwork currently being produced.

A formal alliance exists in the Corporate Art Collectors which, managed and organized by the collectors, meets regularly both to discuss problems within their own collections and to hear lectures about special projects of the members or by specialists in various pertinent areas of collection management: legal issues, conservation, acquisition, critical issues, and so on.

Price has the general effect, not of competitive buying, but of allocating the work to one budget bracket, hence selection process, or another. In other words, business collectors do not shop around. Obviously in many cases 'comparative shopping' is out of the question. For collections aiming at museum quality, the focus of interest is to acquire the best (the most suitable) work of the artist. Within the fixed budget price may rule out certain artists or it may make the criteria for the work within the selection process more stringent: a curator may have final authority for works priced at less than $1,000; over that amount may require written justification and presentation to an executive committee who will weigh the artwork on its own
merits against others also in this price bracket. As with private collectors, competition begins among the 'products'; the desirability of the object—that is, the creation of greater demand for one artist's work over others—in the eyes of many takes precedent over competition in terms of price. Nonetheless, price may have the influence of thrusting the art object into a different selection process. Traditionally more expensive forms—generally owing to the higher costs of materials and labour—sculpture, for example, may be represented less in the collections as it tends to be scrutinized by many, rather than one, with all the associated results: less understanding by employees at all levels through less familiarity with the form, diminished incentive for dealers and art agents to handle these forms and, of course, less revenue for artists specializing in these forms.

Art historical and art contextual issues become more important in explaining to a committee of persons whose main interests and concerns might not be art in general, let alone the quality of that specific object. Decisions could possibly rely more on outsiders' convictions (those of the curatorial and critical community and those of other corporate collections.) Under these circumstances, the tendency might be away from the experimental or difficult and more towards the tried and true—the continued backing of winners.

3.1 The Toronto-Dominion Bank (27)

The Toronto-Dominion Bank's interest in the visual arts formally came into existence in 1967 when the Bank moved into its new Head Office buildings, the two towers of the Mies van der Rohe-designed Toronto Dominion Centre. Through the drive of the chief executive officer at the time, Alan Lambert, the
Bank undertook to collect in a systematic and thoughtful way the art of contemporary Canadian artists. The collection, indeed, covers approximately fifty years of Canadian art but leans heavily towards the art of living Canadian artists.

From its inception strong links existed between Ontario art institutions, mainly the AGO, and the collection. Lambert, a member of the board of trustees of the AGO, was encouraged to start the collection by Dr. Martin Baldwin, the director of the AGO, who became the Bank's first official consultant. On Baldwin's retirement Jules Heller, Dean of the Faculty of Fine Arts at York University, stepped in. Mario Amaya, Chief Curator at the AGO, succeeded Heller, and when Amaya left to go to the Albright-Knox Museum in Buffalo, Peggy Lownsborough was asked to take over. Mrs. Lownsborough was described by Lambert as having many years experience in different capacities at the AGO. At the time of the interview (1986) the art advisor/curator was Pat James and the CEO was Richard Thomson, who has a small personal art collection.

The Bank's involvement with the visual arts has manifested itself in three art projects: the Inuit collection of sculpture, a collection which was mainly bought in two bulk purchases, and is not seen as an on-going collection, but nevertheless is housed in its own gallery and on display to the public in the new IBM Tower in Toronto; the 1984-85 $750,000 (approximately) commissioned art project entailing two major sculptures and seven tapestries for installation in the four towers of the Toronto Dominion Centre—a finite endeavour jointly with Cadillac Fairview; and the on-going collection which addresses questions of architectural/decorative and art historical/museum
concerns. Naturally, each project enjoins differing considerations—procedural and otherwise. We shall examine only the art collection because it both deals with living Canadian artists and is an on-going proposition.

Lambert in his introduction to the catalogue for the Toronto-Dominion Bank collection states:

I feel that the value of a Corporate collection is not just a matter of dollars or decoration. It is the commitment by the corporation of its concern for a fuller quality to life; an extra dimension is added to the normal business day by providing a stimulating and sometimes challenging environment for our staff, customers, and visitors. The fact that sometimes there is criticism of our selections is good, for it suggests an awareness, but we believe that as a result of the Bank’s collection a great many people have acquired a new or increased interest in art and certainly a wider appreciation of its place in our lives. (28)

The curator, Pat James, finds collection objectives threefold: to support Canadian art and artists; to encourage creativity in staff—that is, as an aid to cultivating good employee relations; and to improve the bank environment.

The budget for the collection sheds some light on the overriding incentives behind and motivation for the collection. For the on-going collection there exists a yearly specified amount which itself is a capital budget plus expenses; administratively, however, the collection is in the department of public affairs. New acquisitions are works by living Canadian artists; therefore, the capital cost of the collection can be and is depreciated yearly at 20%, the amount allowable under the income tax act. In addition to the yearly capital cost allowance, expenses related to the yearly purchases of art are eligible for deduction from income because the collection is used for business purposes. Obviously there exist immediate financial rewards in the
form of tax benefits and long-term financial rewards emanating from improved
public relations.

The art collection is comprised of "essentially contemporary art during
the past 15 years," says Lambert in his introduction. (29) According to the
assistant curator (at the time, May 1985), the Bank owns some 4,000 works--
primarily two-dimensional, that is, paintings, drawings, mixed media,
watercolours and prints. It is exclusively Canadian in that at the very least
work was produced by an artist resident in Canada at the time of purchase or
a Canadian citizen. Nevertheless, Canadian content does not have to be overt
but the curator admits it is desirable that the collection emit a distinctly
Canadian flavour in the international offices. There is little sculpture--partly
because the Inuit collection is mainly sculpture and partly for reasons which
will be discussed below. The general breakdown of the yearly budget for
acquisitions is 25-30% devoted to art by senior artists and 65-70% to the
work of emerging artists, artists whose artwork is priced less than $3,000.

The Bank's collection is distributed in public spaces and private offices
throughout its divisional offices, branches and head office in Toronto.

The process of acquisition is two-tiered: for work valued at $3,000 or
less the in-house curator has full authority to purchase; over that limit, the
decision must go before a committee, although, ultimately, the real power lies
with the CEO, originally Lambert, now Richard Thomson. For a committee
presentation, James must explain in writing why the piece would be important
to the collection. If there is a location already, this information is helpful
as well.
Decisions are based on art historical/contextual considerations—in order to fulfill the mandate of the collection and because provision must be made for donations to museums, donations whose value hinges on a curator’s assessment in terms of Canadian art history. Moreover, architectural demands weigh upon the decision.

To come to a decision, James will try to assess the quality of the work and the relative importance of the art and artist within the Canadian context, using as indices: the artist’s resume demonstrating the artist’s commitment and sustained development; other curators’ evaluations of the artist; that particular piece’s relation to the artist’s own œuvre. Also, she must consider whether the work may be too unconventional to the untrained eye, or too expensive—despite art historical suitability.

James becomes aware of new work by a variety of means: artists and dealers submit slides; dealers call; James makes studio and gallery visits; and she subscribes to prominent Canadian art journals. As well, other corporate buyers will inform her of work that they find interesting.

Dealers who are business-like, who Mrs. James knows how they look at art and who provide factual information (defined as the artist’s resume, what the artist has been doing and what has been influencing the artist’s mind), can be used as a fairly reliable source of information about the artist.

Generally, curators at public museums are not much help to James, owing to perceived differences in interests, although if she is travelling to unfamiliar regions in Canada, she finds they are of some help. The Art Bank is more helpful to her because of its audiovisual resources which are made
available to the public. Also, the Bank has acquired pieces for the collection through the Art Bank artist buy-back scheme. For James art journals are useful, providing her with a concentration of information and a basis of comparison in place of several studio visits; advertisements in these magazines, although not persuasive, are helpful in planning where to go and look. A third authority or source of information is other buyers and word-of-mouth.

The retail value of a work of art, albeit of little importance within certain ranges, has the effect of allocating selection to one process over another. Within a bracket (for example, paintings valued between $1,000 and $3,000, works on paper, $500–700) the major concern is "whatever is best for the collection"; however, a price tag of over $3,000 brings into play a synthesis of a number of different attitudes towards art and the collection. As an illustration, contemporary sculpture, James finds is still difficult for the art committee; however, sculpture usually costs more than work of the other traditional forms—both to the artist and the consumer. The tendency would be, then, for sculpture to appear more in the $3,000 plus bracket, thereby subjecting it to a selection process by a committee who still have difficulty appreciating it. The collection, as a result, leans heavily towards two-dimensional art. By extension, artwork over the $3,000 mark which gains the committee's approval might evince qualities that veer towards the more conventional and museum endorsed.

3.2 The Bank of Montreal (30)

Cathy Williams, art advisor to the Bank of Montreal, and in 1985–86 one of the two persons responsible for organizing the Corporate Art Collectors'
group, describes the Bank of Montreal's collection as having four distinct phases, its last development bringing it to the point of acquiring the work of living Canadian artists. Approximately 400 pieces of Inuit works were purchased en bloc in 1976, 30 of these pieces being sent to the Bank's office in London, England, in order to demonstrate an art historical aspect. In 1978 the Bank of Montreal purchased expressly for promotional purposes 89 Indian pastel portraits by the prairie artist, Nickola de Grandmaison, who had died that year; this purchase was organized by the Bank's chairman who hails from Calgary. Two public exhibitions of the work were held at the Glenbow Museum and a book on de Grandmaison, underwritten by the Bank, was published by Douglas & McIntyre. A part of the collection was loaned to the Museum of Anthropology in London, Ontario. The third and less consequential stage was the purchase of early Canadian works on paper (prints intended as reproductions, etc.) for office decoration. And finally, in 1982 the Bank began to purchase contemporary Canadian art.

Specific objectives are decoration; support for Canadian art and local expression; employee and public relations. To these ends work is purchased for the Bank's office and public spaces across Canada; tours are given to the staff; and information regarding the art is made available to the public. According to Williams drawing on her experience with the Bank of Montreal and other corporate collections, tax considerations for larger companies do not mean that much.

Until 1980 no policy in the form of budget or mandate existed. At present the source of finances for the collection and the approach to the budget are
quite unlike those for the Toronto-Dominion Bank. There is no art budget. What
exists is derived from the real estate budget—that is, the cost of the
buildings; hence, though the collection is on-going, the budget is on a project-
by-project basis.

Given the mandate to support living Canadian artists and local
expression, the Bank's preference has been to purchase work of artists living
in the region of the new premises, recent examples being Calgary, Edmonton,
Winnipeg and Regina. Final decisions were determined by the above requirement,
by the budget and space allocated for the project, and by the constraints of a
committee decision. Some art was purchased largely because of its low price,
suitable size and subject matter. Williams feels that the diversity of the
collection with regard to forms, particularly, has been constricted by these
overall criteria and the process, and cites as example, the lack of sculpture
in the collection, sculpture being difficult to accept and place (it takes up
more floor space than two-dimensional work) and being more expensive to
purchase and maintain.

The selection process for this bank entails two steps, with Williams
making the initial pre-selection to present to the executive art committee. For
specific projects Williams talks to curators and other museum personnel in the
region in an effort to discover which dealers in the area she should see. She
would also use her knowledge from the Toronto location and, as well, when in
the region attempt to get to the artists' studios, if possible. The second step
is that Williams, having viewed about 200 works, presents 40 or so to her
committee to make a final selection. Of the 40 approximately 20 are purchased.
This committee consists of Williams and three of the Bank's executives—the President, the Vice-President of Public Affairs and the Vice-President of Real Estate—all of whom had a previous interest and buy or have bought art personally.

When showing unfamiliar work, Williams shows it to her committee more than once because the selection review is fast.

Similar to the Toronto-Dominion Bank, art which is more expensive (in the case of the Bank of Montreal, in the $10,000-30,000 range) is subjected to greater scrutiny. Further, Williams, working on a project-by-project budget, finds that price assumes importance in her decision-making: that is, a work despite its merits otherwise may be dismissed on the grounds that it is too expensive for the project and in that event would lose to another lower-priced work.

Especially with major pieces Williams' own selection process demands three steps and/or criteria. The first is that the object fulfil her standards of quality. This nebulous term, quality, for Williams entails how the artist handles the materials (technical skill), the composition and the seriousness of the artist. Second, if the work is of a known artist, she will read about the artist. And third, she will consult authorities—interested people whom she respects, such as dealers, some artists, some consultants and some curators.

Journals are not particularly helpful to her but she does read regularly Canadian Art, Maclean's, the Globe and Mail, and sometimes, Parachute in Canada, and for a general idea of trends, Art in America and Art News, both published in the U.S.
Williams assesses an artist's resume in terms of indicating the artist's commitment to art and what the artist is thinking about (as seen through travel and education). Exhibitions show that other people are looking at the artist, and sometimes, who the artist's dealer is.

3.3 Guaranty Trust (31)

Like the Toronto-Dominion Bank and Bank of Montreal, Guaranty Trust had its head office in Toronto and divisional offices throughout Canada. (32) The company has been collecting art since the mid-Seventies. Originally, the chairman, Gordon Shaw, was interested in contemporary Canadian art and formed an art committee comprised of Shaw, Michael Hasley—the current sole member of the committee—and an outside art advisor. Now Hasley acts on the advice of the art advisor who is on a retainer; however, he would not approve the acquisition of a major work without the president's approval.

Objectives of the collection are: to enhance the environment for both staff and clients; a wish to back living Canadian artists, especially younger artists; and to contribute to the support and development of art in Canada. As well, the company looks at the collection as a reasonable investment. The collection is displayed in offices, public areas, banking halls and branches, and the company has instituted a programme (in Toronto and Vancouver, at least) whereby artists, dealers and other individuals associated with the visual arts are invited to give informal lectures to interested staff.

Hasley sees Guaranty Trust as collecting in a modest, though consistent, way. When it became a committee of one, a formal budget was drawn up which was linked to the number of branches, operations and renovations. It is also
tied to the year's acquisition plan; moreover, although they do have a budget
and plan, both can be expanded if the right work of art comes along.

The general collection policy gives priority to hanging artwork in public
areas and offices. The focus is works on paper and the company does collect
the works of some artists in depth, usually by having a representation of an
artist's work executed in more than one medium (for example, they have a major
painting in four panels, prints, watercolours and a mixed media drawing by
Alberta/Saskatchewan artist, Ted Godwin). The ability to do so--this
flexibility--Hasley feels is derived from the selection and decision-making
process: namely, it is a committee of one. A large committee is difficult to
work with he has found. Now the art advisor initially screens the work. It is
up to her to keep track of what is being produced and to bring it forward. He
will look at the artist's background to gain some idea of why the artist works
in the way that s/he does and he will use his own eye. They (Hasley and the
art adviser) will discuss works he does not like. Hasley remarked that he has
been convinced favourably about a work when he shown what was "going on" and
given a contextual reason. Often they have purchased works he would not hang
in his own home. In all, of five works presented, he might purchase three.

Hasley looks at the company's art advisor as his foremost authority,
followed by dealers, other corporate collections, and to some extent, public
collections. He recognizes that the dealer is acting in self-interest. Other
corporate collections, especially through the auspices of the Corporate Art
Collectors (Guaranty Trust, as represented by Hasley, was one of the original
six members of the group) provide him with information, particularly as there
is a small element of competition among these collectors. Public collections in whose collection the artist's work is represented can add credibility to that artist but for his/Guaranty Trust's purposes—given that one of the objectives of the collection is to support the work of younger Canadian artists—he finds the focus of public collections too narrow. Journals, he says, do not have any effect on him whatsoever; he does not read them and feels they cater to trends and dealer promotion.

Hasley's only concern with the work's retail cost is that it be priced at fair-market value. For this assurance he relies on his art advisor who, as part of her expertise, knows the relative values.

4. Conclusion

This chapter has examined the buying practices of two types of buyers: the private and the corporate/business. While specific aspects of these practices will be analysed at length in Chapter IX it is important to note here that these two groups of buyers do indeed have established patterns to collecting. These patterns are similar within the groups and do differ between the groups. The individual collector is characterized by: a multiplicity of interests; sustained activity; an opportunity to function in the capacity of corporate and public buyer as well. The corporate buyer purchases art for purposes of promotion and image-enhancement—hence the collections tend to acquire Canadian-only artwork to support Canadian artists and work which is decorative. The collections are generally not as long-lived as those of the individuals. Both groups are quite dependent on both public and commercial
galleries to avert them of art being produced but discount the effect that either have on them to purchase a particular work of art.
Notes:


8. Ibid., '52.


17. As a rough guide see the entries for Borduas, Gaucher and Ulysse Comtois in Artists in Canada: a union list of files, (Ottawa: National Gallery of Canada, 1982), 35, 121 and 67, respectively.

18. For example, a Borduas painting, 31½ - x 45¼", painted in the mid-1950's, was sold for $8,000 and evaluated at $45,000 in 1980 and $130,000 in 1982.


25. Ibid., 21.


29. Ibid.


32. The company since the time of the interview (1986) has become Central Guaranty Trust Co. and the collection no longer exists as described herein and elsewhere in the thesis. Several of the works have been deaccessioned and the direction of the collection has changed substantially.
CHAPTER V
The Public Buyer

1. General background

In order to gain some insight into the exchange process the level of buyer will be described and analysed in some depth. Chapter II pointed out that for any analysis of this exchange process to be at all revelatory, a careful understanding of the structure of demand was essential. The motivations, the interests, the authorities referred to, the criteria brought to bear and finally, the actual collections of art all illuminate in practice important features of demand and its creation. Furthermore, we are examining buyers as major actors, if not the major actors, in the exchange process. Chapter IV looked at individual and corporate buyers of contemporary Canadian art. The third group that we now turn to is the public buyer.

This section will examine the acquisition practices of the public buyer. To do so it will focus on three public institutions which maintain collections of contemporary Canadian art and are the three institutions who have the largest impact on this area of the visual arts—in terms of prestige and influence, perhaps, but more importantly and most certainly in terms of spending power.

(1) These institutions are the Canada Council Art Bank, the Art Gallery of Ontario and the National Gallery of Canada—all three of whom according to interviews conducted and the Council for Business and the Arts (CBAC) reports have the largest annual acquisition budgets for contemporary Canadian art.

Of course, under the broad umbrella term, 'public buyer/institution', are gathered together several categories: public galleries, university-affiliated
art galleries, public museums, federal/state institutions, provincial collections, municipal collections and public commissions. What draws these diverse bodies together is that they all derive operating and acquisition funds from some level or combination of levels of government funding. Also, their collective mandate to some degree expresses the twin purposes of developing awareness and an appreciation in the Canadian people of the visual arts and of recording and reflecting the path of Canadian art. The 1986 CBAC survey shows 24 public galleries with acquisition funds for artwork (in any field); 9 public museums and 15 university galleries in similar position.

The first museum and art gallery in Canada was the Montreal Museum of Fine Arts which was established in 1860 as the Art Association of Montreal, a group of artists and collectors who combined forces to collect and exhibit art regularly and consistently. In 1939 the Gallery's name was changed to the Montreal Museum of Fine Arts. As we have seen, the artist/collector alliance has been the starting point for other galleries.

Generally, public galleries now come within the provincial domain although some operating and acquisition revenue may emanate from elsewhere. Operating funds issue from public sector grants (National Museums Canada, Canada Council, both at the federal level; and municipal and provincial bodies); private donations (including corporate, foundations and individuals); membership and admission fees (where they are in place); and commercial activities (for example, giftshops and publications). Acquisition funds are based on private donations and bequests (corporate, foundation and individual); federal grants (usually under the auspices of the Cultural Property Export and
Import Act administered by the Department of Communications); investment income; and monies from endowments. Also, a healthy proportion of public galleries' annual acquisitions are donated artworks. In 1985/86 24 public galleries had a total of $3,056,872 for acquisitions while the value of donated artworks was $3,969,526; in 1984/85, the former was $3,837,795 for 25 public galleries, and the latter was $7,296,265. (2) It should be noted that these figures pertain to all periods of art and include international historical and contemporary as well as historical and contemporary Canadian.

Public museums similarly derive operating and acquisition funds from the above-listed sources. One of the main differences between the two entities is that while public galleries have as their main interest the visual arts, public museums serve more varied purposes—from the visual arts, to an ethnological approach to art and artifacts, to natural science, and so on. The visual arts, therefore, would have to compete with many other departments within the museum. Acquisition budgets for art consequently are lower on the average in public museums. In 1985/86 total acquisition funds for the 9 public museums reporting to CBAC were $712,334 and the total value of donated artwork amounted to $996,013; and in 1984/85 10 museums spent a total of $615,151 on art and received $895,616 worth of donated artwork. (3)

University-affiliated art galleries also, obviously, are only a small part of the university complex—so, although they may receive operating and acquisition funds from tri-level government sources and the university as well, they are not seen as a main priority of the university, and money spent on acquisitions will reflect this proportionately. In 1985/86 acquisition funds
for the 15 galleries totalled $546,575 and the value of donated works was $989,769; in 1984/85, 13 galleries spent $446,645 and donated works amounted to the value of $646,048. (4) Also, the content of the collections of these galleries might mirror or lean towards the content of the curriculum rather than attempting to cover contemporary Canadian visual art.

The National Gallery of Canada draws its operating and acquisition funds from the National Museums Corporation which receives its funds from the Treasury Board. Revenue for the National Gallery put towards the purchase of art was in 1985/86 and 1984/85 $1,500,000 each year; donated works were valued at $660,667 in 1985/86 which was down from $1,000,000 the previous year. (5)

The Canada Council Art Bank programme is unusual in deriving its acquisitions money both from its parent, the Canada Council, and from its own rental service. The Canada Council—while supposedly maintaining an arm's length stance from the federal government—receives yearly appropriations from Parliament which more than supplement its two original endowments. The Art Bank differs from any of the other public collections in that it purchases only the work of living Canadian artists. For this it devoted $664,566 in 1984/85 and projected $750,000 in 1985/86 to be spent in its purchase programme. (6)

On-going provincial and municipal collections do exist but their scope tends towards that particular region. The Alberta Art Foundation, for example, purchases work of artists resident in Alberta only. The Ontario Ministry of Government Services requires .5% of new building budgets to be spent on the
purchase of artwork with the emphasis being on artists born in the community. Since 1967 when the programme was introduced $1.7 million has been spent. (7)

From 1964 until 1978 the Department of Public Works under a Fine Art Program was required to set by 1% of its construction budget towards the commissioning or purchase of artwork. According to the Applebaum-Hébert Report, "235 works of art costing $3.7 million had been incorporated into government structures." (8)

It should be reiterated that common to most of these institutions is the nationalist imperative—that is, to support Canadian art and artists; and to increase the understanding and appreciation of Canadian art; thus even international historical or contemporary works collected might be collected primarily for the light they might shed on the Canadian situation. The understanding of international historical and contemporary art is in—its pertinence to trends in Canadian art.

There does exist a formal association for public museums and art galleries—the Canadian Museum Association. Additionally, provincial liaisons, for example, the Ontario Association of Art Galleries, serve to maintain links among galleries and museums. On the other hand, the galleries (and the associated curatorial community) cultivate awareness of one another's activities through competition with each other. This is particularly cogent to building collections. As with other types of collectors and collections, small acquisitions budgets and a nationalist imperative direct many galleries towards collecting and competing in one relatively narrow area. Galleries with large budgets, with funds more readily available, frequently earmark works
sought after by other galleries. The curator of contemporary Canadian art at
the National Gallery, Diana Nemiroff, finds her biggest competitor the Art
Gallery of Ontario (AGO) with the Art Bank running a close second. (9)

The usual train of events leading to acquisition of an object by a public
museum/gallery begins with the curators of the several departments vying at
the beginning of the fiscal year for portions of the entire budget. A yearly
acquisition plan which should conform to the general collections policy is
drawn up. Museum collections often have areas of specialization; some attempt
to collect in depth the work of a few artists (as being representative of the
best or as significant to a particular place or time). This practice does have
an arbitrariness about it because it represents one curator's appraisal as to
what is significant. On the other hand, it does lead to a collection that may
be more studied and studiable, and thus, important. Any plan or policy must
acknowledge the element of fortuity in collecting—that is, the right piece, or
the 'best' work by the artist, might or might not unexpectedly come on the
market; therefore, budgets and policy have to be flexible. One measure is to
have a float fund which is available to all departments.

Donations of money—government grants or private money—may have
strings attached. The Art Bank's matching grants for acquisitions stipulates
(understandably) that the grant is for the purchase of contemporary Canadian
art only, albeit in any media. The Peggy Lownsbrugh Trust Fund, established at
the AGO, is to be used to acquire preparatory sketches for major artworks.

(10)
Collections of this sort which acquire works neither for decorative nor image-enhancing purposes, but solely for their didactic, art historical/contextual qualities, require that curators refer to the literature and details of the artist's career, in addition to assessing the inherent quality of the work. This is an on-going process: even after the purchase the gallery and curator should monitor the artist's on-going career—in fact, the curator and gallery now have a greater stake in and, as well, have played a part in, that developing career.

An assumption, too, is the knowledgeable, or at the very least, interested viewer; therefore, the work does not have to be accessible or popular but may evince the qualities of serious or 'high' art. Further, a gallery may have a policy, unwritten or written, of buying at least one work out of an exhibition that takes place in the gallery. This may be seen partly as an act of good faith to the artist or dealer, if either were involved in lending work to the exhibition (although artists do receive an exhibition fee for work appearing in the show); it also reinforces the curator's/gallery's judgement in having the exhibition in the first place; and having been seen in context, the work is given added meaning.

The curator, having properly researched an artwork or several works, will bring them before an acquisitions committee for that area (in the case of a large museum) and/or board of trustees. The greater the value of the proposed acquisition, the more persons become involved in the process. The board's concern, often, is not to question the curator's selection, but to be assured
that the price is fair. If the proposed acquisition is the right work, then price, as long as it represents fair-market value, is not important.

2. Curators

The institution by its conglomerate nature must reflect not only stated objectives but also the interests and incentives of its component parts and these interests and incentives may conflict with the overall purposes of the institutional organism. Within the institution certain individuals are especially charged with interpreting into practical terms and fulfilling the institutional mandate for acquisitions—namely, the curators. W. McAllister Johnson, an art historian at the University of Toronto describes the ideal qualities and duties of the curator in the line of duty for the gallery thus:

The curator must have political instincts since he deals with virtually all departments—or functions—of the art institution: he must deal with the public, dealers and the collection itself; he is the "image and personification" of the gallery or museum.

He must be aware of institutional objectives—if there are any—and must possess two sensitivities, one for objects and one for people. The curator must identify, secure and present objects, know the market and he must know the real valuations and collection values of any items proposed by himself or others. This means he must know his own collection and collections elsewhere in his province, as well as through a variety of mandates such as municipal, provincial and federal institutions.

He should, as a curator, have national and preferably international breadth and acumen and be interested in more than his own immediate concerns.

He must exercise taste and take calculated risks.

When dealing with the contemporary art situation, issues of art history and context are difficult if not meaningless. It devolves upon the curator to create the context, to shape the history—which is a tremendous power and responsibility and an allure of the position. Sometimes this latter motive
coincides with the unstated policy of the institution as a whole. Says Peggy Gale regarding the National Gallery:

A decade ago, with a strong director in the person of Jean Sutherland Boggs, a scholar who understood and supported whole-heartedly the work of her curators, individualism flourished... Its curators publicly took sides, established reputations and sought a heroic role for the institution. (12)

The curator of contemporary art, especially Canadian art, has the power to define schools of art and art thought, to impose his/her reading of the intellectual climate on the contemporary situation. Purchasing the work of selected artists and consistently exhibiting the work of these artists are two effective avenues open to the curator. The curator derives benefit in so doing, by making a name for him/herself. The curator gains credibility, establishing him/herself as a fashionable thinker, a trendsetter, and of course, gains increased power over art and artists of the area and time. As a result, future opportunities may arise—in the public and/or commercial sectors. Furthermore, there is the more intangible, yet equally driving motive of having the power to shape the form of Canadian art history. Johnson describes this type of curator quite well:

... there is a new breed of student and curator upon us. He seems but rarely to be interested in the field except as a means of satisfying his personal vanity, that is, of appearances and career. I must admit to finding this at variance with the realities and more than a little naive. Yet he is right in being interested only in Canadian contemporary since that is doubtless where the future influence must lie. (13)

Behind-the-scene rewards may become available to the curator. For example, commercial galleries might offer the curator works of art in exchange for that curator's interest and/or the curator's own collection might find a widening audience and venue for resale. (14)
Sometimes the trendsetting 'starmaker' motivation parallels the unstated policy of the institution as a whole; it may be seen as endemic to the Canadian public institution with its nationalist mandate. And sometimes it is a result of a bureaucratic structure. Nemiroff finds that curators at the National Gallery do have a lot of liberty. Roald Nasgaard, Chief Curator of the AGO, concurs, stating that on the whole the acquisitions committees tend to support their curators. The confidence that the committee has in the curator is related to the curator's ability to give rational criteria and to speak convincingly about the work. (15) And Schwartz, a member of one of the AGO's acquisitions committees, finds it difficult to veto a curator's proposal, a major obstacle being the size of the committees (about 10-15), although there are less voting members. To turn down a proposed acquisition would require a majority opinion. (16)

Further, the international art world is small and secretive and the Canadian art world even smaller. The opportunity for conflict of interest and the opportunity to capitalize (whether intentional or not) on this conflict, is ever-present. While Nemiroff asserts that as a curator she cannot afford too intimate connections that might lead to conflict of interest, few curators, however, can or do.

There is an opportunity for curators to extend their power and establish links beyond their own museum's walls. The Canada Council Award Service has grants for critics and curators. Naturally enough adjudicators are artists, art administrators and curators; thus curators not only get to meet and convince other curators, but they may also have a hand in selecting projects which
reinforce their own interests. Canada Council public gallery assistance is subject to jury approval on a project-by-project basis. Other special endeavours may arise—for example, the selection of artists for international exhibitions (the Venice Biennale, exhibitions organized in conjunction with the Canada Council and External Affairs). Or, having gained the credibility which obtains to a public gallery curatorial position, the curator can seek new and possibly more powerful positions.

As well, in an institutional situation the curator may be coerced to abuse his/her power. Prominent collectors/patrons of the gallery could use their financial support as persuasive power and lobby from a position of strength for exhibitions of artists they favour and collect.

For the time being, it is important to note that the individuals most responsible for enacting the acquisitions policy may be acting out of motivation divergent from the institution as a whole or the position in particular and this is a situation which many feel to be especially pertinent to the contemporary art scene.
Notes:


3. Ibid.

4. Ibid.

5. Ibid.


14. See, for example, Marcia Bystryn's discussion of Clement Greenberg in Art Galleries as Gatekeepers: The Case of the Abstract Expressionists, Social Research 45 (Summer 1984): 390-408.


CHAPTER VI
The National Gallery of Canada

1. General Background

The National Gallery of Canada was founded in 1880 by the Governor-General, the Marquess of Lorne, who initially chose the pictures for the exhibition and collection which was then lodged in the Department of Public Works. The collection was made up of works deposited by newly-accepted members of the RCA, sister institution to the National Gallery, and works privately donated. In 1886 the first purchases were made through the Government of Canada although for the first three decades of its existence the Gallery continued to add to its collection mainly by means of the RCA deposit. The pattern of giving the National Gallery low priority, administratively and financially, within government policy, was established from the very beginning—the Gallery’s first curator being the Chief Government Architect who served the Department of Public Works as well.

In 1907 an advisory arts council was appointed to administer grants, regular appropriations from the Government of Canada to the Gallery. A second function of the council was to advise the Minister of Public Works on purchases or expenditures on any public works of art—for example, monuments. The members of the advisory arts council were appointed by the Government of Canada. The selection reflected a deliberate effort to exclude the Royal Canadian Academicians; instead three laypersons were appointed.

Further evidence of the continued federal disinterest in the Gallery and its collection is that at this time the Gallery co-habited with the unlikely
partner, the Department of Fisheries. In 1910 the collection was moved yet again--now to the east wing of the Victoria/Memorial Building--where it remained until 1916 when Parliament used the Gallery as temporary quarters after the fire in the Parliament Building. The Gallery was thus forced to close and did not re-open until 1921.

At the time of the move to the Victoria/Memorial Building location the first director, Eric Brown, was appointed and given the go-ahead to add actively to the collection--by means of gift or purchase. The Gallery was finally incorporated by an Act of Parliament in 1913 and put under the control of a Board of Trustees who were charged with the development and management of the National Gallery and with ensuring that the Gallery acted to cultivate a Canadian interest in the Fine Arts. The Gallery was entrusted to advise, stimulate and co-ordinate visual art activities in Canada but, also, respect and encourage local initiative in lieu of adopting a paternalistic role.

Finally in 1921 the Gallery re-opened and began its purchase programme. The Second World War impeded the Gallery in building up its European collection; nevertheless, the Gallery could and did continue unhampered buying Canadian work. The Gallery moved to quarters in the Lorne Building at Elgin and Slater in Ottawa in 1959. True to form, the space was even at the time outmoded and seen as temporary; however, it was not until 1988 that the Gallery found its own home.

In 1968 the National Gallery was brought together administratively with the three other major federal museums under the newly-formed umbrella organization, the National Museums of Canada Corporation (NMC). It has been an
uneasy association for all four, a point made all too evident by the recent task force which examined federal government policy concerning museums. (1)

The resignation of the director, Jean Sutherland Boggs, in 1976 was attributed to the inappropriateness and inflexibility of the NMC arrangement. Her resignation was followed by the departure of several of the curators (and her successor, Hsio-Yen Shih) in the years between 1976 and 1981. The multi-year search for Shih's successor resulted in the hiring of Joseph Martin, who in 1986 resigned, himself unable to come to terms with the NMC arrangement:

Martin, 64, suggested in a news release yesterday that he is tired and frustrated over the bureaucratic constraints placed on the gallery by the National Museums of Canada, a controlling agency set up by the Government 18 years ago to oversee operations of the gallery and three other national museums.

But Martin also sent a brief to the task force, suggesting the gallery is being gravely damaged by bureaucratic meddling. He recommended the gallery once more have its own autonomous board of directors. (2)

By the fourth decade of the twentieth century two patterns were evident. The first and most glaring is the trivial role a national cultural institution such as the National Gallery assumes. This attitude towards the Gallery is evinced and has been evinced over the years by the Canadian federal government's refusal to adequately fund the institution to pursue collecting activities and by its equivocation with respect to a permanent location in which to safely install, conserve and display its collection. This last matter has finally been resolved with the completion of the deluxe Safdie-designed building in 1988. For close to 30 years the National Gallery occupied premises which were described in 1951 as being:

inconveniently situated, ill-arranged and badly lighted; it lacks proper facilities for the staff; it is overcrowded, and the temporary partitions together with the highly inflammable materials used in the basement workshops form a serious fire hazard. The very large collection
of historical paintings of the First and Second World Wars is, for the most part, still in storage. (3)

After twenty-two years in the inadequate premises, the Government of Canada undertook to build two new national museum buildings—the National Gallery and the National Museum of Man which today have finally been completed.

In 1951, according to the Massey Report, the acquisition budget total for all departments was $75,000 and the average total over 10 years was $32,000. (4) By comparison, a well-funded regional museum in the U.S. (the Massey Report cites the Toledo Museum of Art) received from various sources $328,447 in the 1950-51 year. In 1980 the acquisitions budget which had been held at $1.5 million a year since 1972 was reduced to $.5 million (although it has since returned to the $1.5 million level) (5), at which time Shih wrote:

In fact, comparison with other countries is embarrassing. In Australia, the National Gallery at Canberra has an annual acquisition budget of $3.7 million (expressed in Canadian dollars) and the National Gallery of Victoria more than $4 million . . . (6)

A second trend, perhaps not unrelated to the first, which emerges is the Gallery's role (and power) as 'tastemaker' or trendsetter in Canadian art. When the Gallery began collecting and exhibiting seriously, the director at the time espoused the art of the Group of Seven painters over other work. This led to many furors instigated by those neglected. For example,

The Group worked hard to promote it. Between the summer of 1920 and the end of 1922 they organized more than forty small showings throughout the country. The National Gallery had encouraged them in various ways since 1913. In 1922 this support eventually drew the wrath of Hector Charlesworth, the conservative art critic of Saturday Night, upon the Gallery. The controversy that resulted lasted for some two years. Then, in 1924, with the announcement that the National Gallery would choose the Canadian representation at the British Empire Exhibition at Wembley, Eng., Charlesworth was joined by the RCA. It resented the Gallery's involvement in the organization of an international exhibition and, more importantly, was convinced that the traditional members of the Academy
would be ignored. A jury eventually made a reasonably balanced choice, which included the Group. (7)

The Gallery not only exhibited and purchased the work of favoured artists but took a hand at finding clients or patrons for some. Dennis Reid discusses the career of artist, David Milne:

While he was living at Palgrave the NGC arranged to bring his work to the attention of Vincent Massey and his wife, and from this grew a patronage arrangement unique in Canadian art history. The Masseys purchased a large group of pictures from Milne that they then arranged to sell on consignment through the prestigious Mellors Gallery in Toronto, meeting all immediate expenses themselves and depositing all 'profits' in a fund. Finally, late in 1938, the arrangement was ended. It had nonetheless given Milne five clear years of full-time painting and at least four annual exhibitions. (8)

It is questionable whether or not this incident is indeed "unique in Canadian art history." Perhaps its novelty owes more to it actually having been recorded for Canadian art history; however, it does demonstrate that the National Gallery was working actively for some artists and also underlines the benefits of patronage of any sort, be it public or private. It also indicates the links between private and public buyers.

Recently, Peggy Gale reviewed the National Gallery showcase of Canadian art. In the review she summed up the direction of the curators under Jean Sutherland Boggs and her legacy, which was to actively intervene in the course and development of Canadian art. (9) The present curator of contemporary Canadian art recognizes the Gallery's power and the responsibility entailed. While stipulating that she, herself, is not interested in discovering artists, she does see the National Gallery at the pinnacle of the public gallery system in Canada and therefore, the degree of success the art/artist has with the National Gallery is important as this gallery has a national and international
mandate. She sees it as the only gallery which is attempting to collect nationally at a representative level (versus regional). (10) The point here is that rather than selecting art for its appropriateness to context—regional, historical—the Gallery does have the power to and has been encouraged to create the context. Its power to do so may initially stem from its powerlessness within the bureaucratic structure of the federal government—that is, not seen as of any great importance, questions of accountability and consistent assessment may be bypassed.

The third trend which becomes apparent is that the Gallery is seen to play a role in both recording and fostering Canadian art specifically as opposed to an imperative to record for its nation the panapoly—or salient aspects—of the history of Western art. Three contributing factors to this situation immediately present themselves. One is the chronic under-funding of the collection; thus the Gallery will acquire what is most readily available—contemporary Canadian work. The Second World War provided further impetus in the direction of Canadian emphasis: of course, European art, embodying the tradition of Western thought was not readily available. And third, practically, curators and the institution would not have the means to establish the Gallery (and the curators) as a trendsetter in any area except the relatively narrow confines of contemporary Canadian art. Indeed, according to the Massey Report, at the time of its writing the National Gallery was the most important institution to make a regular practice of purchasing Canadian works of art; nevertheless, since that time, and in part as a result of the Report, several other agencies have assumed equal strength. (11)
With these three patterns which have emerged during the early years of the Gallery in mind, we turn to the Gallery collection in a more current incarnation.

2. Current administration

In 1968 the National Museums Act was passed. This "brought the four major federal museums into a single National Museums corporation . . ." (12) The National Museums Policy of 1972 further outlined measures based on the principles of decentralization and democratization. (13) For the National Gallery this meant that its administrative autonomy would cease and its own board of trustees would be disbanded and replaced with a Visiting Committee or advisory board appointed by the National Museums Corporation (NMC), a Crown Corporation. The board of trustees of the NMC reports to Parliament via the Department of Communications.

The Visiting Committee consists of interested citizens, collectors, NMC representatives and artists. For example, in the first three months of 1981 there were seven members on the advisory committee. The chairman, Sean B. Murphy, was also chair of the board of trustees of the NMC and both members of the board of trustees for the NMC were also on the committee—the former, Head of the Canada Council at the time, the latter a well-known artist. François Marc Gagnon was a Québec art historian/writer. (14)

The National Gallery is headed by a director to whom the several curators report.

The 1977 collections policy outlines the purpose of the collection as generally to promote "growth and true taste and general interest in public Art
among the people of Canada." (15) To do so, the National Gallery makes use of its collections for

(a) exhibitions in the permanent galleries, and in special displays organized for the Gallery itself, other institutions in Canada and abroad;

(b) direct teaching of all age groups, both within formalized educational systems and independently;

(c) study by students, specialists and other interested people; and

(d) information relevant to art history and history in general, disseminated through written materials, audio-visual aids, photographic reproductions, films and publications. (16).

The collection policy cites as its primary objective the acquisition and exhibition of Canadian art:

The Gallery has, since its foundation, given first emphasis to Canadian art. It has always been involved with living Canadian artists. Indeed, it was created by artists and the base of its collections was formed by gifts from artists. These actions established a direct rapport between the Gallery and contemporary artists... (17)

Thus it collects:

(a) traditional or historical Canadian art to reveal its growth and to demonstrate fully its strengths;

(b) contemporary Canadian art to exhibit the best and most imaginative of creative artists in our time. (18)

The term 'best' is a most nebulous qualification; however, the collection's policy does go on to state:

... it collects the works of artists who have achieved a degree of advanced artistic and intellectual maturity. In so doing, the Gallery strives to collect as complete a range as possible of works by individual artists so as to demonstrate their evolution. The Gallery also collects the works of younger artists who bring new points of view and different systems of artistic thought to their work.

The Gallery should collect works in all media and from all regions of the country in order to represent fully the state of artistic creation in Canada at any given time. (19)
To effect this policy, the National Gallery receives yearly appropriations from the NMC. The Treasury makes grants to the NMC which in turn divides the money among the four museums. The National Gallery receives on the order of $1.5 million for acquisitions, an amount which is distributed among the six departments. Contemporary Canadian art in any media receives $150,000 as compared to the contemporary American and European collection which receives $75,000. In addition there exist unassigned funds although previously there was a more amicable arrangement whereby the various curators could borrow from one another. (20)

If funds are not spent in one fiscal year (in the event, for example, that nothing was available), then they may be carried over from one year to the next. This is not a solution which the Treasury Board especially countenances. It is a system, though, which is the result of and an attempt to deal with the problem of the marketplace: work is not always available when funds are; and there are competitors, a major one for the National Gallery being the Art Gallery of Ontario.

Another problem with the meagre budget Nemiroff finds is that it is difficult to develop an area in depth.

Above and beyond the work purchased by the curators, the Gallery may augment its collection by means of donated art: in the fiscal year 1984/85 donations were valued at $1,000,000 and the subsequent year, 1985/86, at $680,667.
3. The acquisition process

The acquisition process at the National Gallery can be seen as having three basic steps: the first is the curator becoming aware of new work and artists; the second is the curator's own final decision-making process—that is, his/her incentives and the criteria s/he brings to bear; and finally, the overall bureaucratic logistics involved in selection.

At the time of the interviews for the research (January 1986) there were two curators at the assistant curator status who were responsible for the contemporary Canadian collection. In 1989 there is one: Diana Nemiroff. Following is an outline of the acquisition process as of 1986.

If the curators are interested in purchasing a work, they reserve it with the commercial gallery or artist while they make arrangements to have the work brought to the National Gallery for an acquisitions meeting. (In some cases—installation, for example—it is difficult to have the work sent.) When the work arrives the restorer/conservationist examines it. The curator then makes a report which must cover these aspects: if the artist is not already represented in the collection, the curator discusses his/her background; then s/he discusses the work, its qualities and why it is valuable by situating it in contemporary Canadian art practice and the other works in the collection; if there are other works by the artist already in the collection, then the suggested acquisition may be justified on the grounds of the Gallery's proven interest in that artist.

The 1977 collection policy lists the following criteria: quality; relevance to the collections; condition; price or arm's length evaluation; and legal title.
It goes on to state that quality of a work of art "is defined in factors demonstrating coherence, inner logic, conviction and presence that will ultimately impress themselves on the viewer." (21)

The acquisitions committee is comprised of other curators, a representative from the conservation department, the assistant director of collections and the curator. For works valued at over $50,000 the suggestion must go before the advisory committee (that is, the Visiting Committee). If, in the unlikely event, the suggested purchase is priced at over $1 million, the decision must go before the Minister responsible. Clearly, depending on the amount of money involved, the level of authority and the decision-making process become increasingly public.

How do the curators become aware of artwork being produced throughout Canada? Nemiroff gets her information through studio visits, visits to commercial galleries and reading the art journals. She sees the last as especially cogent for preliminary information—at least, about artists remote from Ottawa. In this case, she will call curators and critics in the area for further information. But as a curator she feels she cannot afford too intimate connections which might lead to a conflict of interest.

Nemiroff trusts some dealers more than others and that credibility for her is based on what artists the gallery exhibits. Experts do not influence her but, at the same time, she recognizes that the dealer does know the artist.

She assigns critics (usually those whose criticism appears in the print mass media) the primary role in shaping the discourse of art in a particular time and place because she feels that they and the curator have a shared
occupation; thus, she does read them. She qualifies this by her sense that they (the critics) can be more with the moment and hence, their discourse obtain currency. The critic is free to review the young and promising. Finally, for the critic to make an impact on her or contribute to her understanding, the critic must conform to the terms of her own criteria. The critic's authority, if any, is cultivated by taste and information. The importance that Nemiroff attaches to the critic may be related to the fact that prior to her current position at the National Gallery Nemiroff was a critic/art writer and the Québec editor for the art magazine, Vanguard.

Certain aspects of an artist's résumé appear to have little impact on Nemiroff's decision-making. She does not think about 'A' Grants, for example, mainly because she feels that the Gallery forces her to be more exacting than the Canada Council. The Canada Council fulfils a different role and therefore applies different criteria. Further, she is rarely on juries but when she is, she finds it useful for finding out about artists and what they are doing.

The second step in the acquisition process entails the actual bringing to bear of Nemiroff's own criteria and of her interpretation of the National Gallery's criteria as outlined in the collection policy. Nemiroff divides her concerns along two major axes: first, she must decipher what is the prevalent concern and thought at the time—that is, what questions are occupying artists and critics; and second, she looks to the individual, for art may have the right look at a given moment, but she must consider how the artist is going to pan out. Obviously the latter involves some educated guessing but this can be aided by seeing more than one exhibition of the artist in order to determine—
the degree of consistency of the artist. Sometimes she finds it useful to talk to the artist or dealer. At any rate, if she is unsure, she will hold back. She is not interested in "discovering" artists.

She is not looking for quality in the abstract but as situated in time and place. She cites as example the case of abstract sculpture and painting as not being in the current mood; therefore, the National Gallery is highly discriminating and would collect what Nemiroff calls "convincing" work by artists already in the collection but would be unwilling to take on artists working in a dated approach. This method of collecting and these criteria, then, are themselves of a trend.

In order to correct the subjectivity inherent in the process, Nemiroff feels that one must be eclectic and have training as an art historian. One must discern how the work is related to the historical discourse—that is, viewing the National Gallery as the only Canadian public gallery attempting to collect nationally at a representative level, the curator (Nemiroff) must consider regional and historical context. In addition, she must look at the work's relative degree of importance within the specific art form and that form's specific history (for example, video, installation).

Price is a consideration in so far as it has an immediate effect on who is involved in the decision-making process; within her limits of authority, however, the price of a work, fairly or unfairly priced, would not prevent her from buying it. If she felt the price to be too high, she would try and negotiate. She can argue from a position of power, as she sees it, because she has the dual power of being able to buy and the prestige of the National
Gallery behind her. If a work were too expensive— that is, beyond her budget ceiling—then she simply could not buy it, a fact that both the curator and the dealer recognize.

For her, fair price can be estimated by prices of similar works by other artists and by the prices of work by that artist previously sold.

She has found dealers more likely to negotiate with the prices of dead artists, an occurrence which owes to the concomitantly higher prices which allow for more room for negotiation.

All in all, with respect to price, once again the decisive factor seems to be the desirability of the object (defined by its suitability to the collector/buyer's purposes) over the allure of a competitive price.

4. The curator

This, then, is the acquisition procedure and considerations as viewed in practice by the curator of contemporary Canadian art and in theory by the formal collections policy. Another issue which adds colour and dimension to the above is the nature of the individual enacting the institution's policy, the opportunities open to the curator to be influenced by and to influence others in matters of aesthetic judgement and the means if any which exist for the curator to rationalize his/her actions. Curators have an intellectual stake in creating and perpetuating some artists' careers, a stake which is closely related to their own curatorial careers. Often, as in the case of the National Gallery, they are encouraged and have the wherewithal to do so. These curators have the opportunity to reinforce and legitimate their aesthetic judgement and power through several channels, some which directly accrue to the position,
officially and unofficially, and some which derive from the authority of having been a curator at the Gallery.

Since 1976 there have been several individuals involved with the contemporary Canadian collection: Pierre Théberge, from 1975 to 1980; Bruce Ferguson and Mayo Graham in 1980; Jessica Bradley and Brydon Smith in 1981; in 1981 and 1982 Jessica Bradley alone; after 1982, Jessica Bradley and Diana Nemiroff; and as of 1989, Diana Nemiroff. (22)

Various public juries which the curators may serve on allow the curators to influence and be influenced by other arts administrators and artists by means of both the proposals by fellow members of the jury. Between 1983 and 1985 Bradley, for example, served on eight Canada Council juries (Visual Arts--Critics and Curators) and Nemiroff on four. By contrast, the AGO curator of contemporary art, Dr. David Burnett, during his four years of tenure at the AGO (1980-1983) served on three such juries.

The Venice Biennale also affords the curator of contemporary Canadian art at the National Gallery a forum in which to display and accredit his/her aesthetic judgement. One or two artists are selected to represent Canada at this prestigious international art exhibition. Until 1988, the selection and organization has fallen to the National Gallery and at least one of the curators of contemporary Canadian art. (23)

Illustrative of how closely entwined an artist's career can be with a curator's career and of the range of outlets that the curator has for affirming his/her judgement is Pierre Théberge's association with the National Gallery. Théberge's tenure began under the directorship of Boggs who promoted curators'
individualism and their role as makers of reputations. In 1975 he organized for the National Gallery *The Great Canadian Sonnet: Drawings by Greg Curnoe* at the Canadian Cultural Centre in Paris and in 1976 he was responsible for the Canadian Pavilion at the Venice Biennale—the artist selected, Greg Curnoe. Between 1976/77 and 1979/80 he purchased four works by Curnoe for the collection, and, in 1981/82, although by that time he was chief curator of the Montreal Museum of Fine Arts, he curated the Curnoe retrospective exhibition for the National Gallery (a project which he had embarked upon a few years earlier), an exhibition which travelled to several Canadian cities including Montreal. (24)

5. The collection

Between the years 1976 and 1982 (25) the Gallery collected a total of 227 works by 81 artists. These works included the categories of photo/serial/textual works, sculpture, installation, mixed media, multiples/prints, painting, and drawing. If the rather arbitrary distinction is made between major and minor works, the breakdown of these works is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Painting</td>
<td>41</td>
</tr>
<tr>
<td>Mixed media</td>
<td>14</td>
</tr>
<tr>
<td>(including watercolour)</td>
<td></td>
</tr>
<tr>
<td>Sculpture</td>
<td>23</td>
</tr>
<tr>
<td>Installation/sculpture</td>
<td>19</td>
</tr>
<tr>
<td>Photo/serial/textual</td>
<td>15</td>
</tr>
<tr>
<td>Portfolios/suites</td>
<td>17</td>
</tr>
<tr>
<td><strong>Major</strong></td>
<td>129</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Medium</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed media</td>
<td>15</td>
</tr>
<tr>
<td>Drawings</td>
<td>50</td>
</tr>
<tr>
<td>Multiples/prints</td>
<td>43</td>
</tr>
<tr>
<td><strong>Minor</strong></td>
<td>108</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>237</td>
</tr>
</tbody>
</table>

Of the 237 works, 5 artists produced 47 or, in other words, 6% of the artists were responsible for 20% of the collection. (28) Of the 129 major works, 57 were produced by 12 artists—that is, 14% of the artists in the collection produced 44% of the major works. And finally, as a last indicant of the pattern of collecting for the gallery, the average number of works per artist is approximately 3; and 34% of the major works were paintings as compared to 47.6% of the major works being sculpture and/or installation/sculpture.

6. Conclusion

Clearly the gallery's acquisitions in the years 1976-1982 show a definite pattern to collecting. A trend can be seen in which the work of a few artists is collected intensively—as opposed to representing a wide variety of artists' works. In fact, it was noted that an argument for acquiring the work of an artist was that other work by that artist was in that collection already. And the collection is strong in sculptural/installation, sculptural or three-dimensional works. What is important here is that the institution does have a decided pattern to its acquisitions and that it has the administrative and financial means to sustain the pattern.

Furthermore, the gallery can influence other public institutions because, as Canada's national gallery, it is and should be accepted as authoritative; and it creates and disseminates information about some artists. So, artists
which are selected by this institution as fulfilling its criteria of representativeness and excellence receive some sustained financial support and, at the same time, have their work advertised or promoted to other buyers--public, corporate and individual.

Moreover, the individual curators can extend both their and the gallery's influence through participation in associated administrative activities and in pursuing careers--that is, moving from institution to institution. It is apparent that the individual curator's interests are more easily and immediately realized than those of the institution as a whole and for this reason more important for our analysis.
Notes:


4. Ibid., 40.


8. Ibid., 171.


13. Ibid., 3.


16. Ibid., 40-41.
17. Ibid., 38.

18. Ibid.

19. Ibid., 44.

20. Diana Nemiroff. Much of the subsequent information regarding budget and process is from this interview.


23. Ibid.

24. Ibid.

25. This was a fixed time period for which lists of acquisitions were readily available. In subsequent years the National Gallery's Annual Bulletin was amalgamated into the National Museums Annual Report in which only a few major acquisitions were singled out for mention.


27. Major is defined as: the medium/form which is the artist's primary mode of expression; traditionally accepted as major work, for example, painting and sculpture; or related to monetary value.

28. Pierre Boogaerts: 9 photo series; Greg Curnoe: 3 drawings, 2 drawings on plexi, mixed media on plexi, multiple, 2 watercolours; Betty Goodwin: 2 mixed media/sculpture, 4 drawings, lithograph, suite of drawings, portfolio of prints; Royden Rabinovitch: 4 sculptures, 5 drawings; Michael Snow: 1 painting, 3 photoworks, 2 sculptural installations, lithograph, book, 3 drawings.
CHAPTER VII  
The Art Gallery of Ontario (AGO)  

1. General Background    

The AGO was established in 1900, first as the Art Museum of Toronto, subsequently renaming itself the Art Gallery of Toronto, and finally, in 1966, with its incorporation as a provincial agency, becoming the Art Gallery of Ontario. True to the Canadian pattern as noted here and elsewhere (1), this museum evolved out of and continued as an artist-collector/lay person association. Certainly its inception was informally entwined with the Ontario Society of Artists (OSA), the OSA and the museum in its early days sharing headquarters, and the OSA lending its premises to the museum for its first exhibition. According to art historian, Dennis Reid, the lay supporters of the Canadian Art Club (CAC) eventually were drawn away from the CAC to become patrons of the Toronto Art Museum as an exhibiting society concerned with showing the cutting edge of art (that is, art which broke away from the stifling French Academy) and in doing so, offering a milieu for talented Canadian artists. It was seen by its members, in fact, as a vehicle which provided an alternative to a Canadian artistic brain drain. (3)  

By 1959 the collection contained some 3,500 works of art acquired by means of bequest, gift and purchase. In 1966 the AGO was incorporated as a provincial legacy.  

The AGO is governed by a board of trustees comprised of roughly 33 members. Of these 10 are appointed by the Lieutenant Governor and, 10 are elected from the membership. Remaining members are 5 individuals appointed by
the College of Founders, 3 associates, 4 associates from the membership and 2 appointees by the Council of the Municipality of Metropolitan Toronto. Commitments to the membership and public, and provincial and municipal levels of government are thus represented. In the 1985/86 fiscal year, of the 10 members of the board nominated from the membership, six may be described as businessmen, two as artists and two who have no present vocation but rather, avocation in the arts (that is, extensive volunteer work). Michael Koerner's experience is illustrative of the type of connections which lead to one sitting on the board: he mentioned that he had been recommended to sit on the board through a friend who felt that Koerner would be well-suited to the finance committee of the board, given his business/administrative nature. The board functions as an administrative check on the daily workings of the gallery. Members are involved in giving financial advice, fund-raising and in approving acquisitions.

Collection committees (there are six) are made up from board members and the membership in general. Koerner describes collecting committees as being comprised of collectors known to have an active interest and potential donors. He sees these committees as good liaison with a number of people and describes the process as the "care and feeding of donors."

The AGO is unusual among Canadian public galleries in the fact that it has had the same director, William Withrow, since 1960--an occurrence which could be seen as lending a sense of continuity and coherence to the gallery and its programmes. He, himself, describes the changes wrought in the gallery since his appointment to the AGO in 1960:
The annual budget was approximately a quarter of a million dollars and the full-time staff numbered 34. The physical plant of the institution (including the Grange), then called the Art Gallery of Toronto, measured 5,764 square metres. Today the operating budget, exclusive of art purchase monies, stands at almost $9 million, the full-time staff numbers 206, and the size of the plant is now 27,455 square metres. To that might be added the growth of our collection from 3,429 to 10,700 works of art and the growth of our Membership from 4,748 to 27,413. (6)

The Macauley Report notes that at the time of the gallery's incorporation as a provincial agency, one of its four overall objectives was "the conducting of programs of education in the origin, development, appreciation and techniques of the visual arts." (7) The former director, Martin Baldwin, described the acquisitions policy in the 1959 catalogue thus:

The objective of our acquisition policy can only be stated in the most general terms but--granted that we should acquire the finest works that we can obtain--briefly it is this: to show the factors and influences--predominantly European--which, in the course of history, laid the foundations on which the arts in Canada have been built; and, equally important, to show the range and development of the Canadian arts themselves. (8)

Evident is the dual thrust of a recording of Canadian art history and education. At the annual meeting of the AGO, held June 20, 1985, the current director emphasized that the Gallery's raison d'être remains the collections of art which it collects and preserves. He noted that the art gallery in the contemporary world has many societal responsibilities, both short and long term. The Art Gallery of Ontario, while collecting and preserving our visual arts heritage for future generations, also communicates with the society it serves. (9)

Finally, Michael Hasley, as a member of the Board of Trustees, feels that the AGO has a major responsibility with respect to contemporary Canadian art. (10)

Evident in these several perceptions is the AGO's commitment to Canadian art and, in particular, contemporary Canadian art.
The collections policy is ultimately set by the board of trustees but within the six collecting areas it is the individual curator responsible for that area that sets actual policy, a result of his/her having assessed the collection for strengths and weaknesses. A formal collections policy does exist but the chief curator feels it is out of date. (11)

The AGO receives funding for acquisitions from several sources thereby reflecting its multiplicity of obligations. In 1983/84, for example, revenue for acquisitions was amassed accordingly: Government of Canada (through the Department of Communications/Cultural Property Export and Import Act), $5,000; donations, bequests, investment income, $357,000; other, $1,000; and the AGO Foundation, $350,000. In total the gallery purchased in 1983/84, $953,000 worth of art; in 1984/85, total purchases were worth $944,000; and in 1985/86, acquisitions funds amounted to $840,000. (12) The only other Canadian gallery to have consistently greater acquisitions funds is the National Gallery.

The President of the board of trustees in 1983/84 (Michael Koerner) describes the gallery's collection as being "essentially a function of private benefaction" to which the sources of the above fund readily attest. Further the AGO Foundation manages the endowment funds of the gallery and it is from these funds that the gallery draws for a large portion of its acquisitions monies.

The acquisition funds are divided up equally among the six collecting departments, all the while leaving an unassigned fund aside. This fund may be applied to by any of the committees. It is the central collections committee which is responsible for the yearly distribution of monies to the departments and it is to them that the individual departments must direct requests for the
additional funds. According to Naegaard, there is always disagreement at the
collections committee level, regarding the formula for distribution and he
assigns reasons for the disjunction to: the fact that the committee represents
multivariate points of view as to what is important and these points of view
are sometimes at variance with the AGO mandate and tradition of collecting
Canadian art; and that the imperative to build the collection must give some
leeway simply to maintaining the collection. Another source of disagreement
might be the result of a collection policy which is out-of-date.

Beyond the major sources of acquisitions funds (the AGO Foundation and
donations) special funds with strings attached exist. For example, directly
bearing on the contemporary Canadian art collection is the Peggy Lownsbrough
Fund which stipulates that it is for the purchase of preparatory sketches of
major works in the collection; the George Gilmour Trust provides for an annual
exhibition of two younger Canadian artists and from that exhibition the
purchase of work; and the Canada Council Art Bank matches funds for the
purchase of work by living Canadian artists. (13) Although the special fund
may define a global collecting area, it still devolves upon the individual
curator to select and convince his/her committee to approve the work.

The value of donated art was $1,287,000 in 1984/85; and in 1985/86 it was
$5,663,000. (14)

2. The acquisition procedure

At present there is one curator of contemporary Canadian art at the AGO
Philip Monk. The chief curator is Roald Nasgaard. These two individuals appear to be most directly involved in the acquisition process for contemporary Canadian art at the AGO.

Nasgaard sees the acquisition process at the gallery as "consensus collection-building"—that is, he sees it as different from and resulting in a different collection from that built by a "well-informed, strong-willed individual like Alfred J. Barr at the MOMA." He also views the curator's responsibility in the area of acquisition to find and recommend works which are representative. This he contrasts with an archival, or less discriminatory, method.

The entire process does involve several persons with divergent interests, objectives, and opinions regarding art; it is important, therefore, to look at these individuals more closely, all the while bearing in mind the latitude and weight of influence each bears in the process.

Briefly, the selection process involves primarily the curator who does the groundwork and exercises judgment according to his/her own criteria within the framework of the collection's overall mandate and the chief curator who ensures that funds are available and that the curator presents convincingly his/her proposals to the collection committee for that particular area. The committee's main obligation, it appears, is procedural: to ensure that the work is priced at fair-market value and that the curator's logic is credible.

As we have seen, certain limitations are built in by the overall budget allocation and the special funds. The chief curator sitting in on all collection
committee meetings and the overall collections committee occupies a central position with regard to the disposition of the budget. And, according to Nasgaard, curators advise him beforehand of their proposals—at which point he will discuss with the curator the strategy to be used with respect to the committee members.

The committee meets to hear the curator present his/her case for works suggested for purchase and gifting. Veto has been exercised by the committee but rarely. Nasgaard feels that much depends on the confidence of the committee in the curator which, in turn, is dependent on the curator's ability to give rational criteria and speak convincingly about the work; thus, on the whole the committee members tend to support the curator. This, too, is Philip Monk's experience. He asserts that although the committee may object to his proposals, they would in the end back an absolute commitment to the work by the curator. Michel Koerner, as a member of the historical committee concurs and underlines the power of the two presenting curators: the professional judgement of the curator and of the chief curator is paramount. (16)

The curator will explain why the work is important and how it fits in with the general collections policy. The net result, as Gerry Schwartz—a member of the contemporary Canadian art committee—notes, is that members' criteria are different than those brought to bear in other situations (for example, personal collections). He, himself, is not as firm regarding "liking" the work; he feels that the committee members are there more to exercise their judgement regarding the value of the work. He is more willing to accept the curator's judgement as a professional. (17) In sum, for the members, the
criteria tend not to be allied to the work but to the members' assessment of the curator and his/her professional judgement; second, to the fair-market value of the work; and third, to the rationale for acquisition—for example, its potential to be traded for exhibitions in other galleries in return for other works to be exhibited at the AGO.

Philip Monk notes that the above process is similar for gifts or purchase but there are certain subtle changes according to context. He finds a greater degree of consultation is involved when special funds are being spent. As well, Michael Hasley feels that criteria are more relaxed in the case of gifts of works of art because the acquisition budget is relatively small (in international terms). (18) An additional step concerned with gifting of actual works of art is explaining to the owner the advantages of gifting—a unique opportunity which affords the owner nearly as much as the benefit through tax concessions. It is in this respect that the committee members are more than likely most important. (19)

Obviously the criteria and considerations of and sources of information for the two curators most closely involved in the process inform what is presented to the committee and thus, shape the collection.

Nasgaard knows what is being produced through: first and foremost, visits to artists' studios; dealers; exhibitions; shared information with colleagues; art magazines; and keeping track of auctions. Canada Council juries can allow him to be aware of the contemporary Canadian scene, also. Generally, he says the closer he is to the source of production the better informed he is. He
filtrees general awareness of what art is being made through his background as an art historical scholar and his knowledge of the art market.

As the ultimate judge he relies on his eye. Through looking he can perceive quality, a vague attribute which for him means the degree to which a work is meaningful within a context—for example, in terms of the body of the artist’s work. And further, the artist must have a proven career. With younger artists he asks if the work is original, authentic. But importance may be established by exhibitions, publications and collections; thus, work which is unfamiliar or new is difficult to introduce to the committee because there is a lack of information generated about the artist.

Nasgaard cites as his main authorities, individual critics and curators. A responsible curator should have knowledge of what exhibitions the artist has been in, who is writing about them, and who is buying them.

Monk, curator of contemporary Canadian art at the AGO, sees his responsibilities towards the collection as developing an acquisition plan based on building up his area of interest—if that area is not represented to the degree he feels it should be. He qualifies this by saying that the curator does have a responsibility beyond his/her interests; however, if those interests are not represented to the extent that they should be, it is the curator’s task to fill in these gaps. In this case, assessment of the AGO contemporary Canadian collection was that it did not adequately illustrate sculpture of the late Sixties to present—especially installation and photo-textual works. His current (at the time of the interview) exhibition, From Object to Reference, he
mentions as showing the work of artists not represented in the collection to the degree they should be. (20)

Although Monk does approach collecting with an acquisitions plan, he has found that this plan is not always easy to follow: sometimes there is not an adequate selection of work or prices simply might be too great.

Monk maintains awareness of the art being generated in his field of concern by means of commercial gallery visits, slides submitted to him by artists and dealers, discussion with other curators, journals and museum exhibitions. As he considers it the dealer's job to promote work, he tempers his assessment of the art and information presented to him via this channel with this knowledge. All in all, Monk emphasizes the importance of first-hand knowledge of the work—the outcome of travelling and looking.

If he is dealing with unfamiliar territory, he will make a number of trips to view work in that area. To start off with, he will contact and look at the work of artists whose art he is familiar with and, at the same time, seek the advice of artists and curators in that city.

He finds journals somewhat helpful in maintaining awareness of the contemporary Canadian art scene. For information about art being produced outside his Toronto-area base two of the more helpful journals to him are Parachute and Vanguard (in both Monk has had articles published).

The Canada Council jurying process is helpful in keeping him informed of the recent work of artists and he cites as example the 'A' and 'B' grant juries. When one of these juries is organized work is collected at a central point, often in Toronto; thus Monk, whether on a jury or not, can go to view the work.
Further, he is aware that the Art Bank has a collection which can be used for acquisitions as well as acquainting him with art from across the country. (21)

Monk is aiming for both the "best" collection and a collection which demonstrates what Canadian art is doing. He has assessed the AGO collection from the 1960's to present as not that important; in most cases it is dealing with known factors. His role now—and by extension, the collection's—he sees as educating the public regarding what is contemporary art. For example, he says, if painting is exhibited all the time, then this will reinforce painting as the contemporary notion of art. To fulfil these aims work selected by Monk must evince characteristics of quality, importance and representativeness.

Quality is something he recognizes from experience—"it is what one feels." The notion of importance is reinforced by institutional factors, he finds; thus, his principal authority is his own judgement which, in turn, is reinforced by the fact that the art/artist has been written about and exhibited in important exhibitions. In addition, an index of importance is the effect the artist/art has had on other artists, although Monk states this is a consideration which for him is not overriding. As illustration he refers to two recent purchases of work by Michael Snow and Ian Carr-Harris. The Snow piece, dated 1966-67, is important because that particular aspect of Snow's work indicates the subsequent direction of art. Snow is an artist who has been established categorically as being notable within the context of Canadian art. Ian Carr-Harris' work, dated 1972-73, Monk felt to be important; therefore, he says he effectively demonstrated how important it was by putting it in the collection.
For younger artists his criteria are different: he determines the interesting artists and may acquire more work in the future. He asks himself whether or not the work deserves to be in the collection.

How Canadian the art is, is not a primary consideration; however, his interest as a critic is to suggest a direction in Canadian art and this direction will have an influence on the type of work suggested for acquisition, although other criteria above-discussed still apply.

Price in Monk's area of contemporary Canadian art is not overly important. Monk states the usual adage that he is interested in the best possible work for the collection—a lesser work for less money is not an adequate reason for acquisition. And, in any event, there are the discretionary funds which he can apply to.

Wasgaard, on the other hand, in his capacities as co-ordinator and curator of contemporary international art has found that a limited budget limits what can be purchased, and hence, this shapes his collection plan. For example, in nineteenth century French painting they cannot look for a Cezanne as they would not be able to purchase or even find an important enough one. They can then look at a different point in art history which they can collect.

3. The curators

Philip Monk has been curator of contemporary Canadian art since 1984. His predecessor was Dr. David Burnett who resigned ostensibly to pursue his career as an art writer/historian. Before his appointment to the AGO he was a professor of art history at Carleton University, Ottawa. Burnett held his position at the AGO from 1980 to 1983/84.
Prior to his tenure at the AGO Monk was a freelance critic/art writer with clearly defined interests and clearly defined affiliations with at least one commercial gallery in Toronto—-in the summer of 1984 shortly before his appointment to the AGO he curated an exhibition for Carmen Lamanna Gallery. This exhibition was entitled From Object to Reference and was repeated with the addition of other artists' work for the AGO. (22)

Monk has been described as being . . . closely identified with the Queen Street avant-garde, and (perhaps even more closely) with the international neo-Marxist and feminist art-world positions . . . (23)

According to the same writer this position coincides with that of the AGO's new image or intentions—-hence his appointment:

But, with his dramatic appointment, the AGO is telling us at least this much: that the contemporary artistic values it wants to celebrate, at last, are the highly critical, theoretical and experimental ones. These are exemplified in the most advanced installation, video, performance, sculpture and photo-textual work done in Canada, the United States and Europe between the late 1960s and the revival in the early 1980s of the romantic beaux-arts media of realist painting and statuary. (24)

On the other hand, Monk's espousal of a relatively narrow slice of contemporary art stands out from Hasley's chronicling of the times or Nasgaard's representative collection and in this respect he exemplifies the curator who uses his position as a platform to establish and support a particular art form(s), to manufacture a context—-a private mandate which may not necessarily be similar to the institution's public mandate.

4. The collection

During three years of Burnett's curatorship (fiscal years 1981/82 to 1983/84) the AGO purchased from 52 artists, 83 works which covered the art
forms: photo/serial/textual, painting, sculpture/installation, sculpture, mixed media, multiples/prints and drawings. Using the same classification and definition of major/minor as was applied to the National Gallery's collection, the AGO acquisitions during this time span are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Painting</td>
<td>27</td>
</tr>
<tr>
<td>Mixed media</td>
<td></td>
</tr>
<tr>
<td>(including watercolour)</td>
<td>11</td>
</tr>
<tr>
<td>Sculpture</td>
<td>5</td>
</tr>
<tr>
<td>Installation/sculpture</td>
<td>8</td>
</tr>
<tr>
<td>Photo/serial/textual</td>
<td>2</td>
</tr>
<tr>
<td>Portfolios/suites</td>
<td>4</td>
</tr>
<tr>
<td>Total:</td>
<td>83</td>
</tr>
</tbody>
</table>

Of the 57 major works 11 artists produced 39; or 21% of the artists whose work was collected during this time period produced 51% of the major works. The average number of works per artist added to the collection is 1.6. Of the major works acquired in those three years, 47% were paintings and 26.5% were sculpture and/or sculpture/installation.

5. Conclusion

The AGO, too, has a defined pattern to its acquisitions for the years 1981 to 1984. While the National Gallery's acquisitions were weighted in favour of three-dimensional works, the AGO's practice favoured painting. Also, the
trend to patronize only a few artists and to sustain that interest over a number of years does not appear to be as pronounced. In part this might reflect the individual curator's interests in painting and in part it could be related to procedure. Selection committees in the National Gallery are comprised of long term employees of the Gallery--primarily other curators who would understand the interests and concerns of the presenting curator(s); the committee at the AGO has several volunteer members to whom the curator must present his/her case. Although it seems that these committees are merely a formality, it is in the curator's and gallery's best interests to present work which his/her committee would easily accept--particularly if the committee contains potential donors.

This case history demonstrates the twofold role of the public buyer: to actively participate as an actor in the market; and to create and disseminate the information which is necessary for all actors to participate successfully in the market. Of course information is central to both roles. Authoritative information (articles and reviews; important exhibitions) reinforced Monk's assessment of the quality of the art object. At the same time, Monk stated that he felt he had to establish certain forms of the visual arts by exhibiting and collecting representative examples. In other words, he recognized the impact that the public institution could have by creating and disseminating information about art and artists.
Notes:


3. Ibid., 121.


15. Roald Nasgaard.


18. Michael Hasley.


20. David Rabinovitch; Michael Snow; Ian Carr Harris; Liz Magor; Robin Collyer; Royden Rabinovitch.


24. Ibid.

CHAPTER VIII
The Canada Council Art Bank

1. General Background

The Canada Council Art Bank which has been in existence since 1972 is a novel project which has provided the blueprint for similar endeavours in Australia and Alaska among other places. Simply put, the main thrust of the Art Bank is to purchase artwork in order to rent the works to non-profit organizations. Within the context of the Visual Arts Section of the Canada Council it is seen as "an innovative complement to its programmes of grants to artists." (1)

The Art Bank was conceived of within the framework of the Canada Council and as one of many means of discharging the objectives of the Canada Council; thus, it is subject to the same limitations (for example, funding, public mandate) and must be assessed within the light of the overall goals of that institution--for these in the end will dictate both the process of and criteria for acquisition of art.

The Canada Council, established in 1957, was enjoined "to foster and promote the study, enjoyment and production of works in the arts." (2) To do so it "offers a program of financial assistance and special services, mainly to professional artists and arts organizations." (3) Again, the dual purposes of the public institution emerge: education/awareness or information creation and dissemination; and support to the artist/producer. In the case of the Canada Council, however, the emphasis does appear to be on the latter.
Although the Council claims an "arm's length" relationship with the government, the up to 21 members of the Canada Council (all unpaid) are government appointees who serve limited terms; moreover, the Council has for several years now received the bulk of its funding (approximately 80%) in the form of annual grants from Parliament. The remaining revenue comes from income from the original endowment fund and other private endowments (including donations and bequests). The 21 members are responsible for setting the overall policy for the Council and for considering and approving grants. (4)

The Council's programmes are aimed at directing funding to arts institutions and individual artists and arts administrators. Generally, funding for the visual arts is addressed to operations rather than acquisitions. The exception is the Special Purchase Assistance Program of the Art Bank.

At present, the Director of the Art Bank is William Kirby who holds the position of Assistant Director of Visual Arts at the Canada Council as well. The head of the Visual Arts Section at the time of the research interviews was Edythe Goodridge. This section is one of seven which administer funding for the Arts Division of the Canada Council. (5)

The Art Bank brochure outlines its objectives as follows:

... to provide recognition and direct assistance to professional Canadian artists through the purchase of their work; to present contemporary Canadian art to the public in everyday environments by means of a rental program, and to stimulate the private and corporate collecting of art. (6)

It is important to note that in practice the main objective is seen as support to the artist. (7)
To effect its threefold mandate, currently the Art Bank operates six programmes, the most notable being its Purchase and Rental Programs. The most cogent to our analysis is the Purchase Program and to a limited extent the Special Purchase Assistance Program; however, to assess more accurately the possibilities, success and far-reaching effect of the Art Bank as a whole, a brief examination of the six initiatives and the Art Bank's evolution is in order.

1.1 Art Bank Programmes

While other programmes developed over the years, the purchase and rental programmes began immediately in 1972. Acquisitions of the work of living Canadian artists are made regularly. In turn the works of the Art Bank collection are made available for rental to:

- federal departments and agencies, municipal and provincial governments, schools, hospitals, airports, or any non-profit institution.
- In order to avoid the possibility of competition with dealers and commercial galleries, the Art Bank does not make this service available to individuals or private businesses. (8)

For example, the Art Bank Catalogue lists clients as diverse as the CRTC in Hull and Vancouver; Fraser Valley College, Abbotsford and Chilliwack; the Collège universitaire de Saint Boniface, Manitoba; Grace Hospital, Calgary; the House of Commons; the Bank of Montreal, New York; National Defence, Germany; Revenue Canada offices throughout Canada; and Teleglobe Canada, Montreal. Interestingly enough, Teleglobe has its own on-going collection, in addition to the art rented from the Art Bank. (9)

According to Kirby approximately 70% of the Art Bank collection is out on loan at any time. Revenues from the rental fees render the Art Bank unique
among Canada Council programmes--while not entirely self-sustaining, rental fees do contribute to its own upkeep. In fact, Kirby estimates the average yearly cost breakdown as follows:

<table>
<thead>
<tr>
<th>Costs:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Program</td>
<td>$750,000</td>
</tr>
<tr>
<td>Special Purchase Assistance</td>
<td>100,000</td>
</tr>
<tr>
<td>Jury costs &amp; framing</td>
<td>150,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>6-700,000</td>
</tr>
<tr>
<td>Administration</td>
<td>200,000</td>
</tr>
</tbody>
</table>

$2,000,000

Revenue:

| Rental fees and services | $750,000 |

So although the programme does not pay for itself, rental fees do cover, on the average, the yearly purchases of art. (10)

The Special Purchase Assistance Program, established in 1977, does not entail acquisitions for the Art Bank but instead provides matching funds to public galleries and museums and artist-run centres in Canada in order that they may acquire work by living Canadian artists. Galleries may apply for up to $10,000 towards the purchase of work. The Art Bank distributes funds on a first-come, first-served basis; all the gallery must do is submit the invoice for the work and state where their funds are coming from. The actual work to be purchased is left entirely up to the individual gallery. The only stipulations that the Art Bank makes, it appears, are first that the work be by a living Canadian artist—a Canadian citizen or landed immigrant of at least five years—and that the gallery have shown a commitment to collecting
contemporary Canadian art. Kirby states that this programme is oversubscribed— at the time, (January 1986) they had a year-long waiting list. (11)

Seen as a method of stimulating the art market, or at least of injecting funds into the market and of augmenting acquisitions of contemporary Canadian art in public collections, the Art Bank has spent $1 million in this manner since 1977; thus it had contributed by the end of 1984 to the purchase of approximately 1,000 works of art by 49 Canadian institutions and demonstratively encouraged an injection of $2 million into this particular market. (12)

Special projects and loans and the Art Bank’s public programmes— while not directly concerned with acquisitions—are important for the information-generating and disseminating abilities and possibilities, particularly with respect to art and artists in the Art Bank collection; therefore, it is crucial as an institution charged with a mandate to the country as a whole that the collection be archival—that is, inclusive—as opposed to selective or representative (in Nasgaard’s terms). It is or has the potential to be a truly worthwhile effort in the direction of aiding public awareness at the national level.

Within the jurisdiction of these programmes work from the collection is loaned to public galleries and museums and conferences within and without Canada. Kirby finds that the Art Bank lends about 400 works a year in this manner. Further, the collection and its related material (slides of the works, artist/dealer catalogues, biographies, etc.) is available in Ottawa to curators of public institutions and the public for study. The Art Bank’s Visual Arts Resource Centre is described as containing
a growing collection of books and periodicals on contemporary Canadian art, files on artists in the Art Bank collection, and more than 35,000 slides of contemporary Canadian works of art, including all works in the Art Bank collection. (13)

And the Art Bank now has a gallery space which is open to the public on certain days.

Kirby feels that curators do take advantage of the collection but only to a limited extent. Other buyers do contact the Art Bank for information and the Art Bank does put them in touch with artists. For example, the art advisor for the Toronto-Dominion Bank/Cadillac Fairview joint project used the Art Bank collection and the Visual Arts Resource Centre as her starting point in her search for fibre artists and sculptors in Canada. Of the two finalists in the major sculpture competition, both were represented in the Art Bank collection and one was specifically recommended by the Art Bank in the original search. (14)

These are the programmes currently instituted. We turn now to a more thorough examination of the Purchase Program and the Art Bank collection.

1.2 The Art Bank Purchase Program

The Art Bank was the inspiration of Suzanne Rivard LeMoyne, the then head of the Visual Arts Section of the Canada Council. Rivard LeMoyne, herself, was an artist as well as an arts administrator and was responsible for many artist-oriented Canada Council programmes, the two most notable being the Art Bank and artist-run (parallel) galleries. Her proposal for the Art Bank came at a time when Gerard Pelletier's "democratization and decentralization" were the administrative catchwords despite a reality which was quite different—at that time, for example, the National Museums Corporation which brought all the
national museums under one bureaucratic structure in Ottawa was established. Rivard LeMoyne's timing was fortuitous, not only in coinciding with the institutional atmosphere, but also because Al Johnson, Secretary of the Treasury Board upon whose understanding and approval Rivard LeMoyne's scheme depended, was an art collector. (15)

With the inception of the Art Bank the existing, fairly small, Canada Council collection was sold to the Department of External Affairs. To administer the Art Bank Rivard LeMoyne hired Luke Rombout whose previous experience included administrative/curatorial duties in small Canadian museums, the Mount Allison University Art Gallery among these. (16)

Rombout established across Canada ad hoc juries which were composed of artists to select the art, although he sat in and cast his vote on all juries. In so doing he felt he provided a thread of continuity to the process and the collection; Rivard LeMoyne, however, had the final approval of all works selected. With Rivard LeMoyne's departure in 1974 Rombout succeeded her as Visual Arts Head and appointed Chris Youngs, who also had been curator at Mount Allison, to replace himself in the Art Bank. As before, Rombout had the final approval and Youngs continued to sit in and vote on all the juries. When Rombout left in 1975 to become director of the Vancouver Art Gallery, photographer/artist Geoffrey James replaced him and his authority. Youngs remained as head of the Art Bank until his departure in 1981. (17) Both he and Rombout must be reckoned with as providing—or having the power to provide—not only a thread of continuity to the collection, but also as buyers in a relatively narrow field (contemporary Canadian art); hence they were a force,
however inadvertently or advertently, in that particular art market both in terms of information generation and financial support for some galleries/dealers and some artists. Between the years 1972 and 1981 during the consecutive terms of Rombout and Youngs the Applebaum-Hébert Report estimates that the Art Bank "spent well over $6.4 million on some 10,000 works by more than 1,000 artists" (18) and that most of these purchases were effected through dealers. Martha Burns of Isaacs Gallery attests to the value of the support of the Art Bank to that gallery--according to her, in the mid-seventies their main client was the public buyer and in particular, the Art Bank. (19)

Rombout cited his difficulty in accepting the fact that the Art Bank collection was to be more "archival" than selected. (20) He found that the dual roles of the collection--as a collection and/or artist support--to be mutually exclusive.

The vacancy left by Youngs was filled by William Kirby, an arts administrator/curator with experience at the Edmonton and Winnipeg Art Galleries. Now, as director of the Art Bank, Kirby sits in on all the juries to ensure that due process is carried out but does not vote. (21) The head of the Visual Arts at the time of the research interview was Edythe Goodridge (former director of the Memorial University Art Gallery).

Kirby sees the collection now, not as a museum collection--because there are no gaps to fill--but as a responsive collection. The artist must approach the Bank rather than the curatorial/museological process in which the curator assesses direction, strengths and weaknesses of the collection and deliberately
seeks out specific art and artists, ideally as a result of the assessment. In the Art Bank collection certain major artists are not represented as they did not make submissions. Not having to deal in retrospect (that is, with art historical, contextual considerations) means, in Kirby's estimation, that the Art Bank juries do not have to make safe decisions; thus they can collect the work of artists early on in their careers.

2. The acquisition process

Both the Visual Arts Section in general and the Art Bank specifically have been the object of criticism regarding the process of selection. In fact, the Applebaum-Hébert Report found that this criticism to be most widely and vociferously held in the visual art field:

The strongest and most frequent criticism we heard about the Canada Council's visual arts grants programs concerned its jury system. There were accusations of favouritism. Arguments were advanced intending to demonstrate an underrepresentation of women artists, Native artists, and artists from the various regions on juries, among grant recipients, and among artists whose works are purchased by the Art Bank. Such criticisms were stated more emphatically about the Art Bank and the visual arts juries than about any other facet of the Council's programs. (22)

Réshard Gool has summed up several studies carried out over the years which have shown jury composition and the collection to have a bias away from women, printmakers, and so on. (23) This bias most writers feel reflects the incestuous nature of the selection of the juries—that is, some jurors are chosen repeatedly and the tendency for any juror is to select work of friends or of work which is compatible with their own. Indeed, the fact that for a period of approximately three years one individual (Rombout) and subsequently for eight years another (Youngs) was a voting member of every jury and this same person was responsible for jury selection, is enough to demonstrate that
even at this elementary level there was sufficient leeway in the procedure which could lead to bias in the collection--be it towards art form, style or specific art and artists.

Rather than delving into this matter of what the exact prejudices are we will sidestep the issue because the major concern here is to assess the Art Bank's impact on other buyers and on the market; therefore, what features of the Art Bank and its selection process can be shown to be determinant in affecting other buyers and in affecting the market are questions more important to this analysis.

Kirby's description of the selection process comprehends both selection of the jury and justification of the fairness therein and selection of the work with its concomitant justification.

First and foremost, Kirby has ultimate responsibility for choosing from a pool of names who will be on each jury. This pool is the same--be it for arts awards, visual arts (institutional) or the Art Bank. An artist or arts administrator may be on the Art Bank jury once or twice in one year and may also perform as an 'A' grant juror, for example, or help decide institutional funding. The criterion for belonging to the list of possible jurors is to be respected by someone within the visual arts section, although any arts organization or person involved in the arts may suggest a name. Kirby states that a juror does not have to be in the Art Bank to be on the jury, nor a grant recipient, but s/he must obtain the respect of his/her peer group and s/he should have good experience in the arts community. Of course, by extension, an obvious demonstration of peer appreciation is to be awarded a
grant; hence, those given public support are added to the list of those who
may be selected to assign public support.

The Canada Council Profile describes the list as including

nearly 1,700 Canadian artists, critics and administrators in all
disciplines. Suggestions for additions to the list may be made by
artists, Council staff, members of the board of the Canada Council and
the general public. The list of assessors is drawn up and revised by
Council staff each year. These names are reviewed and approved annually
by the Council's Disciplinary Advisory Committees. (24)

As the list must serve for six disciplines the implication is that the pool
related to the visual arts must contain about 300 individuals who, although the
list is drawn up yearly, can and certainly do remain on the list from one year
to the next. Since the Art Bank's inception to 1986 approximately 400 different
artists have served on juries which convene four times a year in Ottawa and
then in the various centres across Canada.

Once Kirby has made his final decision jurors are paid a per diem fee of
$200 plus expenses for a term which usually lasts one week.

The jurying is two-tiered. One jury which includes the same members for a
year meets three times a year in Ottawa to view slides and works on paper
submitted by artists from across Canada. Kirby takes care that the three
jurors represent different approaches and regions. Between 1200 and 1600
applications with slides are submitted to this jury every year. At each of the
three sittings the jurors view slides and have access to the artist's file. The
purpose of this jury is to recommend studio visits and purchases of works on
paper. A juror's familiarity with an artist's work can be crucial when it comes
to viewing slides which often do not give the best representation of the
artist's work; thus prior knowledge of the work can fill out the impressions of the slides.

The second stage comprises visits by juries to the various regions to view work in artists' studios and galleries, visits based upon the recommendations of the first jury. For each region there is a different jury. Kirby estimates that within a year about 250 studio visits are made. These regional juries, of which there are about ten a year, recommend work for purchase.

Apparently the principal criterion for selection is "quality" or "excellence." Apart from this nebulous stipulation only one other exists, that being the requirement that the work be by a living Canadian artist or an artist with landed immigrant status of at least five years. Kirby states that the Art Bank sets no quotas and art executed in any medium is eligible. "Rentability" of the work is not a consideration. The jury is not given the artist's biography but must ask for it if interested. And finally, Kirby feels that familiarity with the work is not necessarily a big factor in the jury decision. He reiterates that decisions are not contextual but based solely on the quality of that particular work in front of the jury. Aside from the stipulation regarding citizenship, 'Canadianess' evinced by the work is not an issue.

Reading between the lines shows the situation to be not as straightforward. The artist's curriculum vitae can be decisive: if the jury is split, reference to the curriculum vitae for relevant background information is made (for example, whether the artist is just out of school or what his/her
influences have been. Further, although familiarity with the work does not appear to be important, we have seen that a juror who is acquainted with the art/artist can plead more eloquently to the others on that artist's behalf.

Price is seldom a consideration. As with other buyers, a jury has an upper limit ($20,000) per work. Recommendations of works priced over $20,000 would have to go before the Canada Council board for final approval. Kirby has found that it is rare for the board to reject the jury's request. Another limit is set, as well: the Art Bank cannot purchase more than $28,000 worth of work in one year from one artist. And, Kirby estimates that twice in his five years' experience has the jury been compelled to go back to the artist/dealer to reconsider the price.

3. The collection

As of December 1984 the collection consisted of 12,273 works and can be classified as follows (25):

- works on paper 8,257 57.3% of the collection
- photographs 1,347 11% of the collection
- paintings 1,660 13.5% of the collection
- sculpture/installation 674 5% of the collection
- other 335 2.7% of the collection

Both the size of the collection (for that time period of 12 years) and the difference in descriptive definition of the works make consistent comparison with the other collections described herein difficult; however, in this case, if a major work is defined as being a painting or sculpture/installation, then 2,334 major works comprise 19% of the collection. Of these major works, paintings account for 71% and sculpture/installation for 28.9%. The Art Bank represents 1,531 artists or an average of 8 works by each artist.
4. Possible effects of the Art Bank Purchase Program

Kirby assesses the impact of the Art Bank as affecting the market overall and the individual artist's reputation (which may indeed be translated into developing a clientele/market). In his estimation the Art Bank has injected a huge amount of money into the contemporary Canadian art market and this has served to stimulate the market and generally to elevate prices in this market because a sale sets precedent for the artist's pricing structure. The Art Bank seldom questions prices and does not have to work within a small fixed budget toward certain goals (for example, wall space, decor, gaps in the collection). At least one buyer would concur regarding prices but would regard the effect as inflationary and detrimental in that some artists have set their prices with the Art Bank and other public buyers in mind--this excludes the corporate and private buyers who do have fixed budgets and goals of space, representation and so on. (26)

William Boyle, director of the Power Plant in Toronto, and himself an experienced juror for Canada Council juries, sees Canada Council funding, and by extension, Canada Council support through the Art Bank, as a countervailing power--that is, that support of more experimental work such as video and installation counterbalances the commercial dealers' presentation of contemporary Canadian art as landscape art or pleasing decorative work with little intellectual substance. (27)

On the other hand, from one dealer's point of view it was the public sector, notably the Art Bank, which contributed heavily to the gallery's survival in the 1970's. This evidently is Kirby's perception of the Art Bank's
effect on the market during that time period; now he sees the Art Bank as only part of the scene and as not affecting any individual or individual enterprise to any great extent. (28)

In a less direct manner the Art Bank may affect the artist/producers and dealers/sellers. Kirby feels that even if work purchased never rents, the artist nevertheless receives recognition as having had work bought by peers and that this peer recognition is almost as important. This may be cogent to the artist as psychological support but may also serve as a seal of approval to other buyers. At the very least the work is photographed and becomes part of the Art Bank's slide collection which other buyers (especially corporate and public) are encouraged to use.

5. Conclusion

Despite the constantly changing juries which select work for the Art Bank, the collection does evince a distinct pattern: works on paper (prints, watercolours, etc.) do predominate; and as far as major works are concerned, there are more paintings than sculptural/installation works. Although Kirby states that 'rentability' is not a factor in selection of works, there is a predominance of two-dimensional works which, as Chapter IV showed, was better suited to the business environment than sculptural works.

And, although the head of the Art Bank now does not vote on juries on two occasions lasting several years the head did; thus one individual could affect over a long period of time what was collected but this individual was not particularly accountable for the selection.
In the seventies some artists could and did benefit over a long period of time—not only in terms of immediate financial support but through having the work in a collection with a mandate to be viewed and placed in working environments about the country and abroad. Currently the Art Bank is emphasizing its role in educating buyers from the corporate and public sectors especially through its slide library (comprised of slides of works in the collection) and its gallery space in Ottawa. Public galleries and corporate buyers do make use of the Art Bank collection either to borrow works for exhibition or for information about contemporary Canadian art and artists.
Notes:


4. Ibid., 2-3.


7. William Kirby.


9. Ibid., xii-xiii.

10. William Kirby.


13. Ibid.


16. Ibid.

17. Ibid.


28. Martha Burns; William Kirby.
CHAPTER II
Summary: Private, Corporate and Public Buyers

From the above discussions several points salient to our analysis emerge. These relate to the institutional factors which structure and ultimately define the different types of collections: the incentives and interests of the bodies who are the driving force do direct, first, the amount of money available and, second, the criteria which are brought to bear upon the acquisition of the artworks. It is crucial to analyse who is buying, how much they are spending, what motivation informs them and who their authorities are.

1. The public buyer

An overriding and anomalous feature of the public buyer and collection is the comparatively low priority it occupies in the framework of public/government expenditure. (1); this is in direct contrast to the importance of these buyers to the contemporary Canadian art market. This helps to explain the curatorial freedom and the relative lack of systematic and rigorous assessment of the effect of public purchase programmes and similar forms of government intervention of that particular market--despite repeated complaints by those most directly concerned with the art market, namely, artist/ producers, dealer/distributors and other buyers.

The public collections are, as a group, governed by similar objectives--nationalism, audience/consumer education and the creation of context for contemporary Canadian art—which in practice are translated into similar collections and are, as a result, undoubtedly a major force in the contemporary Canadian art market. Compared to corporate collections, for example, sculpture
tends to form a greater proportion of the works; even the Art Bank whose mandate has something in common with corporate collections (that is, placement in an environment with purposes other than the display of art) has a distinctly greater proportion of sculpture than most corporate collections and certainly the Guaranty Trust collection, one of the representative corporate collections chosen for the case histories in this study. (See Table 1 at the end of this chapter.)

Furthermore, it is in the best interests of these public institutions to show that their collections have importance and relevancy to the Canadian situation, both of which can be gauged by their ability to affect other institutions and buyers (that is, the trend-setting function).

The three case histories—the National Gallery, the Art Gallery of Ontario (AGO) and the Art Bank—exemplify the patterns of collecting by this type of buyer and represent the largest acquisition budgets for public collections for contemporary Canadian visual art. Importantly, they also are located within the same province.

Despite the collective, bureaucratic nature of these institutions, each collection bears the stamp (the Art Bank to a lesser degree) of the individual directly concerned with the collection—that is, the curator. The case histories amply demonstrate the autonomy of the curator and that the curator is aware of this autonomy and power to shape and create context for art being produced in Canada currently. This power is conferred on the curator by the autonomy, the size of the budget and the fact that s/he can support substantially his/her judgement over a period of years. Moreover, s/he has the
forum and authority to present convincingly his/her case to the public. Philip Monk, for example, recognizes that "if painting is exhibited all the time, this will reinforce painting as art." (2)

This leads to a fourth point: the public buyer in its consistent input of funds to the market constitutes a prime determining force in that market. Other types of buyers are not enjoined with the objective of creating context, hence establishing the importance of certain art forms and artists/art; nor are other buyers given the means this immediately to rationalize the decisions. Indirectly, it may occur for the private collector but it is not the overt stated objective of the private collector.

There is some evidence to reinforce the notion that the public buyer has acted as a countervailing power to support more experimental art or, at least, less commercially viable art. Boyle, having offered this point of view, elaborates by drawing on his experience as a public administrator, juror and corporate advisor. He bases his trust of dealers on the project—for public art commissions he finds one dealer and his artists especially suitable (Carmen Lamanna Gallery, Toronto) but for the C.I.L. collection to which he was advisor, another gallery (Mira Godard, Toronto) was far more helpful. (3)

All three collections (AGO, National Gallery and Art Bank) show a trend towards certain art and artists. Also, over a period of years the tendency appears to strengthen—that is, collections, having made a stand with respect to an artist, tend to continue to follow his/her work. We see in the three-year period at the AGO, the average number of works per artist collected was 1.6, the seven-year period at the National Gallery was 2.8 works and at the Art
Bank over a twelve-year period was an average of 8 works per artist. As a basis for comparison, the Guaranty Trust collection covering a period of acquisition over twelve years has purchased on the average 2.8 works per artist. (See Table 1.)

Of course, it must be noted that averages obscure the extremes and the actual degree of support to the producer and/or distributor. By way of illustration, while having purchased one acrylic on paper by Artist A (b.1935, Cold Lake, Alberta), the Art Bank over the years has purchased 80 original prints and 34 paintings from Artist B (b.1939, Montreal, Québec). Both artists are roughly the same age and have been exhibiting regularly for a number of years. (4) Of the 119 major works acquired by the National Gallery in 6-7 years, 57 are executed by 12 artists of the 81 represented in the acquisitions for that time period; or, 12 artists are responsible for roughly 48% of the National Gallery's purchases of major works acquired in the years between 1976 and 1981. (See Table 1.) This is a situation that an average figure of 2.8 works per artist does not adequately present. As well, in attempting to assess market share and the effect of purchase, the generalization of and distinction between major and minor becomes crucial. In the past twelve years, for example, the Art Bank has purchased 26 major works (paintings) by Artist C. As an indication of this artist's prices, a 60 x 60" canvas by Artist C in 1975 retailed for $2,500 (according to his Toronto dealer); in 1985 the painting was appraised at $5,500. Smaller canvasses (on average 48 x 48") may have sold in 1975 for $1,600. Taking this as average for the 26 paintings (ranging in date mainly from 1966 to 1979), the Art Bank spent roughly $41,600 or $3,470/year
on Artist C's work. (The artist having to pay dealer commission may not have received all of this.) By way of contrast, the Art Bank purchased a total of 24 minor works on paper from Artist D. Artist D's work in the same media and size in 1980 was selling for $60 framed. This represents a $1,440 total investment by the Art Bank. (5)

What emerges from this discussion is that not only does the public buyer spend a large amount in the contemporary Canadian art market, but that it spends a large amount consistently and in a consistent manner. The Art Bank, alone, has spent over $9 million on the acquisition of art in a thirteen year time period (1972 to 1985). (6)

This obviously has great relevance in a market model which exhibits high barriers to entry based on longevity and product differentiation. The pattern of the public buyer is to selectively support some 'products'. This support can affect other buyers in two ways: the first is that selection by these collections contributes to the artist's/art form's/style's desirability and generates information about some works of art; and the second is that as price is not important, some artists can command prices which are not immediately related to production costs. This has been most overtly relevant in the case of the Art Bank which does see itself in relation to the market as affecting price. Despite its claims from the very beginning to be archival rather than showing the individual stamp of the curator or continuity of aesthetic judgement, for nearly ten years both have been virtually assured by the presence and voting powers on all juries of first, Rombout, then Youngs. During
that time period, the Art Bank has been cited as being at least one gallery's main client. (7)

Clearly public galleries such as the AGO and the National Gallery have market power too, although singly each may not have overly large acquisitions funds. Their market power lies in their tendency to act in concert--by means of similar institutional mandates, curatorial interests and links between the institutions. Both the National Gallery and the AGO have, first and foremost, collection policies which stress the acquisition of Canadian art which creates a context and/or illuminates the context within Canadian art--both collections have a nationalist imperative. In fact both collection policies or activities are similar enough to one another's to view one another as chief competitor for acquisitions. (8) Also, both institutions apparently encouraged their curators of contemporary Canadian art to follow their own individualistic bents--at least in the late seventies at the National Gallery (Théberge) and in the mid-eighties at the AGO. As well, the conditions are in place for these curators to compete with and/or convince one another of their decisions: exhibitions reviewed in the media; the various Canada Council juries; formal and informal associations; exhibition by exhibition--funding by the Canada Council.

Now, not only do public institutions and the associated curators exercise influence amongst one another toward forming consensus but also they have the means to guide purchases by other sectors. As we have seen, acquisition committees are comprised of individuals, many of whom are invited to participate because they are collectors--private and/or corporate. These
persons would be exposed on a regular basis to the curator's selections and his/her justifications. Further, the gallery's audience as a whole would have access to the curator's viewpoint exhibited systematically in the gallery. These exhibitions are reviewed in the mass media; in this way the gallery's and curator's decisions are exposed to an even wider audience. At the very least, reviews and feature articles about exhibitions serve to reinforce the importance of the artists under discussion.

The power of the institutions to dictate direction to other buyers in other sectors (private individuals, corporations) is compelling in the case of donations. Naturally the institutional gallery does not accept all work offered for donation. The proposed donation must undergo the same selection process and adhere to the same criteria (perhaps not as rigid) as work proposed for purchase. Donors especially anxious to receive tax benefits as a result of donating artwork must keep in mind, even at the time of purchase, a definition of museum quality. Tax benefits are tied directly to the current fair-market value of the work—that is, a work purchased for $1,000 in 1975 may have reached fair-market value of $5,000 in 1985. Were an institution to accept the work, the donor would receive a tax benefit related to the current ($5,000) value of the work. (9) (See Table 2 at the end of this chapter.)

Taken individually, each of the three institutions does have market power by virtue of: consistent spending power over the years; a large annual allocation for acquisition funds; and relatively defined patterns of spending—defined by institutional mandate and the curator's personal intellectual goals. The mandates of the public collections are similar; as a result these
institutions tend to acquire art for their collections as if they were acting in concert. Furthermore, the ability to guide the spending of others makes the public buyer the force in the market to be reckoned with.

2. The private buyer

Salient points with respect to the private collector are: the power which may accrue to this individual owing to the pivotal position they can and sometimes do occupy in the market; the private collector who purchases wisely and/or exerts his/her power does stand to benefit financially; the public sphere can guide the private collector's selection; and finally, the longer the collector's interest and art collecting activity, the greater the power that may accrue to that collector.

As we have seen, many private collectors, by virtue of their interest are active both within the corporate and public collections and often are called upon to inform public gallery policy decisions; thus, they are in positions where they may co-ordinate activity in that art market. Obviously this is not to say that all of these individuals abuse that power or take the responsibility lightly. It is, however, important to note that the opportunity to abuse the power for profit does exist. A collector, having a stake in one artist, can guide corporate and public investment to buoy up the artist's prices. Further, s/he may use his/her influence to enhance an artist's career: by ensuring that the artist's work is exhibited in public exhibitions and acquired by prestigious public collections. These ends may be achieved by means of donations and loans of artwork to public gallery collections. This may guide the public gallery's collection to the extent that it forms the
mainsstay of the collection and the blueprint for that gallery's collection policy.

Financial rewards either through resale or tax benefits from donations may accrue to the collector with a sustained interest in collecting. Profit from resale depends on increased prices—either through pricing or non-pricing strategies or the powerful combination of both. To achieve these ends the private collector's connection with the legitimizing capabilities of the public institution is all important. For example, the Vancouver Sun notes in its discussion of private collector, Ron Longstaffe:

And with every exhibition, the collection grows in value. Geoff Joyner, president of the Canadian division of Sotheby's says: "If a Jack Bush is exhibited in the current Longstaffe show, it doesn't mean that Jack Bush's prices will go up. But if Longstaffe's specific Bush or Shadbolt or Onley were to come up at market, the fact of them being in this exhibition would raise the value of the work." (10)

Investment—be it intellectual, careerist or financial—can only be reaped over the long term. This is obviously within the scope of the private buyer whose interest and ability to purchase art is bounded only by his/her financial resources and priorities. (11)

Both dealers interviewed felt that the influence of the private buyer (in terms of actual spending) was small. (12) Shiell adds that in her experience the private collector is more subject to the call of fashion. Fashion is relayed to the collectors by the mass media, public gallery exhibitions (14) and the commercial gallery system. (15) Whether or not a collector trusts what s/he sees through these channels, they are the means by which the collector is made aware of art being produced and which trends are being critically and
financially endorsed. As we have seen each of these channels serves to filter art according to the peculiar interests and objectives of each.

And finally, bearing on the private collector's criteria is a relatively average (for this group) set of structural constraints—the limitations of the household: floor space, wall size, children, and so on.

These and financial constraints aside, this collector, having to answer to no one, is likely to have an idiosyncratic, varied collection.

3. The corporate buyer

The corporate sector derives its consequence as buyers from the amount of money it yearly invests in contemporary Canadian art and its potential to broaden and increase that amount. Although precise figures are not available, the Council for Business and the Arts (CBAC) notes that 21 companies spent approximately $2 million on collecting and commissioning artwork; in 1986, they spent $1.6 million on art. (16) CBAC adds that 75 companies of the top 300 in Canada do have collections of art. They are not specific as to the extent that these funds represent the purchase of contemporary Canadian art, and more, to what extent these figures represent curatorial (upkeep) costs. By comparison, the National Gallery, the AGO and the Art Bank together spent in the years 1984/85 and again 1986 approximately $1 million exclusively on the purchase of contemporary Canadian art. (See Table 3 at the end of this chapter.) It is not likely that few, if any, other of the 33 public galleries, 10 public museums and 17 university-affiliated art galleries listed in the CBAC report have similar acquisitions budgets for contemporary Canadian art; therefore public gallery expenditures on acquisitions probably does not far
exceed corporate spending on contemporary Canadian art. (See Table 3.) The collections representative of either sector, however, are dissimilar and this can be attributed to the divergent interests of the actors who are the driving forces behind the collections, the institutional mandates of both sectors and the institutional setting as a whole. As an example of the last, there appears to be both a concentration among the public buyers (Art Bank, National Gallery and the AGO), a consistent mandate within the sector and the means to direct the spending of other buyers; on the other hand, the corporate collection reflects several different interests and objectives (aesthetic, decorative, expressing prestige) mixed in different proportions, has an inconsistent spending pattern indicative of fluctuating commitments, and most importantly, the collection occupies a very minor part of the corporation's operations and interests overall.

John Bentley Mays describes the Guaranty Trust collection as being typical of corporate collections of contemporary Canadian art:

The mandate Ms. Baxter crafted fell into a familiar pattern. The collection would concentrate on works on paper by living Canadian artists from all parts of the country. The result: a group of 786 pieces described by her as "a mainstream collection, and typical of Canadian corporate collections--very typical . . . " . . . The works it has bought accurately reflects Guaranty Trust's commitments to art, which are firmly in the middle . . . . The company's expenditures also appear to fall in the middle ground. While neither Ms. Baxter nor Mr. Hasley would discuss dollars and cents, the company probably spends between $70,000 and $100,000 a year on about 35 original prints, 20 unique works on paper (drawings, watercolors, etc.) and eight to 10 paintings. (17)

Over the twelve years of its active collecting, Guaranty Trust has purchased an average of 2.9 works/artist compared to 8 by the Art Bank. Over a six year period the National Gallery purchased on average 2.8 works/artist and nearly
12 artists accounted for nearly half of the major works and up to 11 works were purchased from some artists. This situation reflects the different institutional mandates. Common to most public gallery collections is an attempt to impose a consistent reading on the contemporary Canadian situation; thus it makes sense to specialise in certain artists. The corporate collection has no such imperative: it does not have to make sense of a time or place, but seen as a public relations/market venture, it cannot afford to offend. Furthermore, collections funded on a project-by-project basis (for example, the Bank of Montreal) would preclude a representative museum collection, or, at the very least, render the likelihood remote, given the overriding concerns of time and space.

Objectives of decoration, of improving the environment, objectives which are characteristic of the corporate collection, might account for the paucity of sculpture in corporate collections. For example, Guaranty Trust has no commitment to sculpture; and both the Toronto-Dominion Bank and Bank of Montreal curators find it extremely difficult to get sculpture passed by the committees. Sculpture encroaches on three dimensions; therefore, it might be viewed as too demanding—in terms of space, upkeep and intellectual/aesthetic response. As a result, all collections contain very little sculpture in relation to painting or other forms of art. (18) This is very different to the public collections we have examined, of which a distinct proportion of the major works are sculpture/installation. (See Table 1.)

While the corporate collection may not mimic the public collection it may be directed by the public sector in some ways. First and foremost are the tax
benefits which may accrue to the corporate collector provided that the collection acquires the work of living Canadian artists. This is a wise path, regardless, for the company which is collecting for public relations reasons. Secondly, the public collector has the means to inform the individual behind the corporate collection—through exhibitions and through the individual's participation on boards and acquisition committees of public galleries. All of the individuals interviewed with regard to corporate collecting cited public gallery exhibitions as a means of awareness. It is, however, difficult to gauge the impact that these exhibitions have in helping the individual form an opinion of the work.

Committee decisions are endemic to the corporate collection but these committee decisions are quite different to the 'rubber stamp' committee decisions of the public collections. The corporate committee decision must embrace several opinions of persons variously concerned with and exposed to the visual arts, with the added spectre of the clientele or shareholders looking on. This renders chance-taking or inclusion of innovative art more difficult than in either the individual or public spheres.

Committee decisions notwithstanding, it remains the individual initiative which is the driving force behind the corporate collection and upon whom the collection is dependent for its continued survival.

But like most Canadian companies that collect, Guaranty Trust has made no provision for the day that when Mr. Hasley exits. The Norden story suggests that, without explicit company policy à la Toronto-Dominion Bank's, even an enthusiastic chairman can't depend on the next man to carry on. (19)
4. Conclusion

Common to all three buyers is this: while some (many) discount the effect and advice of commercial dealers, a great deal of the art purchased, the art brought to their attention is by means of the commercial dealer—from Philip Monk, who appears to distance himself from commercial enterprises but whose General Idea exhibition included many works on loan from their representative (Carmen Lamanna), to the Toronto-Dominion Bank collection where James finds that visits to commercial galleries are the chief means by which she becomes aware of art being produced to Schwartz who, although recognizing the dealer's self interest, attempts to do the rounds of Toronto commercial galleries at least once a month. Similarly, all dismiss the artist's career (public exhibitions and collections, journal articles and reviews, etc.) as having any importance in the final decisions; nevertheless all attempt to see public gallery exhibitions and do read journals. The ultimate criterion resorted to generally is quality—a term in the contemporary art context which is so open-ended and personal as to be virtually meaningless. As Koerner points out, quality is a personal, subjective thing. (20) And Monk, who places quality at the top of his list of criteria, describes quality as something he can recognize from experience—it is what one feels. (21) There is a danger then: this lack of concrete values, a reliable yardstick, upon which to base and account for decisions throws the selection and acquisition procedure back on contextual values which can be manufactured and manipulated.

So far, we have seen then that there are groups of buyers characterized by similar interests which in turn direct their collecting patterns and
ultimately the kind of art they purchase. Within each group there exists the means to consolidate opinion regarding what kind of art should be purchased. Furthermore, some public buyers have several opportunities to affect the decisions made by other public, corporate and individual buyers.
Table 1
Comparisons between Collections (24)

<table>
<thead>
<tr>
<th></th>
<th>Guaranty Trust</th>
<th>National Gallery</th>
<th>Art Gallery of Ontario</th>
<th>Art Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time period years on which comparison is based</td>
<td>12</td>
<td>6</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Number of artists</td>
<td>257</td>
<td>81</td>
<td>52</td>
<td>1,531</td>
</tr>
<tr>
<td>Number of works</td>
<td>741</td>
<td>227</td>
<td>83</td>
<td>12,273</td>
</tr>
<tr>
<td>Average number of works</td>
<td>2.9</td>
<td>2.8</td>
<td>1.6</td>
<td>8</td>
</tr>
<tr>
<td>Range</td>
<td>12 artists/57 major works</td>
<td>11 artists/29 major works</td>
<td>34 works by 1 artist</td>
<td></td>
</tr>
<tr>
<td>Paintings (as % of collection)</td>
<td>approx. 23</td>
<td>18</td>
<td>32.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Sculpture (as % of collection)</td>
<td>---</td>
<td>18.5</td>
<td>15.6</td>
<td>5</td>
</tr>
<tr>
<td>Major works (as % of collection)</td>
<td>23</td>
<td>36.5</td>
<td>48.1</td>
<td>18.5</td>
</tr>
<tr>
<td>Annual budget</td>
<td>70-100,000</td>
<td>100-150,000</td>
<td>100,000</td>
<td>since 1980, average: 611,000; 12-year span: 713,947</td>
</tr>
</tbody>
</table>

*Defined as painting and sculptural/installation works.
Table 2 (23)
Comparison of Total Acquisition Funds for and Value of Donations to Publicly-Funded Institutions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Galleries</td>
<td>3,837,795</td>
<td>7,896,265</td>
<td>3,056,872</td>
<td>13,969,526</td>
</tr>
<tr>
<td>Public Museums</td>
<td>615,151</td>
<td>895,616</td>
<td>712,334</td>
<td>1,996,013</td>
</tr>
<tr>
<td>National Gallery</td>
<td>1,500,000</td>
<td>1,000,000</td>
<td>1,500,000</td>
<td>660,667</td>
</tr>
<tr>
<td>University-affiliated Galleries</td>
<td>446,645</td>
<td>646,048</td>
<td>546,575</td>
<td>989,769</td>
</tr>
<tr>
<td>Canada Council Art. Bank</td>
<td>664,566</td>
<td>750,000</td>
<td>6,565,781</td>
<td>17,615,975</td>
</tr>
</tbody>
</table>

Total: 7,064,157 9,837,929 6,565,781 17,615,975
Table 3

<table>
<thead>
<tr>
<th>Gallery and Museum</th>
<th>Total Budget</th>
<th>Contemporary Canadian</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Gallery</td>
<td>1,500,000</td>
<td>100,000 + float</td>
</tr>
<tr>
<td>Art Gallery of Ontario</td>
<td>840,000</td>
<td>100,000 + float</td>
</tr>
<tr>
<td>Canada Council Art Bank</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Vancouver Art Gallery</td>
<td>561,132</td>
<td></td>
</tr>
<tr>
<td>Musée du Québec</td>
<td>459,389</td>
<td></td>
</tr>
<tr>
<td>Canadian Museum of Civilization</td>
<td>320,000</td>
<td></td>
</tr>
<tr>
<td>Montreal Museum of Fine Arts</td>
<td>224,072</td>
<td></td>
</tr>
<tr>
<td>McMichael Canadian Collection</td>
<td>200,400</td>
<td></td>
</tr>
<tr>
<td>Glenbow Museum</td>
<td>161,201</td>
<td></td>
</tr>
<tr>
<td>Winnipeg Art Gallery</td>
<td>149,902</td>
<td></td>
</tr>
<tr>
<td>Agnes Etherington Art Centre</td>
<td>134,686</td>
<td></td>
</tr>
<tr>
<td>Memorial University Art Gallery</td>
<td>122,525</td>
<td></td>
</tr>
</tbody>
</table>

Compare with:

- Toronto-Dominion Bank: 100,000 - 250,000
- Guaranty Trust Co.: 70,000 - 100,000
Notes:

1. For example, CBC Parliamentary appropriations for 1984 were $815,253,000 and for 1985 were $895,935,000. The National Gallery received $1,500,000 for collections of which $100,000 was for contemporary Canadian art. The Canada Council as a whole received $65,581,000 in 1984 and $72,614,000 in 1985. Public Accounts of Canada 1985: III, (Ottawa: Minister of Supply and Services, 1985), 313.


5. Unpublished and confidential material.


11. We will return to these last two points later with respect to price. See Chapter X.


14. Ibid.
15. Ibid.


CHAPTER X
Price, Value and the Exchange Process for A Work of Art

Chapters II to IX have discussed in varying degrees of depth the structural features which characterise the exchange process for visual art objects in the contemporary Canadian situation. The exchange takes place at the level of seller/distributor and buyer and is the original exchange, that is, it is the initial sale of work at this level. The case was made in Chapter II that an understanding of the components of demand was essential to an understanding of this peculiar exchange process; hence the discussion and analysis have focussed on the buyers. So far, however, the investigation has been concerned with the structure or the 'given' situation. We turn now to a consideration of the dynamics of this exchange process.

1. General background

The point of exchange brings the major actors together; it is the fulcral point at which resources are allocated to some players. At the levels of seller/distributor/dealer and producer/artist, especially, some are able to continue; and, it is this fulcral point where power may be most fully exerted to achieve desired ends. The framework to analyze the dynamics and configuration of power within this exchange process is price and the process of arriving at a monetary value for a work of contemporary fine art. Here also lies the essential contradiction, if not plight, at its most focussed, for here is where value-in-use and value-in-exchange are most glaringly at odds. Furthermore, the relationship between price and point of exchange may be
tenuous. Exchange may be symbolic and price may have little to do with market
dynamics despite a concrete monetary value assigned to the work.

Price is important as an index of power. Galbraith notes in Economics and
the Public Purpose that:

> It follows that prices are no longer of unique importance in telling
how resources are distributed. What counts is the whole deployment of
power . . . (1)

The ability to establish prices, according to that actor's own interests and
objectives, allows that actor, first and foremost, to cover absolute costs—of
production, distribution, purchasing, redistribution, etc.—and to continue to
participate. Profit beyond these costs permit the actor concerned to overcome
barriers which discourage others from entering and/or succeeding, and to
increase participation (market share). In practical terms, this means, for
example, that some artists can purchase better materials, work full-time
instead of having to take supplementary employment at unrelated work, and
spend more time and money promoting themselves. Some dealers may have more
funds to advertise and in other ways promote and establish their artists and
the gallery reputation; travel; pay their artists on time; rent/purchase better
gallery space; and, in general, attract clients and artists. These, then, are the
immediate tangible consequences of profit derived from obtaining increased
prices—costs being held stable—for art objects.

But what of the buyer/end consumer? What virtue is derived from an
increase in the cost-price difference? Lower prices are not, as we have seen,
of major concern among most buyers. Generally, funds required to participate at
this level are extracted—except in a limited number of cases—not from this
market, but from unrelated activities; nor do most buyers have resale in mind, in the short term, at least. Two exceptions are: the dealer/distributor who purchases work outright from other dealers, artists or auctions; and museums who sell works to generate funds. The latter is rare and is applicable more to the Old Masters and Impressionists markets than to contemporary works; the former, as well, is not the rule for contemporary Canadian art, the standard arrangement between dealer and living artist being the consignment agreement.

For the buyer we must look to the long term where the power to control prices and reap profit through increases in prices takes on a wider, sometimes symbolic understanding; where price may indicate importance of the work which, in turn, confers prestige on the owner and may justify the actions of persons responsible for originally purchasing the work. Or, in the long term, the buyer through resale or donation may stand to gain financially; nevertheless, in so doing, it is neither far removed from nor unmixed with non-financial motivation.

In short, another anomalous situation presents itself. The power to control prices is of central importance to the actors in the market while the actors to which an increase or decrease in price matters least for survival, have, as we shall see, the greatest means available to influence price.

2. Theoretical model

Price and pricing, for the purpose of this analysis, will be seen in the following light. First and foremost, they are seen as the visible dynamics in pursuit of profit maximization in its widest possible sense by any or all of the actors at any of the three levels. The ability to enact successfully
pricing strategies is shaped by certain structural conditions of the contemporary Canadian art market. The most obvious of these structural conditions are: the interests and incentives of the actors; the concentration among actors at the levels of distributor/dealer and buyer/consumer; the nature of the product— that is, the specific and unique nature of the art object (as a luxury good, as an ideal); the balance between supply and demand at the level of artist/producer and dealer/distributor; and barriers to entry. Further, the overall economic climate is an essential factor, particularly with respect to supply and demand, and to barriers to entry. Non-pricing strategies are the domain of the art historical/curatorial/critical sectors and these sectors enable pricing strategies. In short, the participant attempts to co-ordinate pricing and non-pricing activities in differing proportions to obtain a greater market share or, put more loosely, to achieve desired objectives.

In conventional theory of industrial organization pricing strategies involve timing of price increases or decreases. This is co-ordinated in an oligopolistic market by collusion between the leading firms (horizontal integration). Another form is price leadership on the part of the leading firm by drastically cutting prices in order to increase market share. It will be shown that the goal of actors in the contemporary Canadian art market is far from price competition. The rule is to increase prices not undercut in order to increase market share. Non-pricing strategies, on the other hand, are directed more towards the product— product differentiation (for example, promotion of an artist or an art form or trend as being unique, as being prestigious; creation of a gallery image as being sophisticated and innovative). But this in
the end is instrumental in justifying price increases. Moreover, in this peculiar market pricing strategies can come to take on importance as a non-pricing strategy: at some point, a higher price rather than discouraging sales can serve to entice the buyer to single out an artist's work as distinctive, and ownership of the work as a sign of prestige.

Finally, another difference from traditional markets is the centrality of the buyer to pricing and non-pricing strategies alike. In fact, pricing strategies—collusion, for example—tend to operate vertically between buyer and dealer and dealer and artist rather than horizontally (dealer-dealer). Artist/dealer exclusivity agreements seek to control and co-ordinate prices by controlling supply: buyers purchasing in bulk receive discounts from dealers. Furthermore, the buyer, especially the public buyer, has both the means and the incentive to differentiate the product. Not only does the public buyer possess the means, in many instances this buyer is integral to impress upon other buyers the importance, the uniqueness, of a particular work of art.

To recapitulate, the point of exchange where the buyer acquires a work of art (usually the point of intersection between the distributor/seller and buyer levels) is characterized by certain structural features which set the stage for and direct the participants in the first-time sale of visual art objects. These features are: qualities inherent in the art object, the concentration of buyers, the given supply and demand, the Canadian economic situation as a whole, and barriers to entry at the producer/artist and distributor/seller levels. The distinction must be drawn between the initial sale of artwork which is this
thesis' concern and the resale market which presents quite a different situation (although, as will be shown, the resale market may have some bearing on the initial sale). A discussion of the initial sale of the art object usually follows the original path of the art object from producer to seller/distributor to buyer while resale may involve any or all of these actors in any order but by definition, is based on a previous exchange.

3. Structural components of the exchange process in contemporary Canadian art

Constituents of price would be the absolute costs of production and distribution. At the seller level these are mediated by supply to the sellers and demand by the buyers. The exchange process serves to regulate these. The most compelling institutional feature of the contemporary Canadian art market stems from the nature of the product—that is, the visual art object. In markets for other luxury items the balance between supply and demand is upset in favour of demand; non-pricing strategies, it follows, are paramount and concerned with demand creation and/or product differentiation. Moreover, a market for luxury items is volatile and buyers have the upper hand. The second notable institutional feature is the concentration among buyers. This concentration occurs in three different manners: first, buyers are clustered into three distinct groups—private, corporate and public; second, though the public and corporate buyers may spend roughly similar amounts as a group, clearly the buyers in the public sphere dominate the market through their buying power, common institutional interests and mandate, and by acting as the instruments of and agents for government policy in the visual arts; and third, within the sphere of the public buyer, five public institutions—the National
Gallery, the Art Gallery of Ontario (AGO), the Montreal Museum of Fine Arts, the Canada Council Art Bank, and recently, the Vancouver Art Gallery—dominate spending and spending power. Of these five the Canada Council Art Bank has the largest by far acquisitions budget for contemporary Canadian art.

A third structural component are the high barriers to entry posed to the sellers/distributors/dealers. These barriers are constituted by the integral quality of the art object—that is, as a luxury good. Sellers must incur high promotional costs to create demand and, at the same time, continue in business while the artist's reputation and importance augments—long enough for buyers to seek out this artist's work and see it as desirable—for whatever reason. Or the gallery must survive long enough and well enough to attain an allure and reputation which will attract artists whose reputation and product is already strongly differentiated. The seller must also have sufficient resources/capital to ride out periods when fashion and consumer taste swing against that gallery's artistic stand/selection or when the economic climate is not sympathetic to the purchase of luxury goods. (2) At such a time, public opinion is not favourable to public investment in the arts and corporations often find it difficult to rationalize art purchases to boards of shareholders. (3) Perhaps it is the private buyer, financial exigency being the only constraint, who does not have to concede to public opinion nor please an unspecified group of shareholders and committee members.

Obviously barriers to entry of longevity and product differentiation are equally meaningful to the artist/producer if s/he wishes to survive as a
business professional; we have seen, however, that business often is only one aspect of the artist's incentive.

In sum, the process of evaluating a work of art should serve as a framework to reveal the locus of power within this market and the relationship of structure to conduct of the major actors; and finally as a framework to examine the implications which this has for efficient and equitable resource allocation.

4. Considerations in the evaluation of contemporary Canadian art

In practice there are several actors validly involved in arriving at a price for an artwork, though some have more authority (on the surface at least) than others; thus price may vary according to who is the authority and what that authority's interests are.

Further, the context—that is, the purpose for establishing price, the arena, the particular sub-market (geographic location), and the legal considerations—will bear strongly on the monetary value assigned to the art object and, concomitantly, will dictate different reference sources and actors. Examination of context provides insight into the volatility, variability and arbitrariness of price in the contemporary Canadian art market.

Balanced against these considerations are the more obvious concrete elements of price which are established by precedent: evident supply and demand or the requisites of the marketplace and the physical characteristics specific to the individual object/work. More ambiguous, given the volatility and open-endedness inherent in the notion of contemporary art (that is, art of our time), but equally notable as mitigating other factors, is the individual work's
relation to that artist’s oeuvre and the career of that artist put into context of Canadian art, these last considerations being the purview of the art historian/critic/curator.

To generalize from the previous chapter, the buyer’s incentives in collecting derive from objectives of financial gain, status, aesthetic pleasure, and public or commercial (corporate) mandates which are screened by immediate institutional demands. The focus shifts slightly in a discussion of price, however. Although most buyers claim that purchase price is important only insofar as it be fair, in most other situations which call for appraisal or evaluation of the art object’s monetary worth, the buyer takes on importance if only because it is the buyer who instigates the appraisal. For the buyer the significance of an increase in value over purchase price is that it satisfies motives of financial gain, augmented status, and vindication of personal decision-making. The assertion by every collector interviewed (except the consultant to the Bank of Montreal) that price was of little concern when acquiring work must be balanced with Schwartz’s statement that he wanted to be assured that the work would increase in value after he had purchased it. Price does indeed take on consequence to the buyer after the work has been purchased.

Intermingled with the overriding interests and immediate purpose(s)—at-hand of the buyer, who is seen here as the major actor and impetus in the pricing process, are the interests of the individual/authority who is setting a price on the work of art. This, of course, may be the buyer, but more often, a dealer familiar with the artist’s work, the artist, him/herself, or an
independent authority who will consult with artists, dealers, auction records in order to arrive at a more or less realistic estimate of the object's worth. If the appraiser is the producer or the dealer, that individual's interests—future sales, sealing a client-dealer relationship—are best served by putting a higher price (over the original selling price) on the work in question, unless the artist is not or no longer represented by that dealer. In this case, the seller might better serve his/her interests by devaluing, or certainly not inflating, the value of the object in question—all the more reason to consult an independent appraiser.

The independent appraiser, however, is not necessarily disinterested. This individual, if hired by a collector/buyer, may have as a goal a continued relationship with the buyer. This relationship may take the form of future sales or similar evaluations, and either may be encouraged by fulfilling the buyer's objectives. While this may not alter the value placed on work drastically, it may direct the overall approach. And there may be other concerns which will colour the independent appraiser's conclusions. For example, the appraiser might have some covert stake in one artist's or group of artists' careers; s/he may simply have a general predisposition towards or specialised knowledge of one style or form; s/he may have hidden commercial affiliations. Furthermore, the manner in which the appraiser is paid could influence the values set on the work. It is not uncommon for the fee to be based on a percentage of the total value of the collection/appraisal.
There are four standard situations which demand that a value be put on an art object. Each involves a different set of actors, sources, authorities and considerations, the net result being that the value put on one object may vary drastically from context to context. Evaluation may be for: insurance purposes; sale or resale; donation to non-profit/public institutions in order to receive tax benefits; and, entry into a market. As is evident, these situations vary in the relationship they bear to an actual exchange and the relationship they may or may not have with the collector/buyer.

The most elemental situation requiring some indication of monetary value is pricing for entry into the market. In the absence of market precedence or dealer representation, the dealer/artist must gauge potential demand and ideally relate it to supply and production costs. The physical characteristics (size, medium, form) are used as a rough guide to the latter while the artist's career (if any) as seen in terms of public gallery exhibitions, collections, reviews, awards and clientele (again, if any) are seen as an indication of possible demand. All contribute to providing a basis of comparison to other artists and their pricing structure.

Insurance evaluations call for replacement values—that is, the cost of purchasing a similar work by the same artist in the event that that work were destroyed. Naturally this assumes to some extent a lack of aura or singularity to the art object. But most importantly, a market test is not necessary; retail value may be nominal.

The insurance valuation provides a milieu for several other interests to be realized beyond the immediate purpose at hand. In the case of this type of
evaluation the collector requires an appraisal by an authorized individual. For one work, the collector would normally ask the dealer (who provides this service free of charge) from whom the work was purchased, for a current fair-market evaluation which would be the current selling price of a similar work by the same artist. It would behoove the dealer both to guarantee the gallery's artists and to compliment the buyer by showing him/her to have made a wise investment; this could be demonstrated by increasing the price from the last evaluation or purchase. Generally, if an evaluation is required for a collection, the buyer/collector hires an independent agent who, as we have seen, can use the opportunity to ingratiate him/herself with the buyer (by inflating the value of favoured works) or to establish preferred schools of art, and so on.

The corporate buyer can use the insurance appraisal to justify the program to the board of directors and shareholders; the individual responsible for instigating and/or organizing the collection can use the appraisal to assure others that s/he is investing the company's money well and that his/her judgement in this area is good.

Usually the assessment by the artist's dealer for that geographic sub-market is sufficient for an insurance evaluation; if there is no dealer for the artist the appraiser must consult auction records, dealers in other geographic sub-markets and temper this with knowledge of the artist's oeuvre. As well, the physical characteristics of the work (size, medium, date and condition) will inform the final value.
Appraisal for donation by a collector to a public museum/gallery likewise rests on the fair-market value or replacement value; and the authority would consult similar sources. This type of appraisal is distinguished from the insurance evaluation by the legal considerations which now require that more than one opinion be sought:

Dealers will often provide clients with insurance valuations for a nominal sum or no charge at all. This is generally considered to be an ancillary service provided by the dealer and one of "good will."

For tax purposes, a collector should obtain at least two independent valuations. The collector should also pay a fee for these valuations so that he may properly rely upon the service provided by the dealer and be able to hold the dealer responsible for the opinion.

Because of the responsibility involved, many dealers are reluctant to place themselves and their reputations in jeopardy, and refuse to give valuations other than for insurance purposes. A dealer who gives an appraisal for income tax purposes may be questioned by the income tax authorities as to the value and how it was determined, and may later be required to testify in court. (4)

Furthermore Milrod points out that for a valuation for tax purposes by the Professional Art Dealers' Association of Canada (PADAC):

If there is more than a 10% or 15% differential, an investigation is held to determine why this has occurred. Once the matter is resolved, a certificate is issued under the letterhead of the Association. (5)

Obviously the tendency is towards consensus.

A collector might seek an evaluation before selling a work from the collection. This valuation requires the authority to be more aware of precedent—that is, of the actual market demand and location of the strong sub-markets for the artist's work. Auction records, if any, and the dealer's familiarity with the artist's pricing structure and demand for that artist's work, figure as the main sources of information for appraisal of the object.
Usually it is the dealer for the artist who is called upon both to provide an estimate for possible sale and to sell the work. The dealer is influenced by one of two considerations: in the event that a demand exists, the dealer will be anxious to encourage the sale (and his/her commission) by placing a good price on the object or by offering to buy the work outright; on the other hand, if there is little demand for that artist’s work, s/he may be reluctant to take the work back. One way to solve the dilemma (good relationship with the buyer versus trying to sell work with little demand for it) is to place a low value on the work. Obviously, though, the buyer’s interest is to get the best price for the work.

Estimates through an auction house and reserves based on estimates would be high enough to comprehend the auction house’s commission and the buyer and seller tax. On the other hand, low reserves have been found to encourage bidding and sales:

At the moment, Westbridge believes that the Canadian art market has started on a road to recovery after the bleak years of 1982 and 1983. "After the boom broke, the first thing people did was put the paintings they had bought back in the salerooms, but with high reserves," he says, "They couldn't sell them and the market dropped."

"Now auctioneers are insisting on lower reserves. People are biting the bullet and taking losses. It's an excellent time for people to upgrade their collections or start collecting seriously." (6)

As the auction house is an impersonal agent appraisers do not have an intimate knowledge of each contemporary artist's pricing structure and demand, nor overall knowledge of the oeuvre and how a work would relate to this oeuvre; thus, estimates before sales tend to be more general than those of the dealer associated with the artist.
Two aspects of context must be considered: sources of information—commercial gallery or auction; and the geographic submarkets. (See Tables 4 and 5 at the end of this chapter.)

There is often a marked contrast between dealer prices and auction record—a phenomenon which seems specific to contemporary art. For example:

At an auction, Heffel says, prices are a function of the reserve, (the minimum amount the owner will accept for the work) and the presence or absence of bidders in the crowd. "You get wild and wonderful things happening when no one else is bidding," he says.

Westbridge is the first to admit that auction prices can't be taken as the sole measure of value of art works. "On a snowy, cold, miserable night, the people who should have been there may not be there," he says. "It doesn't devalue the painting." (7)

The dealer/retail price considers aspects of production and distribution (supply) tempered with some market test, solely within the sphere of the contemporary Canadian art market while price set at auction represents demand or lack thereof in a wider context—the Canadian art market (Early Canadian, Post-Confederation, blue chip investment art, etc.). The relatively poor showing by contemporary Canadian art at auction would indicate the weakness overall and the untried nature of the contemporary Canadian art market, as well as the paucity of committed supporters (collectors) for such work.

Almost no contemporary artists sell well at auction, or indeed sell at prices anywhere near those they command in galleries. This is partly a function, as Heffel points out, of the quality of the works consigned.

In addition, "it's definitely a different clientele who buy at auction," Westbridge says, and that clientele is more interested in historic works and paintings as investments: "Currently practising artists don't appear or shouldn't appear in showrooms." (8)

Geographic sub-markets will also yield different prices, a consequence of the regionalism of demand. This regionalism, in turn, could be in part the
outcome of the role the artist is required to play in the community, the situation and the connections of the artist. (See Table 4.)

5. The evaluation procedure

Features of the artist's career and the art object, indicative abstractly of the elements of supply and demand, are considered routinely in evaluating an art work: the characteristics of the work; prices already put on the work/or the artist's pricing structure; aspects of the artist's career; and his/her overall œuvre.

The characteristics of the work divide into two aspects: the physical characteristics which affect price of all art objects globally; and the work in relation to the artist's overall career and to other aspects of art historical/critical issues. The former properties include size, medium, form and condition; the latter comprise date, content, style, form (again) and any other feature which would indicate the work's relation to the author's career and its meaning in the contemporary Canadian art historical/critical discourse.

Generally, size and price would be directly related: the larger the work, the higher the price. Certain media and forms are deemed to be major—painting and sculpture, especially—and, hence, demand higher prices. This is in part a reflection of the greater costs of production that such forms entail and in part a tradition. New additions to the list of major forms might be installation while media executed in large scale—photo-textual, drawings, for example—could carry the connotation of 'major', particularly if they are that artist's primary mode of expression. States Keene:
A brilliant pencil drawing by Picasso, for example, would be considered much less important than a finished oil which reflects his genius to an equal extent. (9)

Condition of the work will have some effect on the price but the degree to which price will be affected is dependent on the importance of the artist and the work, itself, and the value in general of the work; thus, a lithograph by a living Canadian artist in mid-career may originally have sold for $200 in 1980. If, in 1986, the print showed foxing or yellowing as a result of improper framing, it might be evaluated for insurance and auction/resale purposes as being without value. On the other hand, a sought-after rare impression by a master would retain value regardless of the condition. Following is the description and selling price of a lithograph by Odilon Redon sold at Sotheby's, June 26, 1986:

Pégase captif (2me etat) (M.102), litho, 1889, fine, delicate imp of very rare print, on chine applique, with large margins, good condition within subject part from tiny retouched spot and some faint stains, foxed in margins and on verso, glue stains along edges of sheet, 33.8x29.7cm. (13-3/8x11-3/4) S 6/26 #358
£20,000 $31,600.00 (10)

Further, an egg tempera painting by a well-known, contemporary Canadian artist, recently deceased, would command a high price despite extensive damage and retouching to the surface of the painting.

With the increased stature of an artist individual works by that artist take on varying grades of significance. The date of a work indicates stage or period of work. Works by the artist at an early phase before s/he has yet to execute what is considered to be his/her strongest or most influential art, are, as a rule, not prized—except by collections, usually museums, with scholarly intent and several other works by that artist.
Despite the more or less intrinsic quality of each work of art, in the process of placing a price on it, for whatever reason, the question of the relation the art work bears to other works by and the career of that artist, cannot be avoided. For example, an early painting (1968), 60 x 60", by one artist who is now considered to be producing his best (most desirable) work was evaluated for insurance at $6,500 in 1985. At the same time, a 60 x 120" work, painted in 1974, representative of his mature more sought-after œuvre, was valued at $45,000. Even allowing for the difference in size (3600 sq.in.; 7,200 sq.in.), the perceived desirability and period contribute greatly to the higher value being placed on one work over another. (15)

5.1 Pricing authorities and records

The established pricing structure of the artist is a palpable consideration, the assumption being that it is a prime indicator of the balance between supply and demand for that artist's work. This structure is based upon (supposedly) costs of production and market precedent and is adjusted according to events in the artist's career and availability of work. A sale of work at one price level is seen as both establishing a precedent and confirming those price levels; a prestigious exhibition (for example, an extensive one-person exhibition at a major public gallery), the artist taken on by an important commercial gallery, work being added to an important collection, all, would be sufficient reason to justify the upward global adjustment of the artist's prices. But further, the pricing structure is usually routinely adjusted upwards with the passage of time, a reflection simply of the on-going nature of the artist's career and commitment of the artist to his/her
work. The pricing structure can most easily be enforced by virtue of dealer exclusivity or some other means of strict control of supply.

For some artists a pricing structure is directly related to size and medium. Commonly this relationship is so precise as to be measured in square inches for each medium. Although this may bear some relationship to a market test--or, at least, a retail market test--applied carte blanche this method distorts the direct correspondence unless an artist has been producing homogenous work for which there has been homogenous demand over the years. Other artists have developed elaborate and arcane schemes. For example, one artist arrives at the value of his late 1960's series by multiplying the number of square inches of the painting by the difference between the current year and the year the painting was executed and then dividing by three. A more recent and more popular series follows the same formula but divides by two instead of three. This is a pricing structure that does not appear to be responsive to the market. Characteristically, the artist has a teaching job and one dealer exclusivity allows him to be independent of market demand.

The appraiser, in this case, would consult the dealer for the current selling price of the specific work or a work of similar physical, formal (style, content, imagery) characteristics executed in the same time period and temper the estimate with his/her knowledge of the dealer's reliability and of the appropriateness of the estimate to that sub-market.

These are the salient characteristics, too, when using auction records as a source of information regarding demand and prices already established for the artist's work. Here again, it is a matter of matching the work in question
with similar works that have sold at auction. Adjustment is made globally for the time of the auction. For example, prices at auction in Canada reached a record high in 1980–1981. This peak was followed by a slump for a number of years. The market has since rebounded. (11) Relying solely on auction records, the appraiser, then, would have to take these general trends into consideration.

5.2 Art historical/critical authorities and records

Finally, mediating price comprehensively are art historical/critical considerations. Put simply, in arriving at a price for a work of art, one must assess the importance of the artist and the artwork to this art discourse. Although this is an uncertain basis to estimate selling price, the position an artist occupies in relation to the art production at a particular time and place serves to justify the asking price. Of course, art history/criticism also acts to promote or advertise and differentiate the product. Again, a work of art may not be sold or sold at a high price strictly because the artist is "important" but art historical/critical claims for it do help to establish its individuality—hence scarcity—and to rationalize a high price.

In a contemporary art situation anywhere, these conditions are problematic, for the contemporary situation, by definition, cannot be historical and lacks perspective; thus the question becomes more one of context. Rather than assessing the artist's oeuvre in relation to affecting the flow of art, affecting other artists, and so on, the procedure is more given to examining what disinterested parties invested with authority have to say, in what key public collections and exhibitions the artist's work has been included
nationally and internationally, what awards the artist has received, and by whom the artist's work has been reviewed. There is a marked similarity to Wollheim's emphasis on context. The 'real life' situation and Wollheim's theoretical stance—that is, that art be institutionally (contextually) defined—converge.

The arbiters of importance, those institutionally invested with authority are, for the most part, curators in public museums, critics and art historians. In that curators/critics/art historians' collective principal concern is, by definition, the assessment of the visual art object and its relation to the art historical discourse, then obviously they are the authorities in this respect. Now, not only are they the authorities, they also hold with them the means to create the context (that is, the discourse) and the artist's career. Curators assemble exhibitions and collections which, displayed in the public forum with all the authority that the public museum connotes, then legitimate the art object, contribute to the art discourse and, as well, the curator's actions; art historians and critics, too, not only assess an artist's worth but by virtue of including an artist in a review, feature article in a reputable journal or mention in a scholarly publication, contribute to the artist's career and 'importance'. Wollheim refers to this theoretically. Monk, by way of practical example, used the case of the work of Ian Carr-Harris. These installations Monk felt to be important; therefore, he states, he effectively showed this by putting it in the **RCM** collection. (12) On another--commercial--level such attention serves to promote and differentiate an artist's œuvre (that is, the
artist's entire body of work), to disseminate information about that artist's or art school's images.

Beyond the general institutionalized role of the curator/critic/art historian, how does an individual gain authority? According to John Bentley Mays, the current curator of contemporary Canadian art at the AGO, Philip Monk, was suited to the public relations needs of the AGO: that is, the Toronto artistic community (and consequently patrons thereof) felt neglected. Monk was seen as spokesman for the cutting edge of Toronto art, having written several articles which expounded themes and concerns prevalent in Toronto art at that time:

The filling of this very important post by a young art historian closely identified with the Queen Street avant-garde, and (perhaps even more closely) with international neo-Marxist and feminist art-world positions, took most observers by surprise, and filled some with horror at the prospect.

But whatever the AGO's motives may have been in making it, the appointment was a remarkably conspicuous gesture. After years of sharp criticism by press and public for its aloofness from the active artistic community in Toronto, the AGO reached into that community (or at least one wing of it) and came up with perhaps the most controversial candidate possible.

It is too early to tell what Monk is going to do in his new job. But, with his dramatic appointment, the AGO is telling us at least this much: that the contemporary artistic values it wants to celebrate, at last, are the highly critical, theoretical and experimental ones. (13)

It could be concluded that the individual did represent the institution's need for community public relations and credibility. Such a high profile, goodwill gesture might be expected, also, to garner some private/public funding.

Now although the critic/curator/historian does not directly establish a price, they do or can legitimate price; as such, their interests in selecting as important some artists are crucial to any discussion on price. Briefly, these
interests might be summarized as financial--overtly and covertly--and careerist.

By identifying a group of artists/art trends, the curator/critic/historian takes a firm footing in Canada's art history. This, in turn, lends authority to other projects for this individual.

Monk benefitted both by helping to define a particular school and by associating himself with it. This is an example of a careerist as well as financial interest. Although financial remuneration is not huge compared to the big stakes in other fields, Monk did win himself a job and a position whereby he indirectly can bolster prices of some art objects.

Prior to the AGO post Monk was a freelance curator and critic. Monk's predecessor, David Burnett, was a professor of art history at Carleton University; then became curator of Canadian contemporary art at the AGO; and since leaving that position has pursued more closely art journalism in the contemporary Canadian art scene. These three fields are closely linked--naturally enough in a small contemporary art scene. It does allow for one person establishing, manufacturing and documenting art history and then evaluating chosen artists within that context. (Currently he is an artists' agent representing some well-known Canadian artists.)

There are covert possibilities for financial gain. Amongst the most well-known in the contemporary international scene is the example set by critic, Clement Greenberg, the proponent of 'post-painterly abstraction'; it is well-documented that, in addition to other unethical practices, Greenberg took artwork from artists in return for writing them into his art theories. It was
with the work of David Smith that Greenberg became especially notorious. Greenberg had been appointed executor of the estate of the highly-valued sculptor (valued in both senses of the word); he was caught in the act of repainting Smith's sculpture to conform to his (Greenberg's) theory. (14)

The curator/critic/historian is not a disinterested individual when it comes to assessing an artist's work but one who may select certain artists because they produce work which conforms to his/her theories, because the artist suits institutional imperatives (for example, continued public and private funding) or for personal financial interests. The net effect of this individual's actions is to affect prices of some art and artists globally upwards by establishing an artist's relative importance, justifying price, differentiating the product, and creating demand.

5.3 Examples

Some examples might illustrate the mechanics of the above. It should be borne in mind that, owing to the confidentiality in which this information was received artists will not be named. For the most part—except where noted—the examples will be of living Canadian artists.

1. One of the most straightforward of art objects to evaluate is a representative example (that is, the artist's chosen medium, of imagery and style which is identified with his/her peak period) by an artist who has both a national and international following and demand, and who has critical and curatorial acceptance. If the artist's production is limited, and in the rare event that demand exceeds supply, a steady increase in price over the years is routine. Thus we have the example of the following artist who is described by
Dennis Reid in *A Concise History of Canadian Painting* as an artist whose painting is collected avidly both in Canada and abroad. "..." and "he had a great influence on a number of his students..." (15) Furthermore, this artist has both reputable national and international dealers. His representational, figurative acrylic on canvas painting measuring 24 x 32" was purchased in 1972 in Canada for $20,000. In 1980 it was evaluated for insurance at $50,000; in 1983 at $100,000; and in 1985 at $120,000. These estimates were provided by the artist's Canadian dealer. Although it was an insurance evaluation, given the proven demand for the artist's work, this was a realistic (market-tried) estimate.

2. This artist's images are associated with a particular region of Canada but a nationwide audience exists for the work. Some of his etchings were used as illustrations for a book by a well-known Canadian author. The images are, again, representational and hence, accessible to a wide audience. The artist's chosen medium, or the medium for which he is known and for which there is quite some demand is intaglio printmaking; however he has produced watercolours. His prints in 1985 were selling for in between $1,000 and $4,200, depending on the image; thus one etching, 22 x 30" produced in an edition of 50, was evaluated in 1980 at $600; in 1982 at $1,000; in 1983 at the same value; and in 1984 at $4,200. On the other hand, an etching of similar size, edition of 35, was valued in 1980 at $800; in 1982 at $1,800; the same in 1983; but in 1984, for insurance purposes, the dealer consulted valued the work at $1,375. A watercolour, 24½ x 17½", painted in 1974, was purchased in 1974 for $350; valued at $750 in 1981; at $1,800 in 1982; and in 1985 at $2,000. There
are two points of note here: one, is the higher price placed on at least one of the etchings (the artist's major medium); and second, is the decrease in value of one of the prints. The earlier valuations came from evaluators and galleries based in Eastern Canada where this artist had built his reputation and where the collectors for his work were; for the 1985 evaluation, a Calgary dealer who was holding an exhibition of the artist's works at the time was consulted---thus the price drop could have reflected a regional demand (or lack thereof) or an estimate based on demand versus a more artificial price structure.

3. This artist built his reputation in Vancouver but now lives and teaches in Toronto. His late 1960's and early 1970's work which consisted of social commentary was influential in the Vancouver art scene. In the mid-seventies he left a major Toronto gallery and since then his recent work has not been as commercially successful. Further, despite the critical success of the early work, it seems there is little commercial (market) demand for it. The artist (who, it must be underlined, does not depend on making a living from sales) uses a rather elaborate pricing structure: for the early work he multiplies the number of square inches of the painting by the difference between the current year and the year in which the painting was produced and then divides that figure by three; for the more popular, perhaps less critically acclaimed later series he multiplies the number of square inches of the painting by the difference between the current year and the year in which the painting was produced and then divides the figure by two. One 58% x 38% painting produced in 1968 was purchased in 1971 for $600. By the artist's estimate its value in 1985 was about $12,000; the gallery's estimate was $9,000; however, given the
weakness of market demand for that work in particular and the diminished demand for the artist's work in general, the work was valued at $6,500 for insurance in 1985. A second painting, 63½ x 52½", executed in 1973 and representative of his most popular work, was purchased in 1973 for $2,800; in 1980 the work was valued at $5,500. In 1985 the insurance value was $8,000, $12,000 less than the figure the artist's pricing scheme would give. In this case, the evaluators tempered the artist/dealer estimates to reflect a more accurate picture of demand for this artist's work. Also, the fact that the artist teaches and is not dependent on sales of work to make a living might be seen in prices that do not necessarily correspond to demand as evinced by his overly elaborate pricing scheme. Moreover, gauging by the square inch, the earlier smaller painting was priced proportionately higher than the later painting which perhaps lacked the critical/historical assessment (or critically popular overt socio-political content): while it measured 2,247 square inches, the later painting measured 3,336 square inches.

4. The pricing structure of this artist poses a conundrum: his early 1950's paintings constituted a breakthrough within the Canadian art scene, are internationally renown within that school of painting, are or were influential among Canadian artists--particularly in the Montreal area--but his current work which is similar to the Fifties work is not critically pinpointed. The assessment is still continuing and the work does not have the same influence and meaning within the Canadian art discourse. In 1984-85 auction records a 31½ x 39½" painting, executed in 1960 (not a desirable period for this artist's work), show an estimate of $15,000-20,000; however, the painting was not sold.
As soon as one painting is sold at a higher level, though, it sets a precedent. As well, the purchaser has a stake in safeguarding his/her investment by maintaining the higher price. The painting in question was painted in 1952 and measures 79 x 110". It is a good example of work from this artist's most desirable period. It was purchased in New York in 1964 for $20,000; was evaluated for insurance in 1970 at $25,000; in 1980, at $130,000; in 1983 at $250,000; and finally, in 1985 at $275,000. In 1985 the possible range was $275,000 to $325,000: a similar painting was sold for $275,000, thereby setting precedent; and another painting (more recent) was up for sale at $325,000. The dealer may ask such a price but until there has been a market test of this sort, any price is hypothetical. When it is confirmed through purchase, this legitimizes and sets new price levels. It should be stressed that at this level collectors and dealers do have an interest in supporting these prices.

5. The pattern of price increases for three paintings by a Toronto artist demonstrate the choreography of collector, public institution, curatorial and dealer interests. This artist (who died recently) combined sanction by the curatorial/critical sector with commercial success. For several years now his trademark paintings have been colourful and highly abstracted landscapes. He held a long-standing relationship with a commercial gallery in Toronto. Between 1972 and 1984 the Art Bank purchased twenty-three major paintings from this artist and in the twelve-year period between 1970 and 1982 he received four Senior Arts Grants from the Canada Council. In 1980-81, apparently one private collector purchased several paintings by this artist, as well. And in 1982 the AGO held a major retrospective of this artist's work.
Although the AGO did not receive special funding for the exhibition, it did receive for that exhibition year (1982-83) $250,000 towards the preparation of exhibitions which were approved by the Council. (16) The two main lenders to the exhibition were the Canada Council Art Bank and the artist's dealer. According to the dealer, price increases in 1980 and 1981 were based on the major exhibition. Also, an incentive and/or prerequisite for a bulk sale might be a price increase. It is not inconceivable that a sale of several paintings at once might be made conditional on the dealer/artist raising the prices of the artist's work substantially; in this case, a major exhibition at a major public gallery would contribute to or legitimize a hefty price increase.

A painting executed in 1967, 60 x 48", oil on canvas, which was exhibited in the AGO show, was purchased in 1968 for $750; in 1980 its value had increased to $4,500; and in 1983 it was valued by the gallery at $14,000. In 1985 the evaluators chose not to increase the price. Another 1967 painting, 40 x 32", was sold in 1968 for $450; in 1980 valued at $2,500; in 1981 at $3,800; and in 1983 at $9,000. The appraisers in 1985 felt that this was unrealistic (that is, if the painting were put on the market at the time, it would not reach that asking price) and hence, valued it at $7,500. As an indication of the artist's mid-1970's prices, a 1974 oil on canvas measuring 52 x 47" sold in 1979 for $4,800; in 1980 there was no change in its value for insurance purposes but in 1982 the dealer valued it at $8,000. In 1983 its value increased again to $8,500 and finally in 1985 it was appraised at $11,000. The 1985 evaluations were all made by independent evaluators who used as their
primary source the dealer but tempered this information with knowledge of the
dealer and the market.

Quite obviously the artist's prices increased drastically at the time of
the hypothetical bulk purchase and shortly after the 1982 exhibition. Both
major lenders to the exhibition—the artist's gallery and the Art Bank—stood
to benefit tangibly and through the authority that such an exhibition confers.
And one of the major lenders, the Canada Council, also held a degree of power
over the AGO's exhibition schedule—that is, the means by which these benefits
were brought about. The private buyer, too, gained in having his/her taste
legitimated; the increased value of his/her collection (increased value, on
paper at least); and through the bulk purchase in having a degree of control
over supply.

6. Summary

This chapter has demonstrated the extent to which structural
considerations edit art which is bought and sold in the contemporary Canadian
art market. Structural considerations admit to the market certain kinds of
visual art objects, help establish as desirable certain works of art and
determine the level of support to certain kinds of art—that art which mirrors
buyers' interests, especially in a market characterized by concentration among
buyers.

This structure is reflected in the price of visual art objects. Three
points emerge with respect to price. First, is the subjectivity inherent in the
pricing process—evaluators could temper dealer price quotes with their own
knowledge of the art, artist and market. The real test, however, ostensibly is
the market test. A sale of an art object establishes a level for prices of similar works by that artist. This in turn reflects the power of the buyer; the dealer or artist can ask any price s/he wants to but, until the work is sold for that price, it is merely hypothetical. The market test, however, itself is an artificial one. It does not represent the open bidding of buyers and sellers engaged in an on-going process. Price often bears no relation to supply and demand for a given object or set of objects. Ostensible supply and demand are easily manipulated by means of control of the artist's output by the distributor (exclusivity) and/or a buyer (bulk buying or consistent purchase).

While one sale at one price level sets or confirms a price level, it is by no means an indication of consistent demand for the artist's work. A work of art may sell through a gallery for a retail price based to a greater extent on production/distribution costs. This sale supposedly confirms demand and establishes precedent; however, were this work to come up in a larger frame, for example, at auction—as sometimes is the case—unless the artist, dealer or concerned collector steps in to bid the price up (a common practice), the work may not sell or may sell for considerably less than the retail price. This test is subject to further manipulation. Sales at auction can be influenced by dealer rings and buyer-dealer agreements are possible. These new price levels are then justified for the public face by non-market activities usually bearing little relation to supply and demand.

And finally, price is often justified on the basis of the role of the art/artist plays in the art historical/curatorial/critical context. As Innis remarks:
The effectiveness of the price system within the state is evident in the attempts to reinforce pecuniary by political values. The successful politician is precluded from policies which indicate class or self-interest but he is successful in so far as he succeeds in enlisting the support of the price system. (17)

Here one might substitute 'artistic' for 'political' and 'artist' for 'politician'.

This context is largely created and controlled by one of the main groups of buyers, the public sector.

Furthermore, use value, as established by art historical/contextual considerations does not always parallel exchange value. On the other hand, use value can be and often is used to legitimate exchange value. This confers those most closely involved with the means by which use value is estimated with an element of power.

7. Analysis

Ideally the price mechanism "serves to co-ordinate activities within an economy, regulating supply and demand and directing economic energies to areas where it is most profitably employed." In other words, price should stimulate the most efficient supply of consumer demands. In translating this into analysis of the selective tradition operative in the art market and its application to public policy two key questions arise: does price stimulate art production; and does price provide access to the widest possible population.

This chapter has shown that price in the contemporary Canadian art market is a faulty mechanism at best: it is not always directly related to an exchange, nor supply and demand, nor is it a mechanism for optimum resource allocation. Meanings vary according to the context or the role the artwork plays in relation to the buyers not to the producers.
The fact that during the seventies the number of distributors, the number of public and corporate buyers and the number of producers increased greatly would indicate that higher prices or a wider market does invite producers to enter. Nevertheless, we must look at the other side of the coin: does a drop in the level of interest by buyers and distributors discourage artists from producing work? To a certain degree Chapter III demonstrates that the price mechanism does deter artists from entering—or, more particularly, surviving—in the market. But producers may subsidize their production by taking other jobs and at the same time continue to produce artwork. This gives them less time to produce and develop their work so price—specifically the higher prices of other artists—does act as a barrier to entry into the market; however, the price mechanism is not a particularly accurate one. This chapter has shown that a fall in the demand for an artist's work is not followed by a drop in the retail price of the work. Price in this market is not the traditional competitive weapon it is in other markets.

Furthermore, according to most buyers interviewed, price had little effect on their decisions except in a global manner—that is, the price had to fall within the general price range of the budget of the buyer. Pricing strategies in which lower prices can attract buyers away from other sellers, for example, simply are not pertinent. Price might attract buyers if it symbolizes some kind of exclusivity or prestige or if it signifies the potential for investment. While a $200 lithograph may be in many individual's reach, a $10,000 painting is not; and a 20% increase in price over five years is a gain of $40 for the print but $2,000 for the painting.
Does the price mechanism act to provide access to the widest possible population? This chapter has demonstrated that the mechanism, as it is currently structured, does not serve to provide access to contemporary Canadian art to the widest possible population. Pricing and non-pricing strategies alike are aimed at making a price less competitive: they aim at increasing price rather than extending market. Once the buyer has purchased the work, it is in that buyer's interests (especially the private and public collector) to continue to invest in more work by that artist to 'back' that original investment. As well, it is in the interests of buyers with objectives of investment to purchase a work which is endorsed by a group of buyers. Buyers with similar objectives and with the ability to act over the long term do purchase similar work—in essence, adding to the investment value of that work.

Moreover, it is neither the intent nor effect of promotional activities to advertise the artist to new audiences; it is to create a strongly differentiated product by demonstrating some artwork's value-in-use (art historical/contextual considerations). The tendency is to direct energies towards artwork for which a demand already exists rather than searching out new work. Institutions—public or otherwise—engaged in promotion or product differentiation in the visual arts may not meaningfully educate new audiences or potential buyers but may create within an art-buying public a new trend for acquisitions.

Simply put, price is based on criteria which are subjective and subject to manipulation and demand which is not always proven; it bears little relation
to supply or production costs and varies according to sub-market and context based on buyers' interests. It does not invite new buyers, except, perhaps, for speculative reasons. This leads us to two key questions in the final chapter: given this volatility and variability, what significance does this have for resource allocation and how does it operate within the selective tradition?
### Table 4

Comparison of Estimated Selling Prices: Montreal and Toronto

<table>
<thead>
<tr>
<th>Painting</th>
<th>Montreal</th>
<th>Toronto</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3,000</td>
<td>5,500</td>
</tr>
<tr>
<td>B</td>
<td>8,000</td>
<td>16,000</td>
</tr>
<tr>
<td>C</td>
<td>9,000</td>
<td>50,000</td>
</tr>
<tr>
<td>D</td>
<td>6,000</td>
<td>30,000</td>
</tr>
<tr>
<td>E</td>
<td>8,000</td>
<td>22,000</td>
</tr>
</tbody>
</table>
Table 5

Comparisons of Prices at Auction and Retail Prices

1. Silkscreen
   - Purchased in 1972: 175
   - Sold at auction, 1977: 200
   - Retail price, 1981: 1,000
   - Retail price, 1983: 2,000

2. Painting A, 40 x 26"
   - Purchased in 1977: 500
   - Retail price, 1980: 900
   - Similar painting (same size, series) sold at auction, 1980: 600

3. Painting B, 24 x 36"
   - Purchased in 1963: 350
   - Retail price, 1980: 2,250
   - Similar painting (same medium, size: 30 x 40"), sold at auction, Nov. 1979: 600

4. Painting C, 22 x 30"
   - Retail price, 1980: 1,750
   - Similar painting (same medium, size: 40 x 60"), sold at auction, May 1980: 650
Notes:


3. For example, the Canada Council Art Bank stopped purchasing art for its collection for a period of time in the early 1980's.


7. Ibid.

8. Ibid.


CHAPTER XI
Conclusions: Structure and Selectivity; Implications for Government Policy

This chapter will briefly recapitulate the central points of each chapter and the model and then analyze the findings to ascertain the implications the findings have first for the selective tradition and second for public policy.

1. General Background

The governing question in this thesis has been: is the institutional structure surrounding and supporting the production, distribution and consumption--that is, the communication--of the visual art object related to selectivity and if so, how. The operative question is: how does the institutional structure related to the exchange process affect the process at the level of seller/buyer. The research has sought to answer this question by a close investigation of the process whereby an art object reaches the level of exchange at buyer/seller and a close investigation into the components of demand and price. Price has been seen as integral to the analysis because it supposedly reflects aspects of supply and, more importantly, demand. Further, it is the mechanism, however faulty, which allocates resources and, thus, is a mechanism of selection.

Now in Chapter II it was shown that the product itself predisposed any model investigating the market towards an emphasis on demand; because art is considered a luxury item, the pattern is that the onus is on the distributor to create demand. Second, this chapter pointed out that even at this very basic level some visual art objects would be admitted easily to a market situation while others--for example, large edition multiple works, undocumented
performance, temporary installation, etc.--were not as easily adapted to a market process. Third, the lack of an agreed-upon definition, role and criteria for assessment gives power to those authorities--curators, critics, some academics, and so on--whose job it is to create and disseminate information about the visual arts.

Chapter III reviewed the supply and distribution side of the exchange process. It was shown, amongst other things, that by the time an art object reached the level of exchange it had been screened--that is, not all visual art objects reached that level. This is related to the high barriers to entry which must be overcome by the distributor. The distributor is interested in art s/he can sell as expeditiously as possible. This is art for which demand already exists. In other words, it is art which has been strongly promoted already, strongly differentiated and/or which is endorsed/ backed by a major buyer.

Chapters IV to IX investigated the structure of demand by analyzing the buying practices of three sectors: the private individual, the corporation and the public institution. Here it was found that individual institutions within each of these sectors do buy art in a similar manner to the other institutions within that sector. Interests are strongly related to the kind of art that is purchased. Furthermore, the public sector has the means to create and disseminate the information which other buyers refer to in order to become aware of the kind of art that is being produced, in making decisions about purchases and in justifying purchases. As well, in the case of donations and tax benefits the public institutions have certain legislated means to sway other buyers.
Chapter X revealed the dynamics of the exchange process—that is, what effect the institutional structure actually has on the exchange process and, in the end, what the implications are for resource allocation. Here it was seen that price often bears little relation to supply and demand and that product differentiation and promotion are integral components of price. As a result information generation and dissemination are important facets of this mechanism of resource allocation. And further, rather than providing access to a wide population, pricing and non-pricing strategies alike are aimed at increasing price instead of attracting new buyers. In the end these strategies reinforce the status quo, however experimental the artwork might seem.

2. Structure and selectivity

Quite simply, the institutional structure surrounding the production, distribution and consumption of the visual arts does act to select art through resource allocation. Moreover, it has been demonstrated that resource allocation not only encourages the producer and production but ironically the exchange process/price legitimizes the information power structure.

Now, actors integral to promotion or product differentiation or who have some power in these areas (for example, the public buyer) assume a great deal of importance; consequently artwork which conforms to their institutional and individual interests presumably will take precedence. It might be conjectured that artwork about which relatively little has been said or is 'new' and 'different' offers potential to those acting out of careerist motivation.

Likewise, three qualities would predispose some artwork (which evinced these qualities) over others to this exchange process characterised by
promotional activities and structured to suit buyer interests. First is artwork which lends itself to the commodity function: some suggestions for this are that the work be pronouncedly unique in form and style (strongly differentiated), durable and has traditional or widely understood qualities which indicate power (size, painting or sculpture, realism of style, valuable materials and accessories). (1) Or it is work which is new to the audience in that market and whose attributes are novel enough that no traditional criteria or current criteria apply; hence, there exists a great deal of latitude for interpretation, promotion and other activities associated with product differentiation. Or work by an artist whose work has been heavily invested in by one buyer or several will be attractive to buyers with a strong financial interest.

Of more concern to a discussion of the selective tradition is that art/artists whose work functions or is seen to function to suit buyers' interests will sell and increase in value. In the exchange process this influences the selection of art at two levels: at the level of distributor/seller who must make a decision regarding what artists s/he will exhibit and advise buyers to purchase; and then of the buyer.

Now, this is a beneficial situation for some artists and guarantees that they and their work will survive. On the other hand, other artwork/artists who do not represent buyers' or the dominant and immediate art historical/critical interests will not survive unless the artists subsidize themselves (at the risk that the artist's ability to compete in a non-market or market situation is impeded). In a market governed by one buyer or characterized by buyer
concentration, resources will be allocated to art which conforms to that buyer's or those buyers' needs.

It is an easy step from there to see how this 'art' can become the dominant art form. Buyers, having purchased the work, ensure by initiating subsequent pricing activities (insurance, donation and so on) that price levels increase and by promoting that artist's work (influencing friends, supporting prices). Future resources and energies will be directed towards rationalizing the choice by increasing the price levels which are often based on career or promotional activities including critical evaluation and preservation in public museum collections. This also serves to create desirability in other collectors' eyes.

In summary, the structural characteristics of the exchange process have profound implications for a selective tradition. The analysis of price offers a means to assess what those characteristics are, how they operate and what relative weight each carries in influencing the process and consequently the selective tradition.

3. Analysis of Canadian federal government policy

Canadian federal government policy is aimed primarily at aiding the producers and educating the public—loosely translated into creating and disseminating information about some Canadian artists—about the visual arts in Canada, the main agent of this policy being the Canada Council. Other agents of policy in the visual arts in Canada are: the Department of External Affairs, National Museums Canada and the Department of Communications (which administers the Cultural Property Export and Import Act). What follows is a
brief summary (based on information in the preceding chapters) of federal government policy in the visual arts as it impinges on the market.

As was shown in Chapters III and VIII (Art Bank) the policy of the Canada Council as regards the visual arts is direct aid to producers, and then information-creating and -disseminating institutions: public museums and galleries, artist-run galleries, journals and so on. To a very minor degree some buyers in the public sector receive aid to purchase works.

Artists may receive grant aid from the Arts Awards services. Artists in receipt of 'A' or 'B' grants do not have to submit reports or exhibit work at the end of tenure. This indicates that the aid is aimed directly at production. The Art Bank seems to purchase work produced by the artist during the grant period or shortly thereafter but this may be coincidental. Promotion and travel grants help finance the exhibition and the production of work so this is a direct intervention in the market at the level of artist/producer and to some extent at the level of distribution (promotion).

The Art Bank was devised primarily to help artists by purchasing their work and as Kirby noted in Chapter VIII, he hoped that it would allow artists to charge a realistic price for their work—that is, related to all the costs of production. As well, the Art Bank hoped to aid distributor by purchasing work through commercial galleries wherever possible. However, there is the inescapable tendency to undercut distributors: an artist can submit work himself/herself and not have to pay the dealer's commission. As noted earlier, too, with the exception of a few artists, this type of sporadic purchase does not offer the long-term support which is most conducive to sustained
development of artwork. The Art Bank, as well, gives a modicum of support to some buyers through the Special Purchase Assistance Program. This allows some public galleries to acquire work.

Finally, the Visual Arts Section provides special funding for exhibitions to public galleries and operating grants for artist-run galleries and other specialized institutions. In that these institutions are all involved in the creation and dissemination of information about contemporary art and artists they are instruments of product differentiation and promotion, integral to survival in this market. Thus, indirectly buyers and distributors receive some aid. There are strings attached, however. First, instead of annual operating grants which cover a gallery’s programme of activities for a year, these institutions must apply for special aid for each exhibition. Each application is vetted individually. The obvious danger is that of centralized control—that is, that this does not encourage diversity but is yet another means to control what is seen and exhibited. And second, (as Chapter X demonstrates) there is a danger that the public museum is not a disinterested party in the market: the public sector comprises the major group of buyers of contemporary Canadian art. Further not only does the institution as a whole have a stake in the increasing value of its collection—for reasons of financial accountability and legitimation—but the individuals within the institution may have careerist and/or financial reasons for seeing certain artworks exhibited.

Chapters IV to IX describe the various benefits which may accrue to private and corporate buyers under certain provisions set forth in the Cultural Property Export and Import Act and the Income Tax Act. These acts encourage
buyers to painlessly build up museum collections so, in some respects, this method of intervention supports private, corporate and public buyers. The Income Tax Act also gives tax concessions for artwork acquired by businesses as part of the office decoration or for marketing/promotional purposes.

The third prong of federal government intervention in the visual arts is through the National Gallery which collects and exhibits the work of contemporary Canadian artists.

The Department of External Affairs co-operates with the Canada Council to exhibit abroad the work of contemporary Canadian artists. One of the most evident on-going incarnations of this type of effort is the 49th Parallel (gallery) in New York—a public exhibition space which occupies very prestigious quarters in one of New York's active gallery districts. Within the last few months of 1989 administration of the gallery has been given over to the Professional Art Dealers Association of Canada (PADA), although the new director/curator is Glen Cummings, former director of the Art Gallery of Hamilton. The Department of External Affairs also now will contribute some funds for dealers to exhibit at international trade fairs or art fairs. For example, in 1987 the visual arts promotion division of External Affairs contributed a total of $25,000 to two galleries to exhibit at the Cologne Art Fair. Costs to the galleries to participate in this art fair (including rental of booths and transportation of artwork to Germany) was approximately $30,000 each. (2)

Now, what becomes apparent from this brief overview of federal policy for the visual arts as it affects the contemporary visual arts market in Canada is
that it is most clearly directed towards intervening at the level of producers. Furthermore, policy is directed towards the supposedly disinterested non-market actors concerned with the exhibition and assessment of contemporary Canadian artwork. It has been demonstrated, though, that these actors do indeed have a stake in the market; they do purchase art over the long-term and as a group with common interests and both formal and informal liaisons. Moreover, they do function as agents of product differentiation and promotion. We have seen that private, corporate and public buyers consistently do become aware of new art and trends through and do consider the assessment of public galleries, museums and journals.

Second, government policy seems largely to overlook the level of distribution—ignoring possibilities both to strengthen these distributors as an industry within Canada through financial aid or to regulate their business practices. Chapter III shows that the greatest challenge distributors face is the high barriers to entry stemming from product differentiation and promotion. While it may be argued that the non-market sector provides considerable help in these areas through public gallery exhibitions and so on, this non-market sector also has interests in the market, and as Chapters V to IX have stressed, a decided pattern to their acquisitions of contemporary Canadian art. In other words, this sector does not act globally but selectively.

The inescapable tendency would be for the public sector to work towards establishing art and artists which it was purchasing, art, which it has been demonstrated, represents that group's specific collective and individual
interests—not those of the corporate or private sector, nor for that matter, of artist/producers as a whole.

A spin-off is that the public sector acts as a leader or trend-setter. Distributors are subtly encouraged to exhibit artists' work which the public sector has already promoted or is actively promoting as a method of bypassing the barriers which distributors face. The peculiar result is that these distributors may concentrate efforts on selling work to the public sector. In a small market all buyers are necessary. Over the long term these galleries face problems because they have been encouraged to enter a very small sub-market.

Moreover, a weak distribution system is even more reliant on product differentiation and non-pricing strategies which, as market studies have shown elsewhere, is an unhealthy situation in any industry and certainly does not stimulate the production, distribution and support of the full and diverse range of contemporary Canadian visual art practice. In the end it is a particularly damaging situation for the artist/producer, the very interest which federal policy claims to be helping.

There is a marked correspondance with industrial studies of market structure. The products of industries which rely heavily on product differentiation, tend to undergo numerous superficial stylistic changes. (3) Furthermore, Shepherd found that: "high prices, waste, resource misallocation, and income redistribution are the consequences of excessive product differentiation." (4) What this means to resource allocation for the visual arts is that, while the market in the visual arts is based ostensibly on the product and the producer, there is comparatively little of the revenue from a
sale returned to the producer in order to cover costs of production and a disproportionate amount which goes to bodies which are concerned with promotion and product differentiation and to production time which focuses on superficial revision. This has been found elsewhere. Buchloh notes that Hans Haacke's artwork deals with just this problem:

His work is based on the idea that cultural production and reception have increasingly become subjected to relations and interests of power operating outside of the producer's control. Furthermore, Haacke sees the esthetic construct as primarily constituted by the political associations of high cultural institutions as well as by the ideological usages of high cultural representations. For him, artistic production in our society also has an inescapable dialectic relationship with those mass-cultural formations that govern collective perception (many of his works embrace the commodity esthetic of contemporary advertising and its primary role as the service industry of dominant ideology and state power, and also reflect upon high art's proximity to these practices). (5)

4. Implications for policy and suggestions for further research

Briefly, the market for contemporary Canadian art is characterized by a weak distribution system, a fairly strong group of corporate buyers, and a public sector which has conflicting interests as both the major buyer and the main agent of information-production and dissemination.

In situations characterized by oligopoly or monopoly power Galbraith has championed government intervention in industrial markets at the level of buyer as a countervailing power. (6) In the exchange process for the visual arts there is a strong case for a countervailing power to offset the effects of buyer concentration. It has been seen that buyers do purchase according to very specific interests—for example, decoration. It might be suggested that a corporate collection would be interested in two-dimensional, relatively decorative and inexpensive works that are not, by style, colour or content, too
intrusive in the business/work atmosphere. The corporate collection examined in this analysis showed a strong predisposition to two-dimensional, quite inexpensive works on paper. This pattern of collecting for the most part excludes more experimental forms such as installation, performance art, artists' books and so on. If the corporate buyer were sufficiently dominant, by virtue of concentration or concentration of interests, then it would be expected that resources would be allocated to the promotion, purchase and preservation of art that fit the above requirements. A state buyer to offset the predominance of one kind of buyer in this case is welcome.

On the other hand, a situation where the state and partially publicly-funded institutions are major buyers and where the state and these institutions have the means to promote or are integral to promotion and product differentiation will encourage forcefully art and art forms which serve those bureaucratic interests. Moreover, the arts occupy a minor place in the state's agenda with the result being that there is little call for accountability. This confers a good deal of power upon the individuals effecting aspects of state and public museum policy and considerable leeway to pursue individual objectives.

What little information is available would indicate that the system of public art museums (funded by public and private funds), the National Gallery and the Art Bank—that is, the institutions sufficiently linked by common funding bodies and institutional mandate—and corporate buyers spend equally on contemporary Canadian visual art. The public buyer, though, has greater power through its centrality to promotion and product differentiation.
The Art Bank currently seems to collect art in an archival—that is, heterogenous—manner; the collection does seem to comprise emerging and experimental forms as well as the more traditional. One collection like this, with an archival rather than a selective mandate, especially with its large annual acquisitions budget and recent efforts to represent the regions, might be sufficient if it were made available to regional public art galleries. Public galleries might be encouraged by means of seed funding from the Canada Council to resume a museum role—that is, a keeper, rather than a maker of the region's/nation's history. Relying on the Art Bank to collect contemporary Canadian art representatively, public galleries then could collect art retrospectively or confine themselves only to exhibiting works. Further, policy could be directed towards strengthening the position of the Canadian Museums Association which in turn could co-ordinate the collection policies of its members. This association could support specialist collections amongst its members to ensure that the full richness of contemporary Canadian visual arts practice would be represented and preserved.

Government policy at the same time could be directed towards encouraging the private buyer and distributors/sellers. The private buyer often has a long-term interest in collecting but has several reasons for collecting and diverse tastes. While there is some pressure on this group to act in concert (through tax concessions for donations, peer pressure, commercial galleries), the overall co-ordination to the extent seen in the corporate or public sectors is not possible or apparent. If the other two sectors predominate to such a degree over such a length of time, the situation could evolve where commercial dealers
represent primarily artists who conform to the corporate or public sector's interests; this would narrow the artwork available for viewing or purchase. Policy should consider the full range of incentives which motivate individuals to collect art—that is, incentives beyond the purely financial. Further study of the private collectors, their incentives and their collections is needed to justify this position.

Government intervention aimed at strengthening the position of the dealers/distribution system would have to be designed sensitively to allow the dealer to participate but not participate unrealistically or unethically. For example, diminishing grants to galleries could be made to help the dealer overcome the barriers of product differentiation but these grants should be made contingent on efficient and ethical business practice: the gallery paying the artist commissions and fees on time; contracts between gallery and artist; a sound financial strategy; and so on. The intent of these grants would be to allow galleries to overcome the problems associated with product differentiation by developing and educating a clientele without placing undue pressure on artists to conform to buyer taste. This takes time; thus diminishing grants to commercial galleries are recommended over one-time awards. This special programme of grants might be better administered by a committee which is comprised mainly of business people who are aware of the peculiar nature of the visual arts market in Canada rather than arts administrators and other individuals who have vested interests but little idea of standard business practice.
5. Conclusion

This thesis has been based on the premise that a selective tradition does operate by means of the distribution of visual arts objects in a market system. This obviously has important implications for visual arts practice both at present and in the future. A strong selective tradition denies alternative yet equally valid practices and suppresses opportunities for the production and enjoyment of a rich visual culture. In order to encourage the fullest expression and understanding of our visual culture, government policy must realistically and sensitively assess the whole of the existing structure and the dynamics of the distribution/communication system for the visual arts and based on this assessment formulate a plan of action which does indeed encourage a diversity of artistic creation and a wide appreciation of the visual arts amongst the Canadian public. To date, however, it would appear that government policy has by-passed three important features of the market as a communication and distribution system for the visual arts. First, it has ignored the fact that the market is a communication system for the visual arts which must be strong at all levels. Policy is directed primarily towards sporadic and selective financial aid to producers, information production and dissemination, and provision of mild financial incentives to buyers. Second, in trying to induce buyers to purchase it does not overtly recognize that buyers purchase art for reasons other than financial--just as it does not recognize that the agents of the public institutions as buyers may have their own interests. And third, it has turned a blind eye to the fact that information does have a market role and is firmly embedded in the mechanism of resource
allocation. For this reason the public bodies responsible for information creation and dissemination should be dissociated to as great an extent as possible from any role in the contemporary art market and the public sector institutions should be encouraged to be as eclectic as is justifiably possible in their representation of contemporary visual arts practice in Canada.

Notes:

1. See, for example, Harold A. Innis' discussion in Industrialism and Cultural Values, chap. in The Bias of Communication (Toronto: University of Toronto Press, 1951), 133.

2. Linda Genereux, Canada at Cologne, Canadian Art, Spring 1988, 15-16.


SOURCES CONSULTED

Monographs:


---


Reports, Annual Reports and Conference Proceedings:


Canada, 1982.


Report to the Honourable Susan Fish, the Minister of Citizenship and Culture, by the Special Committee for the Arts. By Robert W. Macaulay, Chairman. Toronto: 1984.


Articles in Magazines, Journals and Newspapers:


Balfour Bowen, Lisa. And so to Bid: The High-stakes World of Canada's Art Auctioneers. Canadian Art, Spring 1987, 72-79, 82.

Baron, Linda M. Corporate Art Comes out of the Closet. USAir, December 1986, 14.


________. Despite the hype, the Art World Is No Place to Get Rich Quick. Globe and Mail, 1 March 1986, D1, D17.


Carr Harris, Ian. Canadian Art, Spring 1988, 88.


Hunter, Martin. Decking the Halls: How the Group of Seven and Their Patrons Shaped the Art Collection at the University of Toronto's Hart House. Canadian Art, Fall 1987, 78-85.

International Auction Review. Print Collector's Newsletter 17 (September/October 1986): 150-152.


_____. Longstaffe's Legacy: ... and the Art of Giving in Return for Getting. The Sun, 12 January 1985, C2.


Interviews by author:


Art Gallery of Ontario—Sources Consulted (Written):


Canada Council Art Bank—Sources Consulted (Written):


National Gallery of Canada—Sources Consulted (Written):


