***Brief to the Cultural Policy Review Committee,* August, 1981. by David McQueen**

This essay was written by Professor David McQueen, who had been appointed to the Glendon faculty in 1969 by Principal Escott Reid as full professor and Chair of the Economics Department. He had previously served in Ottawa as assistant chief of research with the Bank of Canada, and as vice-chairman with the Economic Council of Canada. From the 1950s through the 1980s he wrote a number of articles and chapters that ranged over various aspects of economic analysis and public policy. In 1975 he became the third Principal of Glendon College and served in that office until 1980.

Professor McQueen wrote this essay in the following year, 1981, as a Brief to be presented to the Federal Cultural Policy Review Committee, which had been established by the federal government in 1980. The final report of this committee in 1982 came to be known as the *Applebaum-Hebert Report*, after the names of its co-chairs – Louis Applebaum and Jacques Hebert. Their report was the first formal investigation into the state of Canadian culture since the report of the commission chaired by Vincent Massey in 1951, which had led to the foundation of the Canada Council in 1957.

The essay indicates a sensitve awareness of the historical context in 1981, and a breadth of insight into current forms of cultural expression that goes well beyond the discipline of Economics. It is preserved and presented here because it was never formally presented as a Brief to the Applebaum-Hebert committee.

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The Canada Council **Conseil des Arts du Canada**

27

May 29, 1981

Mr. David McQueen,
R.R. #4
Uxbridge, Ontario
KOC IKO

Dear Mr. McQueen:

Will you mind hearing from someone you do not know but who has just read your extraordinary submission to the Applebaum Committee and wants to tell you how marvellous it is. I have read many - too many perhaps - of the briefs submitted to the Committee but none I have read surpasses yours in depth and intelligence.

I really wish you had requested to be heard by the Committee, since by that means your brief would have had wider circulation. In any case, I trust you won't mind that several copies are roaming the Council offices.
(I am enclosing a copy of our brief, in case you've not seen it, and a recent paper given by Tim Porteous on some of the questions you raise.)

Sincerely yours,

Jocelyn Harvey

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Senior Writer
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A-level

Note re: Brief to the Federal Cultural Policy Review Committee

I think this piece is the best of all the items in the collection. It was written in response to a call for briefs, issued in printed form as Speaking of Our Culture by the Federal Cultltural Policy Review Committee, otherwise known as the Applebaum/Hebert or "Applebert" Committee. It was never published; its length and style caused it to fall between two stools and be unsuitable for either an article or a book. It is really an essay.

If ever a compendium of my work is published, this might be the opening piece, and the compendium might be entitled, Essays on the Economics of Culture and Other Topics.

There is overlap between this particular piece and two other items in the collection: "Cultural Policy and the State", and the longish comment on Stephen Globerman's, "Canadian Culture -- Can We Eever Have Enough?". At the same time, these additional pieces do say some things not said in the Applebert brief, so that parts of them, at least, might be tacked on to the latter.

DMC

A A-level

August 1981

BRIEF TO THE FEDERAL CULTURAL POLICY REVIEW COMMITTEE T

By David McQueen,
Professor of Economics,
Glendon College of York
University.*
1981

This brief is motivated by the provocativeness and pertinence of some of the questions posed in your Committee's document, Speaking of our Culture.* They called to mind some issues in the financial support of culture by democratic governments that have long bothered me in my role as a professional economist who has also done stints of duty as a university administrator in the liberal arts, and as a member of the board of a small art gallery.

I have not fully resolved any of these issues, but I thought that my ruminations about them, together with some attempts to apply my economist's line of thinking to some of your own specific questions, might prove modestly helpful to you.

While I fully realize that culture as you define it receives some of its support from the commercial market, from private donors, and from amateurs who donate their own time, it is support through government with which I am primarily concerned here. It is here that the most difficult issues seem to me to lie.

I have no difficulty in accepting that government support of culture is desirable. While it may come as a surprise

Ottawa: Supply & Services, 1981.

~~* Address for 1980-81: RR #4, UXBRIDGE, Ont. L0C-1K0, tel. 416-649-5276 (from Toronto 1-649-5276)~~

* Federal Cultural Policy Review Committee, Speaking of Our Culture,

to people who have grown used to hearing contemporary economists, whether real or merely self-styled, denounce government and extol "the market", economic theory is in fact quite rich in thoughtful justifications for some measure of government support for culture. Some of these justifications are reviewed briefly in a later part of this submission.

But what these justifications unfortunately do not do is to provide any sort of measurement metric and accountability structure. How much government support? To which cultural activities? According to what priorities and scheme of evaluation (both before and after the expenditure)? The economics textbooks, after much learned analysis, typically turn these matters over to "the political process"* which we may assume to include, inter alia, the whole apparatus of ongoing Cabinet and Treasury Board attempts to maintain some kind of rational control over all manner of government outlays.

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* To be fair, the more recent economics textbooks do not just leave it at that, but go on to say many revealing and useful things about the play of various particular economic interests upon the political process. But they do not (because they cannot, at this stage) provide operational answers to the kinds of question posed in the paragraph above.

Most people who have ever had to think about these matters are probably like myself in that they never lose a certain sense of lèse-majesté when they address the economics of culture. Quite properly, one is rarely without some sense of the grotesque, of the madly disproportionate, when one tries to think about bookkeeping in relation to such overwhelming experiences as Beethoven's Ninth Symphony. Yet, obviously, somebody must make these accounting and financial-control decisions. What worries me is that too many of them will, by default, be made by people indeed acting as little more than bookkeepers, in the sense that their primary concern is to react to public criticism of widespread government profligacy by establishing a new, high-profile, standardized scheme (son of "management by objectives", and grandson of "planned and programmed budgeting") for the control of government expenditure.

Not control of government expenditure per se, but the standardization of means for achieving it, without sufficient regard to the special nature of what is to be controlled in particular areas such as cultural support, is the evil to be feared. Of course cultural expenditure, like all other government expenditure, must be controlled. But if the bookkeepers are given too predominant a say in exactly how it is to be controlled, they will end up, de facto, redefining the objectives and making over the policy. This is all the more

likely to occur where policy objectives have been weakly defined in the first place -- a condition which casual empiricism suggests may be more common in federal cultural policy today than it was ten or fifteen years ago.

To take a simple example of excessively standardized bookkeeping perverting policy, suppose that an accountability-and-control mechanism with some pretensions to efficacity in the area of regional industrial development assigns a heavy weight to relatively simple body counts of people presumed to be deriving benefit from government policy. Suppose further that this mechanism and this weighting are imported, unamended, into the area of cultural policy. There may well ensue the nonsensical, wasteful result of imparting a heavier bias toward the support of cultural activities already well supported by the commercial market, when what the policy was originally supposed to do was to support activities deemed worthwhile, but not enjoying, or not as yet enjoying, commercial market success.

The lesson for friends of culture in Canada is that they ought to be actively concerned with policy definition and with the follow-up bookkeeping -- with the complete circuit of objective-setting, accountability, evaluation and control. Policy objectives should be strongly defined in a manner that makes reasonable sense to those who will in practice do most of the job of achieving them -- who will

make culture happen in Canada. Just as important, control of expenditures under the policy should stay in a reasonably consistent relationship with the objectives as they are initially stated, then evolve and are restated with the passage of time. There should not be two widely different policies: one as set forth in ministerial speeches and other publicity releases, and another as practiced through actual disbursements and criteria for grant applications.

But what is so special about culture and cultural support as to merit special arrangements for the management of the relevant government expenditures? To this, let us now turn.

What is so Special about Cultural Funding?

One of the best short answers to this question may be inferred from the following poem by W. B. Yeats:

TO A WEALTHY MAN WHO PROMISED A SECOND SUBSCRIPTION TO THE DUBLIN MUNICIPAL GALLERY IF IT WERE PROVED THE PEOPLE WANTED PICTURES *

"You gave, but will not give again
Until enough of Paudeen's pence
By Biddy's halfpennies have lain
To be 'some sort of evidence',
Before you'll put your guineas down,
That things it were a pride to give
Are what the blind and ignorant town
Imagines best to make it thrive.
What cared Duke Ercole, that bid
His mummers to the market-place,
What th'onion-sellers thought or did

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* From Jeffarey, A. Norman, W.B. Yeats-Selected Poetry, London: Pan Books Ltd., 1974. Please note that this poem is still in copyright.

So that his Plautus set the pace
For the Italian comedies?
And Guidobaldo, when he made
That grammar school of courtesies
Where wit and beauty learned their trade
Upon Urbino's windy hill,
Had sent no runners to and fro
That he might learn the shepherds' will,
And when they drove out Cosimo,
Indifferent how the rancour ran,
He gave the hours they had set free
To Michelozzo's latest plan
For the San Marco Library,
Whence turbulent Italy should draw
Delight in Art whose end is peace,
In logic and in natural law
By sucking at the dugs of Greece.

Your open hand but shows our loss,
For he knew better how to live.
Let Paudeens play at pitch and toss,
Look up in the sun's eye and give
What the exultant heart calls good
That some new day may breed the best
Because you gave, not what they would,
But the right twigs for an eagle's nest!"

December 1912

One of the most contemporary notes sounded by this work is the reference to a demand for "some sort of evidence": such deferral of judgment to others is increasingly encountered today among Canadian granting agencies, seeking thereby to make more persuasive ("the people like it -- the private sector likes it") their own funding requests to budget-trimming governments. Another contemporary feature is that all the three Renaissance figures mentioned by Yeats were, at least intermittently, heads or deputy heads of city states. This means that the problem of weighing cultural outlays

against other expenditure claims, such as defence, was far from unknown to them.

But before we can focus on the awkward and still very relevant issues in cultural funding posed by Yeats, we must dispose of a word -- of a silly, all-purpose epithet from the 1960's that does nothing to illuminate, and an immense amount to confuse, the issues in cultural policy. That word is "élitist" -- and many a shallow mind, unwilling to confront squarely Yeats' central points, would doubtless try to dismiss his entire argument with that word. I urge you to make a point of not using the word anywhere in your own arguments, thereby helping to hustle it back to well-deserved obscurity.

If you happen to like Mozart, or Big Bill Broonzy, or Robert Charlebois -- if you like them enough that you make a point of listening to them often, with concentration and minimum distraction (as contrasted with just turning them on for background, or for a partial sound-berm against family noise) -- you already belong to something that could be called an élite. That is, you have both a taste for something, and an intensity of interest and expertise in it, that is demonstrably not shared by the bulk of the population. You are in a minority. So what? What is there to feel guilty about? The human-rights passages of democratic constitutions do not stipulate uniformity of taste. Quite to the contrary, they are often specifically concerned to

guarantee to citizens the widest latitude to indulge their particular tastes, consistent only with not actively annoying others who do not share those tastes or cannot be persuaded to do so.

A large proportion -- not all, but a large proportion -- of what we call culture consists of an aggregation of just such minority enthusiasms, preserved by their partisans, and handed down the generations to the delight and stimulation of yet new minorities, coming to them afresh. If all the minorities could but be wrenched from time and mortality, and assembled in one place, they would, of course, in cases such as Mozart's, form a vast and politically very impressive crowd.

It is just this process of handing down from minority to minority, bridging the intervening "generation gaps", that imparts to our culture much of its strength, continuity and capacity for repeated self-renewal, as innovative artists find <u>somewhere</u> in the cultural storehouse of the past (maybe in rather dusty and relatively neglected parts of it) things vitally stimulating to their contemporary activities. New artistic creation is extraordinarily difficult, and is rarely if ever accomplished without at least one or two particularly strong helping hands from beyond the grave.

Great culture, like great statesmanship, extends vertically through time: that is its longest dimension. Ordinary politics and bureaucracy, with their usually very high rates of time-discount, are by contrast much more time-horizontal. The public for great culture -- the actively appreciative beneficiaries of it -- is many millions strong; but only a tiny fraction of it is available to vote in any one election. That is one way of posing the problem of cultural policy in a democratic state.

Over and above his advice to the wealthy Dubliner, what is Yeats saying about this general problem? He evokes important constituent elements of the Italian Renaissance, an aggregation of cultural phenomena whose "time-vertical" public is of course immense, and continues to augment briskly -- e.g., with each passing season of Italian tourism. But more than just "cultural consumption" is and was involved. Duke Ercole could never, for example, have heard of an Englishman named William Shakespeare, but the rediscovered classical plots of Plautus and Seneca were important grist for that protean mill. Culture breeds culture: great culture is not just a "consumption good", it is also a peculiarly high-powered "investment good", yielding both future consumption and future investment. Hence Yeats' reference to, "... the right twigs for an eagle's nest."

But Yeats' other main point is that many of these critically important cultural investments would never have been made had the decisions turned on popular referenda (or, for that matter, on the kind of single-issue polling techniques so widely used in our own day). For example, even in the pre-nationalistic ambience of 15th-century Italy, one can hardly imagine that such large proportionate expenditure on the resuscitation, not just of Roman, but of Greek antiquity, would have commanded widespread popular understanding and support. The paradox by which the passionate study of antiquity eventually gave rise, not to mere slavish copying, but to much of what proved to be most new and revolutionary in Italian culture, would have been anything but obvious. It was probably not all that obvious even to its distinguished patrons, who sensed only the general importance of rediscovered antiquity and its capacity to stimulate and fructify. That was enough, however, and may we be wise enough to divine from their example both the subtlety and the force of creative interaction between "foreign" and "domestic" culture!

Now, to be sure, Yeats' determination to press home his advocacy with succinctness and power causes his tableau to be incomplete and unbalanced, neglecting many of the multifarious tributaries of the river of culture. Culture rises also, as by capillary action, out of the soil of the

everyday: that same Shakespeare who borrowed plots and so much else from the Italian Renaissance appropriated too the songs and street-wit of English shepherds and onion-sellers. One listens to Brahms, and suddenly one is listening to the tavern-songs of students and to peasant dances from the Hungarian plains. Culture constantly surprises us. A number of Stock comedy routines from the old, commercial vaudeville and Catskill circuits are honed to an ultimate perfection -- a special seasoning is added -- and we have the classic films of the Marx Brothers, now well past that time-test -- that capacity to go on accumulating a "time-vertical" public -- which remains by far our most dependable litmus when the question is asked, "What is great art?" With only the most marginal of distinguished financial patronage to assist it through its most critical, formative years, jazz comes at us out of the cotton fields and sporting houses of the southern United States, and Louis Armstrong and Duke Ellington have joined the immortals before many of us are even yet fully aware that we were contemporaries of two of the greatest music-makers of all time. Let us note, too, how many significant jazzmen were unwilling "amateurs" for parts of their careers, because their prospective professional earnings did not add up to a living. Full-time professionalism is not an invariable touchstone of high art.

All this, however, only rounds out Yeats' picture. It does not vitiate his argument. Some important part of what we today recognize as great, seminal culture -- as leading exhibition material in André Malraux's "permanent museum of mankind" -- would be unavailable to us, had it not been for the ability and willingness of a few people to see well beyond the prevailing taste and fashion of their time, to recognize quality and originality, and to support them. What these patrons of the past supplied that was just as important as their money was judgment: not perfect judgment, to be sure, but judgment sufficiently enhanced by the education of taste (an education typically acquired more by repeated exposure to the arts than by formal academic instruction) that they were able to save for us some of what we now value most.

The monetary side of patronage has since altered greatly, both as to relative importance, and as to form. Support of culture via private donation still exists and is significant, but for various reasons (including not only state support both larger and less personalized in character, but also phenomena such as copyright and mass literacy, opening up to authors greater possibilities of supporting themselves by commercial market earnings), it is not nearly as large a proportion of the total funding picture. Also,

it has become much less common for a single patron to be the principal support of a single artist.#

But something that has not changed at all is the capacity of new culture often to surprise, to disconcert, to encounter initial popular indifference or even hostility. And because this has not changed, neither has the need for the judgment side of patronage: the need for people of outstandingly educated taste and judgment, and even more important, perhaps, the courage of their convictions, to say, "Wait a minute. There's more here than meets the eye (or ear). This could turn out to be something big. Let's put some government or foundation money on this and see what happens."

One cannot, in general, expect government ministers and senior line officials of their departments to play this kind of role often and effectively. For the best of democratic reasons, their ability to buck popular taste and opinion is limited, and if called upon to buck too frequently, they will usually end up employing their intelligence and education to propound elegant rationalizations of

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Although it is instructive to note that as late as the 1930's and 1940's, the bulk of David Milne's recognition as a painter apparently boiled down to three people: Vincent Massey, David Douglas Duncan and Blair Lang (see Lang, G. Blair, Memoirs of an Art Dealer, chapter 4). Early Canadian recognition of Borduas was hardly more brilliant. On whether our own age is so much more enlightened that such gross neglect of such great merit could never again occur, we should probably be wise to withhold judgment.

current popular taste, rather than to oppose it on those occasions when it should be opposed. Also, they are under too much time-pressure to keep up the education of their personal taste in the manner of fifteenth-century grandees. People so extended by the bigness and complexity of modern government that they must ask others to compose many of their speeches for them are only fooling themselves and the public if they think they can really behave as full-fledged "Renaissance Men". If they retain a liking for the arts, and can manage to fit in some occasional unofficial reading and high-grade television-watching, plus some periodic, almost surreptitious excursions to films, plays and concerts, they will be doing about as well as twentieth-century circumstances allow.#

On the face of things, one might expect private corporate supporters of culture to be more ready to go against prevailing popular taste when this seems right. It must be remembered, however, that large corporations must justify themselves to shareholders, that their senior officials are also under twentieth-century time-pressures, and that they have their own brand of bureaucracy. Many corporate donations are decided by committees rather than by individuals, and it should not be surprising if this tends to produce rather conservative results -- e.g., heavy backing of well-established cultural product-lines such as Shakespeare and Tchaikowsky/Petipa. This is far from wholly deplorable, inasmuch as Shakespeare and Tchaikowsky/Petipa do indeed continue, for reasons to be noted below, to require backing from somewhere. But for originality in private-sector cultural support, one usually does better to look to wealthy individuals and to idiosyncratic one-man companies. There seem to be proportionately more of those culturally active in the U.S.A. than in Canada.

But what must be remembered about economics and management science, as applied to policy, is that their formal mechanisms for analysis, forecasting and decision-guiding tend to work best where, (a) most of the relevant variables are quantifiable within a reasonable range of reliability, (b) the relevant time-period is short, and (c), feedback of measurable policy results begins early, thus facilitating early correction of policy error. There are some parts of cultural policy, including some of the most important parts, where none of these conditions obtains. What one is looking at, essentially, are very long-term, very high risk and possibly very high-return investments -- some of the investments for which, if we get them right, future generations will most fondly remember us. Just as in regular business, these are precisely the decisions that must be made one at a time by people, rather than cranked out by computer from some pre-existing, standardized model, so too in cultural policy. They have to be, largely, educated quality calls, and to pretend otherwise, as by justifying them after the calls with quantitative estimates of outrageous unreliability, is to commit a highly dishonest, if, alas, sometimes politic, act. A much better course is to recognize what kind of decisions they are, and how important they may be, and to work out a necessarily mixed and untidy policy framework within which they can be given roughly fair priority ranking in relation to other, easier, more readily quantifiable decisions.

centre

On the Importance of Not Throwing Away Success

Further to the above, let me repeat and emphasize the following statement in the first paragraph of Speaking of Our Culture:

> "... the place of the arts and of culture generally in Canadian society has changed dramatically since then." (i.e., since the Massey-Lévesque Commission of 1949-51).

This is more than a routine, conventional observation; it is in this instance an important point.

1978/9 ?

Two or three years ago, Professor Frank Scott -- poet, law teacher, doughty defender of civil liberties -- was taking questions following an address at Glendon College. One student question went something like this:

> "Professor Scott, you've been involved in all these activities and battles over the years -- the Roncarelli case, and so on. But, sincerely, how much do you think it was really changed things? Is this country so much different from what it was?"

Scott looked up at the ceiling for perhaps thirty seconds. Then he said, approximately:

> "The arts! That's what's changed the most. If you weren't around in the nineteen-twenties and thirties, you can't imagine the difficulty -- how thin it was, how little real interest there was. It's so different today ..."

The relevance of this for your deliberations is that, in the longer perspective of time, you are dealing with one of our major success stories. You are concerned with the area

of Canadian life which, perhaps more than any other, has developed the most, has matured the most, in the last generation or two.

Many factors no doubt help to account for this: higher incomes, more leisure-time, the growth of metropolitan centres, immigration, greater exposure of Canadians both during and after the Second World War to the life and culture of other countries, etc., etc.

But another hypothesis worth your testing is that we may have got some of the government cultural policy more or less right. If we did, then, having regard to how easy it can be to get policy wrong, we should be so much the more concerned to identify just what we did right, and not to discard it unless presented with overwhelming evidence that it has outlived its usefulness.

As a first subject for your hypothesis-testing, may I suggest the first decade, say, of operation of the Canada Council. This is of special interest because of the rapid pace of Canadian cultural development during that time, and also because of the unusual financing and modus operandi of the Council in its early years.

You are of course familiar with the story of the Council's founding: the death of two very wealthy Canadians

within a short space of time; the treatment, by the government of the day, of the resulting tax revenue as a kind of windfall income; and the conveyance of that income to the new Council as an endowment. A very distinguished Council was appointed, and no less importantly, the investment of the endowment was in effect largely devolved upon two of the most skilled and reputable financial figures of the day. This was significant both for getting a good revenue on the endowment, and for creating around the Council a general aura of efficient, no-nonsense management. Canadians, especially influential Canadians, tend to find such an aura reassuring, and are so much the less inclined to cavil and pike about the detailed operations of cultural organizations possessing it.

You may well be told that the manner of the Council's founding was more than a little cavalier with respect to Parliament (I would not disagree), that cultural policy has in any case become far too big an operation for the employment of such primitive devices, and that for these and other reasons any endowment approach to granting councils is quite out of the question today. But wait a minute. From the perspective of hindsight, how well did the early Council work? How well did it discharge the mandate given it by Parliament? If the answers to these questions turn out to be, "Very well", or even merely, "Quite well", that should give us pause. Especially should it give us pause if the

alternative to at least a partial reinstatement of arrangements that served us well in the past would seem to be a gradual, de facto assimilation of granting councils into a new super-ministry of culture and communications, with a complex, mixed mandate of cultural and industrial development. How well have super-ministries worked lately?

Then there is the record of film policy. Let us make the simplifying assumption that the object of film policy is to stimulate the making of good films by Canadians -- mostly, perhaps, about Canada and Canadians, but sometimes about other places and people. Let us further assume that the test of a "good" film is that it remains a lively item in the permanent domestic repertoire, continuing to be seen and appreciated by new cohorts of Canadians, and that it often succeeds, in addition, in winning acclaim abroad.

On these assumptions, the performance of the National Film Board between John Grierson's arrival in Canada in 1939 and, say, 1965 (a very arbitrarily chosen date, which others are welcome to alter -- 1975 might do as well), would seem worth your examination. To a remarkable degree, the world reputation of Canadian film (in some countries, our biggest, single, cultural reputation) is the reputation of the NFB and its many distinguished staff and alumni. So too would the NFB and its alumni appear to have been responsible for a

remarkably large share of the Canadian films that Canadians themselves remember and would like to see again after a lapse of years.

Emphasis in film policy has recently shifted towards feature films, but here again the NFB, although in principle a documentary organization, has somehow managed to slip through its mandate a number of our most memorable feature films (e.g., J.A. Martin -- Photographe). And again, ex-NFB names keep cropping up in the credits of feature films produced by others.

How well has the NFB performed? How cost-effective does it seem to have been in relation to other, more recent policy initiatives for the development of Canadian films? These matters ought to be carefully reviewed.

Finally, let us recall Alan Jarvis' acquisition for the National Gallery of the Liechtenstein collection. This was once quite controversial, but with the passage of time, the weight of evidence has become overwhelming that it was one of the most brilliant investments, in both its cultural and financial aspects, ever made by a Canadian public servant. Two hundred and more years hence, Canadians will still be looking at, enjoying and learning from those pictures. How thankful we may be that they were acquired, in time, for many people to see, as contrasted with disappearing, many

of them, in the recent fashion of numerous other great works, into the double-locked vaults of private inflation-hedges!

Great quality judgments by people like Grierson and Jarvis are one important reason why Canadian culture is today so far advanced from where it stood in Frank Scott's youth. If it is even so much as hinted to you that figures like these belong to a romantic past of heroic individualism -- that culture has become just too big and too complex an operation to be compatible with such idiosyncratic personal styles -- reject the proposition immediately as standard, bureaucratic claptrap. Certainly, there are many more zeros on the right hand side of the numbers (many of them, however, the factitious zeros of inflation). But that has not altered at all the peculiarly difficult nature of some of the choices in cultural policy that have to be made. We need people with Grierson's and Jarvis' kind of guts and discernment as much as we ever did. A cultural policy that does not allow them operating room is a cultural policy that has switched from the fast track of success to the siding of mediocrity.

Cultural Classification: Some Suggested Changes

The remainder of this discussion will be guided by a rough-and-ready classification of culture. The three-way

classification that you propose on page 21 of Speaking of Our Culture is generally a useful one, but I believe could be improved by a slight elaboration. "Professional culture" should be subdivided into "Classical" and "Avant-Garde", because the decision-making problems are importantly different in these two areas.

"Classical Professional Culture" is that which has already been thoroughly "tested against time-honoured standards". We know where we are with Memling, Milne and Borduas: in their cases, the basic policy problem to be decided is not, "Whether", but "How much". But the case of the young Canadian artist who wants to put together an "installation" show largely constructed of aluminum, rigid polyester and neon tubing is different: in some minds at least, the question of "Whether" must also be resolved. His work is clearly dedicated and professional; it is also "Avant-Garde".

To be sure, one must be wary not to become "hung up" on any classification: in culture, as my previous examples of the Marx Brothers and jazz will have suggested, categories constantly overlap and interrelate. Jazz, in its time, has been all of "Community Culture", "Commercial Culture", "Avant-garde Culture" and "Classical Culture".

From the standpoint of financial support, one category frequently cross-subsidizes another, as when the success of Benny Goodman's full, commercial dance orchestra made possible the trio, quartet and sextet music which perhaps constitute the most durable contribution of his colleagues and himself to the permanent, "classical" repertoire of jazz.

This raises a point about film, however. Looking around the world at the economics of film, and at the condition of most countries' national film industries, I am not persuaded that the creation in Canada of a "standard" film industry, grinding out a large proportion of films of bad-to-mediocre artistic quality, would be an outstandingly good bet for the Canadian economy -- a commercially promising exploitation of comparative advantage. Thinking of film as more cultural than economic policy, and aiming at fewer and better films, would seem to me more appropriate to our circumstances.

There is one thing to be said in favour of bad films: they do provide sometimes much-needed employment, and even a certain amount of useful "exposure" and learning experience, for actors, directors and others, between their good films. (So too, of course, do TV commercials and soap operas.)

That, however, is only a case for not preventing the making of bad films. If the state is going heavily into the

subsidization of film-making, it can provide a good deal of employment and a better quality of exposure and learning experience by subsidizing films which at least try to be good.

Justifications in Economic Theory for Government Support of Culture

Since you have Professor Breton to advise you more fully and otherwise better than I on this topic, the treatment here can be brief, its purpose being only to provide some structure for what follows.

The three most important justifications go under the titles of public goods and externalities, merit wants, and infant-industry development. In all three cases, there is theory to the effect that if matters are entirely left to the ordinary, commercial market, "not enough" of some good such as culture will be produced. A justification for government to make up the deficiency, directly or indirectly, is thereby created. You hardly need be told that as in most matters of economic theory, much controversy goes on about all this. You can also be told, however, that enough economists have been sufficiently impressed by these theories for them to have established niches of relatively long standing in the literature of economics.

A favourite, extreme example of a public good is a lighthouse. It conveys safety benefits to many people, but it is highly unlikely to be provided by a profit-seeking company, since any such company would usually find it prohibitively costly to collect a price from users, who do not file past a cash-register, but slip rapidly away, in various directions, on ships that pass in the night. So, instead, the state characteristically provides most lighthouses, raising the money by taxation.

Culture, like education, to which it may be closely likened in relation to this theory (and both before and since the days of European Grand Tours by young English aristocrats, exposure to culture has indeed been considered as, among other things, an important form of education), is a less extreme, less "pure" type of public good. The commercial market does in fact provide a considerable amount of culture, much of it, no doubt, of a relatively transient and evanescent sort, but some of it of very top quality. Since, however, culture (so many economists believe) provides important "positive externalities" -- benefits to third parties, who cannot be "hit" for them at the box-office -- commercial suppliers will not produce enough of it in relation to the total benefits that it confers.

What are the third-party benefits? They consist, basically, of all the ways in which I, as a person whom we may suppose to be interested in certain, particular lines of

culture, benefit when my neighbours get "into" those lines, too. Economists often speak of "neighbourhood effects", and a useful analogy is that of the first person to sandblast and upgrade a Victorian house in a once-fine row of such houses that has become badly run down. At first, there may be a certain, snobbish pleasure in having by far the best house on the block, and attracting thereby much attention and comment, some of it favourable. But pretty soon, one begins to look anxiously for others to follow one's example. For if they do, this will confer upon one's own house all the advantages of being in a "good", more compatible neighbourhood -- advantages that will be recognized by the market in terms of a sharp rise in resale value. Some of the explosion in culture in Canada over the last forty years can be attributed to "neighbourhood-effects" phenomena.

The more my neighbours get "into" culture, the more we can club together, share and thus reinforce our enthusiasms, talk them up, and collectively organize to nourish them more effectively. Now that we are more numerous, we can, in addition to just reading and discussing Shakespeare and Molière, take steps that will permit us to see the plays acted, regularly and in Canada, by first-rate troupes.

Culture is in some respects a language, and as more people learn it, communication between them, and associated

collective activity, begins to increase faster than the number of speakers. The case for culture is in many ways like the case for literacy.

A supplementary economic justification for culture involves the conception of culture as a "merit good", sweeping into the picture some non-members of our Shakespeare/Molière club. The concept is usefully summarized (provided one overlooks an unfortunate implicit characterization of film and television as wholly non-cultural) by E.J. Mishan:

> "Opera, ballet, symphony orchestras, art galleries, libraries ... are among the common examples of a merit good. People who seldom or never attend cultural events, who prefer cinema or television entertainment, may yet agree that high culture is a good thing and derive some satisfaction from its visible manifestation and in the knowledge that cultural activities are being promoted."

In other words, "I watch hockey and football, but I'm glad we do some of these other things in Canada, up to a point, anyway. Gives the country a certain amount of class -- shows the rest of the world we're not just a bunch of barbarians." Just as many Canadians who never go near the ski-slopes enjoy being proud of Steve Podborski, so many who never go to concerts enjoy being proud of Glenn Gould and Maureen Forrester.

But once again, a price for these enjoyments cannot be exacted at the commercial box-office so that appropriate

dollar signals for "more" may be channelled back to suppliers of culture. Once again, therefore, a case is created for the state to put some tax funds into the channel.

Finally, there is the "infant-industry" argument for tariff, subsidy or other state devices to encourage certain activities. The argument is that temporary state intervention may be desirable to carry an activity through a start-up period to a point where it can carry itself from normal commercial revenues. While most economists seem to agree that genuine infant-industry cases can and do exist (infant-industry is the only argument for tariff protection that many economists will seriously entertain), experience has made them want to look very carefully and sceptically at each such proposition that is put forward. Too many "infants" have never fully grown up, but have instead remained in a state of apparently permanent dependency.

How much help are these justifications in the formulation of cultural policy? They are certainly of some help. They can, for example, relieve your committee of possible guilt-feelings to the effect that <u>any</u> state support of culture that you may recommend necessarily amounts to a transgression of fundamental economic "law", and will be detrimental to Canadian economic efficiency.

At the same time, however, by focussing on cases where the commercial market apparently does <u>not</u> do a very good job ("market failure"), they remind us that there are

cases where it does, thus inclining us to remind the state not to be a busybody where culture seems to be going relatively well commercially, but to concentrate its resources on areas where its ministrations are really needed.

Further than that, some particular applications of the theories may be discerned. Many authors and singers, for example, are genuine, infant-industry cases: many careers begun in dependency have gone on to self-support and even in a few instances to riches.

But the theories fall far, far short of a general manual for cultural policy. What Due and Friedlaender say about the theory of public goods is pretty well applicable to the other two as well:

> "The question of what amount of public goods should be provided and how the costs of these goods should be borne is basically a political decision. The economists' search for solutions has been ingenious and often elegant, but not satisfactory in the sense of providing an operational framework to solve these two problems." (Government Finance - Economics of the Public ~~Section~~ Sector P.73)

In short, economics does not tell us How Much? That is a very major shortcoming.

Also, these theories do not speak effectively to a number of important considerations in state support of culture: e.g., the significance of establishing and

prominently displaying quality standards (one big reason for continuing support of the classics), the training -- the learning-through-doing -- of artists of all kinds, culture as an investment good (C.S. Yeats), the time-dimension and continuity of culture.

Still further, even where the theories may seem at first to be neatly applicable, there are catches. Mozart, for example, might seem to exemplify a grown-up "infant industry"! while he himself went to a pauper's grave, today there is, virtually, an impressive "Mozart industry", generating income for thousands of musicians, teachers, record companies and the like. Yet in fact, nearly two hundred years later, the "Mozart industry" as a whole is still not a fully "paying" one. This could be rapidly demonstrated from an examination of the financial statements of opera houses and concert halls the world over, not least in Austria. There appears to be an impressive consensus to the effect that even today, the commercial market would not provide us with enough of Mozart's music, and that government must therefore step in. Economists do not seem notably exercised at this example of continued dependency: if questionned about it, most would probably observe that more than ordinary infant-industry considerations are in play here.

In sum, while economic science can contribute something to cultural policy-making, nobody need fear that it is ready to take over the whole job!

Comments on Some Specific Questions in Speaking of Our Culture

Page 13, "Culture: In or of Canada?":

"Would different balances be appropriate in different contexts?"

Obviously, yes. If there is something new and exciting going on abroad that we should know more about, let's get more exposure to it. But if, meanwhile, in some other field, we seem ourselves to be at an important take-off point, we may in that field want to put a larger proportion of resources into domestic output.

"What cultural image of Canada should be projected abroad?"

A tricky question. One's first impulse is to say, "Above all, a true one", and under no circumstances would we want to project an egregiously false or even seriously unbalanced one. But foreigners' time and attention-spans are as limited as our own, and we ought to be just cunning enough to make some effort to "hook" them on our culture -- get them interested in it and anxious to learn more. Mostly, this can be done by sending them our best and most original, which are likely to have the most immediate appeal to the sort of people who take some trouble to scan the cultures of countries other than their own. But it is also properly cunning to

have some regard to the culture of the recipient country, and for this reason not to send quite the same package to China, say, as one would to France.

Citizenship of the recipient --

Has this person's work been judged of high quality and high relevance for Canadians? If so, how can the subsequent discovery that this person has not taken out Canadian citizenship properly affect that judgment? Only, I would suppose, in cases where the grant was as much for promise as for performance, and where citizenship status was read as an indication that some of the future performance might take place abroad. But then Canadian-citizen artists often take it into their heads to go abroad too -- sometimes for the rest of their lives. Generally, there can be no ultimate resolution of the issue of nationalism (or indeed regionalism) versus universality in culture. In its affirmative aspect, as in Shakespeare's histories, Whitman's poetry and some of the more exciting work out of Quebec in the 1960's and 1970's, nationalism can be an important engine of cultural creativity. But when it takes the form of actively denying to Canadians access, or easy access, to other countries' culture (even when one is told over and over again that that is not the prime object of the exercise), how can one be anything but uncomfortable with it?

Canadian magazines --

I wonder if, in our magazine policy, we have yet taken sufficient account of major shifts in magazine markets the world over. Many general magazines whose names were once household words have gone to the wall, and even general news-magazines are not what they once were. But specialized magazines have boomed. One specialized Canadian magazine that I find most impressive, and not merely because as an urban emigré to the country I am smack in the middle of its specialized target zone, is Harrowsmith. It is beautifully produced, sharply written and edited (in Camden East rather than Toronto, Ontario, which may be its great secret), and while the bulk of its subject-matter is as Canadian as the maple leaf (there have been articles about maples), the treatment is so interesting and penetrating that the publication is picking up a substantial readership in the United States. We must see how Harrowsmith does over a somewhat longer period, but there could be a useful policy lesson here.

Canadian content regulations in broadcasting --

There is no doubt that the growth of Canadian folk and other popular music, from a tiny base in 1939 to what it is today, is one of our most extraordinary and important

cultural phenomena. It is indeed possible that we have here one of those rare cases of a protected infant industry that really grew tall. Since you are certain to receive many demands for extended or similar protection in this and other areas, it would seem to me important that you commission some research to try to pin down a little more precisely how much the content regulations may have contributed to the growth, and how much they may still be needed.

When it comes to television broadcasting, you must take account of revolutionary technological change under way there. So long as most television signals travelled through the air to a maximum range of about 75 miles, it was possible, effectively, to prevent many Canadians from seeing certain programmes, starting with at-home football games. Cable, satellites and video-cassettes are changing all that. Within 10 years, it may be all but impossible to prevent any Canadian from seeing virtually any programme that he or she wants badly enough to see. Close down their backyard dish antennas, and a couple of days later they will walk down the street and buy the programme on a cassette.

As a result, preventative means of maintaining Canadian content in television will grow progressively less effective, and to the extent that we want to reinforce Canadian content, we shall have to rely more on subsidies and other such devices

to encourage the production of Canadian programmes that Canadians will choose to watch, even when programmes from all the world are beaming down at them from space. We may have to think of the CBC less as a network, at least in the familiar, distributional sense, and more as a production organization. That might go along with a considerable simplification of the horribly complex mandate that the CBC has had ever since, in the early 1960's, it was bidden to go out and sell a lot more advertising. Just possibly, the experience, while initially most upsetting, might turn the old mare into a frisky young filly again.

Collecting copyright royalties and other recompense for broadcast artists and others could pose new but not insoluble problems. Statistical sampling methods of the kind long used to calculate rewards to composers for the use of their work on radio could be extended. Selected sample households, upon being offered a sufficiently tempting fee, could agree to harbour for a certain time monitoring equipment that would keep a record of everything that was watched, whether via air, cable, satellite or cassette.

One regrettable consequence could be the longer-term impossibility of pay-TV, owing to the activities of youths with electronic smarts, and other free-loaders. This would be regrettable because, as noted below, pay-TV seems to me

pregnant with possibilities for major improvement in the quality of available programming.

Page 14, "Culture: National and Regional":

Regional diversity and national standards and goals --

Our regions have comparative advantages in culture. For example, the comparative advantage of Quebec and the Atlantic Provinces in folk and other popular song -- the disproportionately large output of novels from the Prairie Provinces. National standards truly based on quality, rather than on the delusion that nothing quite actually happens until it happens in Montreal or Toronto, would make us very region-conscious by emphasizing the things each region was particularly good at.

Return of cultural artifacts to regions of origin --

How much is this a <u>real</u> problem? Are we so poor in most kinds of cultural artifacts that we cannot have a good, representative sample of them in Ottawa and another, similar sample in the region of origin? Our national capital should be able to give the tourist or other visitor, whether domestic or foreign, who has not time for the complete Grand Tour of Canada, a sound general impression of the country and of the best it has to offer. But surely this does not require the draining, Versailles-fashion, of cultural vitality from

the regions. As long as Ottawa does not stupidly insist on having, say, the top 10 percent of the work of every significant Canadian painter, but is agreeable to a split with the region that leaves some of the outstanding pieces where they were done, surely we can work things out. Including, of course, periodic loan-exchanges of that painter's best.

Page 15: "Excellence and Access:

Preamble --

In the case of the National Gallery, our national collection has suffered for more reasons than diversion of resources in favour of public access -- of which there is not, in fact, very much, either in ~~Ottawa~~ the regions or in ~~the regions.~~ Ottawa.* First, the collection must be properly conserved, so that we may go on having something to be shown. Then it should be moved to premises in Ottawa where its condition will not deteriorate unduly, and where a more reasonable proportion of it may be placed on public view. Not to do at least this much is to allow a valuable investment to run down, and to get little return on it. Having restored the position to this point, we can look at the costs and benefits of term-lending more of the collection to a number of carefully chosen regional galleries. It should be made quite clear what security and other conditions the regional galleries must

* This was in 1981, before the opening of the new national gallery.

meet in order to qualify as borrowers. And when works are shipped out to them, they should always be accompanied by adequate documentation, so that they may be properly presented to the public.

Broader public access and audience development --

Merely getting more bodies through the turnstiles is surely not much of an "end in itself". Surely one wants them to have a good experience in there, and to want to come back. Culture takes a lot of getting to know. Surely one always wants to develop the audience -- not just enlarge it.

Cultural needs of the handicapped, isolated and low-income groups --

For readily understandable reasons, many people in this kind of situation love an outing: witness black kids from Buffalo at the Ontario Science Centre, or people in wheel-chairs at the McMichael Collection. Not all, unfortunately, but a large proportion of them live within a day's return trip by bus or special van from interesting national and regional cultural centres.

Touring theatre companies --

Pure touring companies tend to run down their artistic batteries and, as you suggest, to deny to their members adequate experience of experimental and innovative

production. But why need we have pure touring companies, in the bad old tradition of number three companies carting ancient Broadway warhorses around the continent practically forever? Cannot younger members of a permanent company do shorter tours from a regional base, rejoining the main company before dullness sets in?

Page 16: Cultural Economics:

Commercial viability, public demand and state support --

If a cultural item enjoys strong public demand and is commercially viable, what in the world is the case for the state getting involved? Where the state may sometimes make itself useful and get a good bang for its bucks is the case where, say, a high quality artist has commercial promise, but is not quite over the threshold. In that event, some judicious help on the score of greater exposure and publicity may do the trick at relatively small cost to the Treasury. Certainly, the state is already involved in on-going subsidization of cultural phenomena such as Stratford for which there is strong public demand on the subsidized basis. But the vigorous action at the box-office is surely not the fundamental reason for the state support. Otherwise, in all justice and equity, the state should be subsidizing into roaring life many potential rock concerts which, as things stand, would fall just short of covering costs.

Gauging of audience tastes --

Pay-television offers a splendid opportunity to improve the gauging of audience tastes for television, thereby improving television itself. Television has repeatedly been characterized as "a wasteland"! Yet the same word has rarely been applied to book-publishing or magazine-publishing. Why is this? Are people just being snobbishly unfair to the newer medium? After all, there are lots of trashy books and magazines about. The difference is stronger consumer sovereignty and better product-diversity. Amidst all the trash, the minority public for good books and magazines gets better attended to, because it can signal with its dollars what it wants and very often get it. In television, the feedback signal to the supplier is typically much feebler, usually consisting of telling a voice on the telephone what channel the set is tuned to. Is anybody watching? Watching casually? Watching intently? Would anybody like to watch a programme different from anything currently available? How much would they like to watch that different programme? How much would they pay for it if they had to? For the most part, this information never gets elicited. Pay-television, especially if it is pay-by-programme, <u>does</u> elicit it, via the price mechanism. New options consequently open up, such as first-run movies with no advertising.

There are, of course, many problems and catches. The problem of whether, in the long run, pay-TV will be technologically able to prevent itself from being robbed blind by free-loaders has already been mentioned. Secondly, as in all cases of direct use of the commercial market, voting is with dollars, and consumers with few dollars exercise less sovereignty than those with many. One might for this reason want to consider compulsory licensing, after a few years, of pay-TV programmes to non-pay distribution systems. Thirdly, an article in the February, 1981, issue of The Canadian Consumer ("pay-TV -- issues looking for answers") reports that in the U.S., 4 million subscribers is considered to be break-even (minimum efficient scale) for a pay-TV system. If that figure is reliable, it would seem to rule out non-subsidized, all-Canadian pay-TV networks. But the figure may well not be reliable; as pay-TV comes down its "learning curve", costs and minimum efficient scale may both drop. Even if they do not, the advantages of pay-TV in terms of eliciting programmes that will pull back to their sets people who have grown weary of the shallow, repetitive trashiness of so much of the present fare -- programmes that will raise the horizons of other viewers as well -- should induce us to be ingenious. We could use subsidy. Or some kind of a sharing deal with one or more U.S. pay-networks, giving us in Canada a mixed package, initially perhaps in stipulated

proportions, of U.S. and Canadian programmes. A point not to lose sight of, in the welter of nationalistic and other arguments surrounding pay-TV, is that it could prove a means of drawing forth some of the most culturally exciting made-in-Canada TV that has ever been seen. There is no reason in principle why the CBC should not be, among other things, a major producer of programmes for Canadian pay-TV.

Canadian publishers, books, marketing, etc. --

Inventory and distribution problems are major ones in the book business, and you do well to be interested in them. May I direct your attention also to some disturbing developments in the book business treated in a recent three-part article in the New Yorker. Book publishing in the United States seems to be moving rapidly and decisively out of cottage-industry status into very big business, complete with high-pressure marketing, massive hype, and much greater emphasis on superstar authors and hardback-paperback-film-TV tie-ins. Ability of authors to perform on TV talk-shows appears in some cases to be more important than their ability to write books, at least above some fairly low threshold level. While there are some redeeming features in these events, such as an expansion of total book-buying by the public, many other features offer cause for concern -- concern for the slow-to-catch-on author, and for the quality

book with limited early market. We could be looking at a serious exacerbation of some of the typical, long-standing problems of Canadian authorship and publishing. It may mean that government has to go with the trend to some extent, and to focus more of its encouragement to this sector of culture on author-exposure as well as work-exposure, and various other aspects of marketing, promotion and distribution.

Page 18, "Federal Cultural Agencies":

This has been extensively referred to earlier in this submission. Those agencies should be most at arm's length which have the most difficult and sometimes controversial quality judgments to make. Both their mandate and their accountability should be cast more in quality terms. It should not be overlooked that quality standards provide some help in the problem of deciding, "How much?" If patently quality work is failing to be supported by an agency, this may indicate a need for more money. If a considerable proportion of what <u>is</u> supported does not seem to be amounting to very much, some reining in may be indicated. If <u>both</u> phenomena are occurring simultaneously, new and better appointments to the agency would seem called for.

Page 19, "Funding the Arts":

Diversity of funding sources --

Another tricky question. In many ways, plurality of funding sources is highly desirable: it restrains censorship via the purse, and little-tin-god complexes. Where judgments are as difficult as they often are in culture, it is good to have a second and maybe a third opinion. On the other hand, too many different sources can mean waste, confusion, and "After-you-Alphonse" delay games inimical to getting on with the arts. It is the old business of a nephew sometimes being better off with one than with two rich uncles. Some kind of a trade-off -- some plurality, but not too much, would seem best. One improvement greatly needed is more standardization of application forms and criteria. Particularly in a small cultural organization, it is infuriating for the chief executive officer to have to spend many hours on Application Form B, which seeks essentially the same information as prior Application Form A, but which fussily insists on having it in a format sufficiently different (the set-up of the financial statement, for instance) that it takes as long to do as does A. This is egregious waste: curators, directors, etc., should spend as much as possible of their time making culture happen, as contrasted with cultivating the finer sensibilities of form-designers.

Conclusion

This submission says all its author wants to say; he does not seek a public hearing. Having been prepared in great haste to meet a deadline, the submission lacks documentation in places. Where this can be supplied, it will be, if requested.

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