The Performing Arts in Hamilton—A Case Study

A CRISIS IN ARTS FUNDING:

THE PERFORMING ARTS IN HAMILTON—A CASE STUDY

By

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A Thesis

Submitted to the School of Graduate Studies

in Partial Fulfillment of the Requirements

for the Degree

Master of Arts

McMaster University

MASTER OF ARTS (1997)
(Music Criticism)

McMaster University
Hamilton, Ontario

TITLE: A Crisis in Arts Funding: The Performing Arts in Hamilton—A Case Study

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NUMBER OF PAGES: v, 110

—Abstract—

In Canada, funding for the performing has historically been supported in part by government grants and in part by the market-place (private donors, corporate support and box-office revenues). Governments formerly promoted growth in the arts sector by providing moderate, but consistent, levels of funding. In recent years, however, the balance between those two forces has begun to shift. Governments on all levels have dramatically reduced their levels of funding to the arts. The severity of the cuts and a general decline in audience numbers has taken a huge toll on the arts community.

A Crisis in Arts Funding: The Performing Arts in Hamilton—A Case Study is a three-part radio documentary focused on examining the most pressing issues facing the performing arts. The series examines the funding viability of the arts from the vantage-point of a specific community (Hamilton), as well as examining the broader implications of the funding dilemma. The specific organizations investigated are Theatre Aquarius, Opera Hamilton, the Hamilton Philharmonic Orchestra and the New Hamilton Orchestra.

Canada's arts community is being crushed between the drive for a market-driven model of arts funding and a market-place that is not yet ready to take on a greater funding responsibility. How is the arts sector coping? Are there any solutions to the funding crisis? Without a timely solution, municipalities like Hamilton may lose many of their arts organizations.

—Acknowledgments—

The process of producing a radio-documentary is not done in isolation. Many people have offered their assistance, ideas, insights and support along the way. In so doing, they have helped to create the final product. I want to thank the many individuals who took the time to share their knoweledge and experiences with me.

I am deeply grateful to my supervisor Dr. Frederick A. Hall, who has guided me through the process. From the initial inception of creating a radio documentary to the final written document, he has helped shape my ideas; he has given me inspiration; and he has given me the necessary room to develop my own vision. I would also like to thank Dr. Ronald Vince, my second reader, for helping to strengthen the cohesiveness of the final work.

I am indebted to the many volunteers at McMaster's campus radio station, CFMU (93.3 FM). The opportunity to work at the station as a volunteer is a great privilege. I am extremely fortunate to have been freely given access to all the station's equipment, resources, and air-time. I would especially like to thank Janis Nixon, CFMU programme director, whose humour, boundless knowledge and great patience helped see me through some of my more challenging moments in the production studio. I would also like to thank Eric Anson for his technical assistance and Victoria Fenner for her encouragement and advice. Many thanks as well to Diana Lavadino, my co-host on *Centerstage*, for helping me get my feet wet on air.

Thank you David, for your enduring love, great patience, and skillful editorial eye. You have seen me through the most formidable parts of this process and have helped me to come through the other side. I will always be grateful. Finally, I want to thank my parents for their abundant love and support. You have always encouraged me to pursue my goals with vigor and perseverance. Thank you for your untiring faith in me.

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—Introduction—

The medium of radio has always held an innate fascination for me. Working with the McMaster University campus radio station CFMU (93.3 FM) as a volunteer opened the possibility for a unique thesis/internship. I wanted to design a project that extended beyond the traditional thesis format, plus provided me the opportunity to have more of an "internship" experience. Radio opened up the possibility of presenting information and constructing an argument on a different plane. I was struck by the potential of a sound medium. The question of what to do with that medium and the nature and shape of the project became the next important hurdles to overcome. In lieu of simply documenting my involvement with a particular programme, I decided to write, produce, and host a series of three radio documentaries to be aired on CFMU.

A provocative and topical issue was needed to drive the series. While much research in musicology and music criticism focuses on important musical discoveries and inquiries of the near and distant past, there are also many pressing issues in the present that need consideration. A guided-study into the funding crisis of the CBC had piqued my interest in the government's role within the cultural sector. The extensive readings on the subject, as outlined in my *Further Readings*, helped to shape my perspective on the topic. The ongoing dilemma in arts funding is an issue that has deep resonance for me, as well as many people throughout society. Recent cuts to the government funding bodies such as the Ontario Arts Council and the Canada

Council, cuts to the CBC, and declining audience numbers have created a general sense of crisis in the arts community. There is definite need for greater attention and timely action. Given some of the funding and financial problems a number of the arts organizations in Hamilton have faced, I was naturally drawn to focus my inquiry on the community of Hamilton. In particular, the collapse of our community's professional orchestra, the Hamilton Philharmonic Orchestra, was the harbinger that led me into this field of inquiry. The overall mission behind the three-part documentary series is to explore the issue of arts funding from both a micro and macrocosmic viewpoint. I wanted to approach funding as it pertained not only to a specific community, namely Hamilton, but also to explore the larger implications of the arts sector crisis as they affect us as a society.

The first programme is a general overview of some of the issues facing the major performing arts organizations in Hamilton: Theatre Aquarius, Opera Hamilton and the Hamilton Philharmonic Orchestra. The opening show *Fight or Flight: The Arts Community of Hamilton* is intended to introduce the challenge many arts organizations are having sustaining themselves. The focus of this introductory programme is to examine the state of the professional performing arts community in Hamilton. Should the shifting patterns in government funding be held accountable for the troubles many arts organizations find themselves in today? Will they survive without government assistance? At what cost?

Specifically in Hamilton, many arts organizations are struggling. What is the cause of their financial woes and how is this sector coping with the economic crunch? This programme attempts to evaluate to what degree funding cuts have hampered the development and sustainment of the arts in Hamilton and to what extent external factors, such as poor management, property taxes problems and audience support were to blame for financial troubles.

The second programme *The Hamilton Philharmonic Orchestra: An Orchestra in Crisis* is an extensive inquiry into the collapse of the HPO and the fallout from its demise. This issue was the launching pad for the entire series and therefore forms the centerpiece of the inquiry. What became interesting as my research into the collapse of the organization progressed, was the shift in focus from primarily funding related problems to a focus on managerial and artistic concerns . Initially I went into my research with the premise that the HPO's financial troubles were due largely to shifts in government funding, but as I gathered more information, the reasons behind the orchestra's collapse seemed to become more complicated and multi-layered. While funding cuts did not help the HPO in its quest for financial solvency, problems within the organization, issues relating to the management of the orchestra, and dramatic examples of overspending all played an important part in the organization's downfall. There were serious problems relating to the management of the orchestra; the ability of the Board of Directors to steer a clear direction for the organization was also questionable. Their position within

the community began to erode and the audience numbers fell. In-fighting and general struggles within the artistic and administrative side of the orchestra seriously hampered the orchestra's ability to remain financially solvent. Artistically, there were problems too: the orchestra had difficulty finding the right person to direct it. The collapse of the Philharmonic was a great tragedy for the community of Hamilton, yet almost immediately after it closed down there were initiatives to start over again.

Eventually the dream of a new orchestra took form in the New Hamilton Orchestra. The NHO played its first concert on February 15, 1997. The launch of their mini-season was intended to remind Hamiltonians that their professional orchestra still exists. But will this organization rise to the challenge and establish itself as an integral part of the community? Is it different enough from the previous organization to overcome the problems faced by the former HPO? Will the community embrace a new orchestra and support it? What is the prognosis for the future? In many ways these questions have no answers because only time will be the true indicator of their success. But through an exploration of the problems of the past, perhaps a path for the future can be forged.

The third programme *The Erosion of the Arts in our Communities: The Need for Adequate Funding* represents a shift from the microcosm of our community and the problems within it to the larger philosophical question of funding for and value of the arts. This programme ends the series with an inquiry into the role and value of arts organizations in our collective

communities. Do we as a society value this role and if we do, how do we ensure that these organizations are adequately funded? Does the government have a role in sustaining the arts or is it up to each community to rally around the organizations they "value". If this is the solution, will some of the less popular organizations fall by the wayside? Popularity alone discounts the artistic and cultural value that cannot be measured in commercial terms alone. Decreasing government support must be countered by increasing levels of community support, whether that be audience numbers or private and corporate donations, if the arts are to survive. But the concern is that this trend may heighten the push for popularity and artistic quality may suffer.

I address whether or not all communities should be ensured a certain level of artistic activity, even though the size of the population may prohibit this from a financial vantage point. For example, does Hamilton, as a medium sized community, 'deserve' the level of artist activity it has enjoyed in the past, even though it may not be large enough to sustain that level of activity. For instance, if a community cannot financially support more than one or two arts organizations, should the government pay for extra arts activity? Are these organizations still relevant to the community of Hamilton? What does it mean to a community to have a professional orchestra, a professional theatre?

What solutions exist for providing a financial basis for arts organizations to carry on? The tobacco sponsorship question is a hot topic among most arts organizations, many of whom owe much of their sponsorship dollars to tobacco companies. Because of the already limited advertising venues open to tobacco

companies, sponsorship has often been viewed as an important promotional tool. The arts have profited from this arrangement. In lieu of direct advertising, which is prohibited, tobacco companies have provided substantial amounts of money to arts organizations in exchange for the exposure of their company logo or product. The federal government, however, is intent on further restricting tobacco companies' ability to advertise. If tobacco sponsorship is eliminated, as is the government's intention, the arts sector will be placed in a difficult position. Government grants are being cut, while the ability to seek the lost funds from the private sector is being restricted. In tandem with the sponsorship question is the need for taxation incentives (exemption on capital gains tax) to help boost individual and corporate support. In the end, we may have to come to terms with the reality that fewer arts organizations will exist in the future. Furthermore, the nature and quality of these organizations may be quite different from what we know today.

Approaching a radio documentary is in some ways quite similar to approaching any written inquiry, except that the nature of radio as a sound medium must always be kept in mind. The information gathered must be collected in a manner that is not only informative and interesting, but the "sound bites" must also play well to the ear. As a result, the process of going from a programme conception to an end product of edited tape was challenging. The first point of departure was to research the issues and determine the most promising and likely interview candidates. Once I had established whom I wanted to interview for each programme, I began contacting the potential

interviewees in August 1996. Most of the interviews were conducted between August 1996 and February 1997. On the whole, the reception I received was remarkably positive and open. Most people whom I contacted agreed to speak with me, although some of the key players involved with the former HPO (Boris Brott and John Shaw) only agreed to speak with me if I refrained from questioning them directly about the situation. The topical and extremely sensitive nature of the HPO situation made some people a little more reticent to speak with me. Mary-Ann Simpson (the president of the board of directors at the time the HPO went under) was the only person who did not agree to meet with me. In total I interviewed seventeen people and amassed approximately nine-hundred minutes of tape which I had to edit and condense down to one-hundred-and-fifty minutes: less than twenty percent of the original tape material.

Each interview was conducted with a high quality tape recorder (Marantz) borrowed from CFMU. Ensuring the best sound quality for each different room proved to be challenging and my first few interviews show signs of adjusting levels. This was my first experience interviewing for the radio medium and it took time to become comfortable with the presence and operation of a tape recorder. In addition, the microphone had a tendency to inhibit some of the interviewees. There is a fine line between trying to help people relax into the interview and 'forget' the presence of the microphone and not compromising the sound quality. Because of the variables of each interview (room echo, voice levels and background noise) I was not able to

obtain a uniform level across all my interviews. As a result when I was editing the tape and mixing the voices in with my own commentary the levels were tricky to control. The first programme shows the most noticeable variation in levels as my editing technique improved with each programme.

The time and preparation required for each interview was considerable, since each interviewee was often presenting a different point of view on a range of subjects. My questions for each interviewee were not the same; however, since I went into each interview with a clear idea of my final programmes in mind, all the questions were linked thematically and served to answer the fundamental questions of the inquiry. The real challenge proved to be selecting the most interesting and applicable sections from each interview and fitting them into some kind of a cohesive whole. I had no set criteria that I applied to each interview, other then a broad sense of what issues I wanted to cover. I wanted to allow the interviews themselves to reveal what to include and what to discard.

Part of the process of choosing what material to include and what to leave on the cutting room floor is a delicate balance between taking the most salient and interesting excerpts without compromising the context of the quotes. In many cases, large sections of the interviews I conducted were omitted because the same information was covered by another interviewee. Equally, the information contained in these sections was often not specifically relevant to the scope of the programme and was therefore not included. A forty to forty-five minute interview will often yield only ten to fifteen minutes of

relevant information. When giving verbalized answers to questions (as opposed to written) people often have the tendency to repeat themselves. I attempted to keep the repetition of ideas to a minimum, not only for the sake of brevity but more importantly for the flow and interest of the show.

Part of the interview process is also learning to recognize what works and what does not work in terms of questions and approach. As I became more experienced I became better at structuring my questions to yield the most useful information. Nevertheless, "throw-away" questions—those that yielded little to no information—were still an inevitable part of the process. People will also invariably share anecdotal information that is interesting from a conversational point of view but not necessarily useful for a documentary. Part of the challenge of interviewing people is simply to get from them the information that you are seeking. While this might seem straightforward, many people have difficulty actually answering the questions put to them, or more likely, have a tendency to ramble and answer the question in a circuitous fashion. All these factors have to be weighed when attempting to determine what to include in the final product.

Finally, some of the information gathered simply did not have relevance to the final scope of each programme. The focus of a programme may change as it becomes a separate entity with its own distinct shape. Some information simply did not fit into the final vision of the documentary. The goal behind each documentary is always to present the issues and the opinions of those involved; however, that is not to say that the information and opinions put

forward were not questioned. Essentially the integrity of each interview must be maintained as part of the editing process.

After listening repeatedly to each interview and reviewing the written transcripts, I selected the material I wanted to include in each programme and then proceeded to selectively transfer those small excerpts to analog tape. This initial step is critical for good final sound quality—a key factor I learned after editing the first programme. The levels of each cassette tape vary considerably as each was taped on a different day, in different environments and with different voice levels. Therefore, it is imperative to attempt to equal the levels when dumping from cassette to analog tape. The first programme, on occasion, has noticeably fluctuating levels; however, the second programme shows marked improvement as I became more skilled at working the production board. From all the material copied to analog tape, each selection then needs additional editing so that only the precise excerpts to be included in the final product are left. At this point the narrative voice tracks are laid directly onto a separate analog tape. Once the interview clips have been edited and the voice tracks have been laid the final step is to edit them together and add the musical selections. Aside from the obvious technological learning curve associated with producing a radio documentary, some of the audio problems on the final tape were the result of mechanical problems with the reel to reel machine. One of the machines had a chronic problem with the wow and flutter mechanism which affects the speed consistency of the tape. As a result, there are a few instances where the tape seems to slow down or speed up. This was

extremely frustrating but could not be avoided. Unfortunately, mechanical problems and old equipment are the reality for an under-funded campus/ community radio station.

Each programme also included various musical excerpts which were woven between the flow of information. Some selections were played in their entirety, while others served as a musical underlay to the spoken text. The duration of each example was driven by timing constraints rather than symbolic significance; however, the reasons behind each selection were varied but were intended, on some level, to reinforce some aspects of the text. For instance, selections pertaining to Opera Hamilton were taken from operas; whereas, selections pertaining to the Hamilton Philharmonic Orchestra were orchestral examples. Some selections had more significance than others: I deliberately chose to include the HPO's recording of the *Porgy and Bess Suite*. The choice of the HPO interpreting Porgy's lament ("I got plenty of nothin' and nothin's plenty for me") seemed to strike an ironic resonance. Other musical examples had less direct symbolic overtones but suggested a certain tone or mood. The overall intention of the music was simply to offer a break to the listener's ear and punctuate the denouement of the documentary.

The three programmes were aired as part of a special presentation on *Centerstage*, a show focused on profiling local artists and events in Hamilton's arts community. *Centerstage* is an hour long weekly programme broadcast at noon on Wednesdays on 93.3 FM, CFMU. As part of my volunteer duties at CFMU, I co-host this programme every week with Diana Lavadino. The first

documentary programme was aired on February 26, 1997; the second programme aired on March 12, 1997 and the third programme aired on March 26, 1997. All broadcasts were commercial free

List of Interview Candidates

Hugh Fraser: Music Critic for the *Hamilton Spectator* —July 29 & August 6, 1996

Seymour Wigle: former Treasurer and President of the HPO Board (1988-1994) — September 24, 1996

John Shaw: General Manager of the HPO (1993-95) —September 25, 1996

Boris Brott: Conductor of the HPO (1969-90) —September 26, 1996

Betty Webster: President of the Association of Canadian Orchestras & former Executive Director of the HPO (1967-1975) —October 16, 1996

Paula Elliott: Principal Flutist & Chair of the Players Committee for the HPO —October 30, 1996

Ken Freeman: General Manager of Opera Hamilton —November 7, 1996

Stephen Bye: former General Manager of the HPO (1990-1993) —January 16, 1997

Stewart Brown: Theatre Critic for the *Hamilton Spectator* —January 17, 1997

Max Reimer: Artistic Director of Theatre Aquarius —January 21, 1997

John Brottman: Head of the Music Division of the OAC —January 23, 1997

Paul Eck: former General Manager of the HPO (1983-1987) —January 23, 1997

Dory Vanderhoof: Arts Consultant —January 24, 1997

Gwen Sutterfield: General Director of the OAC —January 24, 1997

Bob Morrow: Mayor of Hamilton —January 31, 1997

Jack Nelson: General Manager of the New Hamilton Orchestra —March 4, 1997

Fight or Flight: The Arts Community of Hamilton

[Theme music—J.S. Bach: Brandenburg Concerto No. 4 in G, BWV 1049, *Andante*[1]]

Welcome to the first of a three-part series examining the state of the performing arts in our community—Fight or Flight: The Arts Community of Hamilton. *I'm Marlo Spence. This series will take you inside the question of funding the performing arts from the perspective of our community. If we value the arts as a community and as a society, we need to take a long hard look at how we are going to sustain these organizations. Today's programme examines how Hamilton's professional performing arts community is surviving. The second programme takes an in-depth look into the reasons why the HPO collapsed and furthermore, whether or not the community of Hamilton can and wants to support a new orchestra. Finally, the third programme deals with the erosion of the arts community and need for adequate funding. Searching for new solutions to old problems. But first,* Fight or Flight: The Arts Community of Hamilton.

[End Music]

Across the nation, arts organizations are presently facing a number of funding challenges. Cuts to the CBC, the Canada Council and the Ontario Arts Council are having a profound effect on the sustainability of our performing arts communities. But the crisis goes much deeper than just a dip in government

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[1] J.S. Bach. Brandenburg Concertos Nos. 4-6. Cond. Neville Marriner. Academy of St. Martin-in-the-Fields. Phillips, 400 077-2, 1980.

funds. Arts organizations are faced with a changing economic landscape. They must find enterprising ways of raising funds to support themselves and seek new ways to address their potential audiences. The old way of life is changing rapidly and arts organizations must make the adjustment quickly or face extinction.

What about the community of Hamilton? What is happening to our professional performing arts community? The former Hamilton Philharmonic Orchestra collapsed over a year ago and despite recent attempts to revive the professional orchestral scene, the future of the New Hamilton Orchestra still remains unknown. Theatre Aquarius is working hard to regain financial stability while balancing on the precipice of a $5.2 million accumulated deficit. On the positive side, Opera Hamilton seems to be coping well with the funding crunch that is hitting nearly all arts organizations. At present, they carry no debt and are in very good financial health; but they too are vulnerable to the shifting patterns in funding the arts and must continue to search for new ways to thrive. [Theme music]

Of course change is not always about doom and gloom. Former conductor of the HPO and current music director of the National Academy Orchestra Boris Brott:

[Brott] To me all of these changes are exciting; they're not boring. We live in interesting times. There are challenges ahead. If we look at it in the right way, the only way, the only thing it's going to do is it's going to refine our

senses and make us better at what we do. It will make us more reactive to our society. It will change the way we do business, and there's nothing wrong—the only thing that's a constant is change itself. And the question is, though, can we make that change beneficial? That's where the art comes: making the change beneficial—beneficial to humanity. And that's what we're talking about, whether you're serving humanity in art or in business. I don't look at this current time of turbulence as being anything else then a challenge to find the resources, to make the right connections and ultimately to be more successful as a result.

[Musical Interlude— Aaron Copland: Our Town piano excerpt—*Story of Our Town*[2]]

Hamilton's only professional theatre company, Theatre Aquarius, has been in financial dire straits since moving into the new DuMaurier Arts Center. The organization's large 5.2 million dollar accumulated deficit is largely due to building expenses related to opening the new facilities in 1991. Max Reimer, current artistic director of Theatre Aquarius explains:

[Reimer] What happened was they targeted twelve million dollars—that would have been the complete cost of the building at the time. They raised nine million and they had pledges for about another million and a half, so they only missed by about a million and a half. The trouble is the economic recession

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[2] Aaron Copland. *Copland: Music for Piano.* James Tocco. Pro-Arte, CDG 3183, 1986.

came along and that million and a half that was pledged started to deteriorate—it had been financed with another million and a half shortfall. So between the shortfall and the failure of the pledges to materialize, due the economic problems of the times, they had a three million dollar debt. In hindsight, they could have... there were discussion of scaling back; however, a lot of the nine million they did raise—and again you can look at the glass as being three quarters full and a quarter empty—was predicated on a first class facility. So to get the nine million it had to be a twelve million dollar facility. So it was a little circular. Had they scaled back production, one would say "why don't you just build a nine million dollar facility," well then they wouldn't have raised nine million, because the nine million was raised for the larger facility. So that was how it came to be that there was a shortfall. Once the shortfall occurred, the fundraising would have to have gone to its second stage and raised for debt reduction and debt elimination. Now, all of a sudden, they were in a recession and the steel industry had turned for the worse (temporarily, it's since recovered, but at the time it was poor) and the donors were tired and the community had spent a lot of its energy at that point. It was a difficult recovery. We are finding rejuvenated energy five years later and we think that we can solve that, but in hindsight that's what happened to the financial plans.

As an extension to the 3.5 million dollar mortgage Theatre Aquarius now carries, as a result of owning their own building, the organization was also forced to reckon with the issue of property taxes. In Hamilton, owning a building entails paying property taxes even if you are an arts organization. Additionally,

the new building meant that the previous grant they received from the city to offset the rent charges of their former facility was discontinued.

Initially, they managed to secure a $105,000 operating grant from the region but as the changing economy dictated funding cut backs, the operating grant was marginally decreased. However, more seriously, the property tax assessment went up in one year from $62,000 to $150,000. Theatre Aquarius quite simply could not keep up. Max Reimer:

[Reimer] Every single theatre and I mean every one, not some, not most: all theaters in Canada have either an offsetting grant, a deal with the rent or tax exemption—one hundred percent to within four fifths of one percent of their operating budget. That is every theatre in Canada. So that means that Hamilton became singularly and alone the only theatre that had to pay a substantial property tax—had an assessment to pay property taxes of a large amount. Now interest runs at thirteen percent , so once we fell behind, we were impossibly behind because we had budgeted, as all other theaters, by the standards of all other theaters: Not for this huge shortfall.

The initial solution to the problem was to appeal for a tax exemption. A solution that Hamilton's Mayor Bob Morrow supported:

[Morrow] I think they should be exempt from taxes too. The Board of Education unfortunately wouldn't agree. The other two partners, the city and

the region did. The city and, particularly the regional finance committee, work with them on practically a daily basis to keep things going in the right direction.

So without the private members bill ensuring them tax exemption, what was Theatre Aquarius to do? Max Reimer:

[Reimer] We didn't get the private members bill legislation. So now, instead, we got a section 210 and are now to be owned by the region at some later term. Once we solve our capital campaign problems and remove our encumbrances we will be owned by the region. So we are, as of January 1, we are tax exempt; however, we still owe nearly a million dollars in arrears and that's what I'm wrestling with now—arrears that probably never should have occurred in any other situation, but because of the timing now; the interest running up; and the offsetting grant not being entirely offsetting, we now owe a million dollars in arrears. So I am putting forth various appeals to convert our grant to a tax repayment grant and trying to make sure that it is sufficient to do that. Those are the problems facing, so tax exempt or not, we still owe a million in arrears.

Being regionally owned would seem to take care of the tax issue for Theatre Aquarius; however, the larger issue of giving up ownership of a building for which they paid nine million dollars, and still owe three- point- five million dollars remains.

[Musical Interlude—Copland: Our Town piano excerpt—*Conversations at the Soda Fountain*[3]]

Max Reimer on government funding:

[Reimer] Compared across Canada we are at the extreme low end of government support. That's the negative way of putting it; the positive way is that we are the most self-sufficient arts organization. So in other words, I think we are moving that direction anyway. We are having to be weaned of government support, so Theatre Aquarius has been forced by circumstance to accelerate that weaning process. In a way, I look at that only positively as a challenge because we have to eventually do that anyway—so we're just being forced, as I say, to survive a little quicker.

When you joined the company last year you were quoted as saying that you wanted to get involved in the community to solidify and expand the basis of support and later you also said that ultimately our existence is contingent upon everyone wanting us to be here. Do you think that you've been able to tap more into the community and the community's interests and do you think the community does in fact want to support a professional theatre?

[Reimer] Right, I love hearing the things I've said in the past—personalizing it. In retrospect that seems sort of egocentric. I think we as an

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[3] Aaron Copland. *Copland: Music for Piano.* James Tocco. Pro-Arte, CDG 3183, 1986.

organization have done this. I'm embarrassed to say I thought I could do it. We've done it: our sales are up—that's three little words but boy oh boy, it means everything to me and it means everything to the corporations too. I mean, interestingly enough, we have millions of dollars of problems, but the fact that sales are up, even marginally; even though those increases are measured only in tens of thousands of dollars, it signifies that we're worth saving . Because, if the public is continually... if sales are going continually to decline, that signifies that we're not ever going really to be viable. So we have managed to do that; we have managed to increase sales for the first time since coming into the DuMaurier Arts Center. There's been a steady decline and that's not entirely due to anybody's fault. I mean this is a phenomena that is seen everywhere. For example, when Skydome was first built everybody came and then it declined. There's jokes about "maybe we should build a facility every five years." I mean, that's true for everything: a new shopping mall, a new night club. It doesn't matter. There is an excitement about something new and then after a while the programming has to take over and here at Theatre Aquarius we've had that same kind of decline. And there's greater economic factors and other issues, and there has been some concern over the programming which I've tried to correct and possibly that's been the answer. But we have now turned the corner and have had more sales and that's important.

Community involvement ? I am much more involved than my predecessor , although—interesting in reading his materials— his heart was certainly as there with great passion and power. I'm maybe a little more

outgoing. Also, again like something new, like a new building, maybe I'm a new personality and I've been well received by the community. So I've had some success personally, I guess, in connecting with people in the community. I think Theatre Aquarius is starting to be seen as Hamilton's Theater, as opposed to a play thing of a group of professional theatre elites. That's just not true, first of all, but it was a perception. So I think the answer to your question is yes we as an organization have turned people around, as demonstrated by greater sales. Individual donations are up, that 's another thing—up significantly. That's a demonstration that people believe that the organization is theirs. So sales up, individual donations are up, corporate sponsors are up and those three indicators show that the interest is there. That's quantifiable assurance that people want us here.

Are the audience numbers a reflection that the community of Hamilton likes what Theatre Aquarius has to offer in the way of programming? Stewart Brown, theater critic for the Hamilton Spectator, is cautious in his assessment of the Theater's success. He notes the effect of the deficit on their programming decisions:

[Brown] Consequently that has affected programming, particularly this year—where they simply have to get more people coming to the theatre and that has meant a very commercial season, a very popular season. I don't think that makes for important theater. I think Aquarius should be more than a place that simply puts on shows and I think that Hamilton should be a city

that gets that. I suppose any theatre is ... well I'm not really sure that any theatre is better than no theatre at all.

Max Reimer concedes that economics do play a part in his decision making.

[Reimer] I do look at the economic impact of everything that we do as I think I must. I don't think it's overriding though, in all honesty; but you know I come from the private sector. That's my style; I'm used to market driven products and I can't help but to be market-driven to a degree now. That does not mean... I believe that art must lead and art must follow: it must do both. I don't think it should be purely market-driven and only follow; it must in some ways educate, and I think people want it to do that. It's like in a wonderful dance, and I have a dance background in ballroom dancing, and I often think of this image in working with the public. It always looks like the man leads and the woman follows when you're ballroom dancing and if anybody tries to do it that way then you're not a very good dance team. You react to the situations; you react to the fact that you're boxed into a corner, or that another couple has cut you off and as you're sliding across the ballroom you also feel the weight of your partner and you move with that. I defy any professional ballroom couple to say who leads and who follows. The universe leads and we all follow in the universe. Similarly artistically I think we should do that. I think that if I become purely a follower and do the latest and hottest titles that my audience happens to know about we will become an uninteresting place

because the audience doesn't have the access to the networks that I have, being in the artistic community. On the other hand, if I arrogantly put up only plays that I personally would want to see, and the most deep intricate piece that's been produced in some remote corner of the country only, those pieces may not be of interest to my public either. (Because the plays don't just have to be good there has to be an anticipation of good.) So that is what I think has to happen. So in answer to your question, yes the economic does influence but I don't purely follow, I lead as well and in doing that it's a balance that I strike.

Striking that balance is a real challenge. How responsible should the municipal, regional or provincial governments be in ensuring the existence of some kind of professional theatre in Hamilton? Should it be the responsibility of the community? Stewart Brown:

[Brown] I think it should really fall on the members of the community. I think probably in this world you get what you really want to work for. I think it's on the community to show that they want it for one thing and that they're willing to support it, and if they're not: it's a shame but too bad...

It would be a shame if Hamilton were to lose its arts community; however, Mayor Morrow is confident that the community will rise to the challenge.

[Morrow] So, are we going to rise or are we going to fall ? It's up to the community to do it: civic government and its people. And in the case of our community, we're a very strong community, tradition of self sufficiency and survival, so of course I'm confident we'll survive and do well

[Musical Interlude—Mozart: Queen of the Night Aria from *Die Zauberflöte*[4]]

Unlike Theatre Aquarius or the HPO, Opera Hamilton is experiencing tremendous economic success at present. But as Hugh Fraser, music critic for the Hamilton Spectator, notes, they are not above the funding crisis:

[Fraser] Opera does not face that; it is successful; it is wonderful. It has these wonderful singers that come from all over the world and a wonderfully exciting conductor and superb management, wonderful volunteers who are keen and put on very successful auctions Despite all that, Ken Freeman, General Manager of Opera Hamilton is having sleepless nights about government cut-backs and what orchestra he's going to put in the pit and how on earth he's going to afford musicians and singers and one more decline in the Canadian dollar and he has to pay American dollars to pay Cheryl Mills to bring up for Popera—he's just gasping on the floor. You know, people are terrified of accumulated deficits. You know, to get through the season and the

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[4] W.A. Mozart. "Der Hölle Rachekocht in meinem Herzen". *Highlights From Die Zauberflöte*. cond. Bernard Haitink, Sinfonie-Orchester des Bayerischen Rundfunks. EMI, CDC 7 47009 2, 1981, reprint 1983.

next season.... and it could happen to anybody. What happened to the Philharmonic could happen to anybody, and it's happening to most.

Opera Hamilton managed to raise thirty-five percent of their costs from ticket sales last year and this figure is moving up. While they hope to reach forty percent in the near future that still leaves over sixty percent of their budget to come from other sources. For some opera companies the government would make up thirty percent of the shortfall but as Ken Freeman, General Manager of Opera Hamilton explains, circumstances were beginning to change when Opera Hamilton was entering the public funding arena.

[Freeman] Opera Hamilton began in 1980 (was incorporated in 1980), at a time when pubic sector funding for the arts had stalled. It had reached a certain level and those companies that had been established before 1980 had already staked their claim for their piece of the pie, if you will, which meant that anyone who came into that arena late was really facing an uphill battle in terms of government funding. It was fighting over a stagnant, at best, more typically diminishing pot of money So simply by virtue of the fact that Opera Hamilton is a relatively young company we are not as reliant on government funding as a company that has been in existence since 1965 which when the Canada Council came into existence.

[Freeman] The question was how are government funding reductions affecting us? They have an obvious effect, not withstanding what I said earlier

about Opera Hamilton receiving when compared to other opera companies a smaller portion of its operating budget from government funds, fifteen percent of your budget is still a huge amount of money and to see that disappear overnight would be a catastrophic blow to the organization.

One of the ways Opera Hamilton has managed to stave off financial problems is to expand into other communities—namely Kitchener-Waterloo. While from a money point of view this move has helped stabilize the organization, some critics are skeptical that an organization that is regionally based can serve the specific communities as well. Ken Freeman:

[Freeman] I don't agree with that premise. I don't agree with the premise that you can only serve one community. If I did, I wouldn't be here and I wouldn't have been at my prior employment. That's not to say it's easy; it's not easy. You have to weigh-off a lot, not necessarily competing concerns, but different concerns in each community. It's a question of what can the community support? I hope it can support an opera, I hope it can support a symphony as well but again we're focused on maintaining our quality and our service to the community and the way in which we found to do that is by reaching out to new communities and saying: "can we work together?" How can we do well for Hamilton by also doing well for Kitchener and visa versa? It's the whole notion of partnership and communities working together to help each other. I've started to think about it in many respects as we deal with the different communities as a metaphor for confederation. I mean it's two

communities that are quite different working together, finding compromises, finding common ground so that both achieve something that they wouldn't otherwise be able to achieve on their own. And I guess that's my point about Hamilton. This community has been extraordinarily, and continues to be extraordinarily generous, to all the arts and certainly to the opera, but as people face the competing priorities that corporations and individuals face: a different world; a different economy. I not sure that as much as they may love us, they can sustain us entirely on their own. What were saying is that maybe there are people in the not too distant geographical range who are also interested in sustaining us. [Musical Interlude—Puccini: "O mio babino caro" from *Gianni Scicchi*[5]]

Opera is fortunate to be experiencing a resurgence in audience numbers and interest which is somewhat of an anomaly in the classical music world.

[Freeman] First and foremost one of the things that must be recognized is what's happening to opera demographics. I'm still trying to get a copy of this. On CNN a few weeks ago there was a three minute segment on opera -- why was CNN covering this? It's the only classical art form with a growing audience, and what's interesting is while it varies from market to market the demographics are also shifting. You would think that the baby boom would explain the growth, as the baby boomers are aging (the average age is 50 in the

[5] Giocomo Puccini. "O mio babino caro" from *Gianni Scicchi*. A Room with a View Soundtrack. Kiri Te Kanawa. drg, CDSBL 12588, 1986.

States it's 48 here in Canada) they come into their own with the classical art form. But if that were true, that would be true of all the classical art forms. Why are we seeing in opera as a field not only growth overall but average ages are dropping and average income, although not average education— which I find interesting. I think that is attributable to the very nature of the art form, which is that we are multi-media. We live in a multi-media age: McLuhan was right thirty years ago. In some respects, the medium is the message and we're a multi-media, or a multi-faceted media. It's theater, it's visual it's aural— opera throws it all together and I think that appeals to a younger crowd as well.

But even with encouraging demographic reports, Opera Hamilton is conscious of the role of the community. Echoing the words of Max Reimer, Ken Freeman emphasized the importance of the community in the survival of an arts organization:

[Freeman] A lot of organizations, private sector-public sector as well, but especially the not-for-profit sector, I believe have in the past—and it may not have happened in Hamilton—have in some respects, positioned themselves as having a right to exist in and of themselves. We exist by the quality of our work and the good will of the community—you forget either of those two things and you're gone.

[Freeman] The opera is on solid financial footing now and has been and remains on solid financial footing, but my sense is that (and I'm sure that people even within our organization who would disagree with me—and that's a healthy disagreement). I do not believe that we would be on healthy footing if we had not reached out to new communities—that we would be struggling simply to maintain an existing level of activity. Sometimes you need to, as all business do and actually as all arts need to do, you need to take a risk. You need to grow; you need to expand. You need to take a big breath in and say this is something that we need to take a risk on.

[Musical Interlude— HPO playing *Porgy Sings*: Symphonic Suite from Porgy & Bess[6]]

That was the former Hamilton Philharmonic Orchestra in much better times playing an extract from Gershwin's Porgy and Bess Symphonic Suite. The selection played was Porgy Sings *and the orchestra was under the direction of Boris Brott.*

What happened to the Hamilton Philharmonic Orchestra? Did they lose touch with their community? Were the funding cuts too deep? What led one Canada's oldest orchestras to collapse on January 4, 1996? As John Brottman, head of the music division at the Ontario Arts Council explains, the HPO's troubles were not new. In fact in 1992 the OAC commissioned a report on the financial stability of the HPO:

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[6] George Gershwin. Symphonic Suite from Porgy and Bess. cond. Boris Brott. Hamilton Philharmonic Orchestra. CBC, SMCD 5111, 1992.

[Brottman] When we commissioned the report it was becoming plain that the HPO was going through a really bad patch: their deficit was growing; there were reports coming from inside that there were major problems between management, board and musicians; audiences were dropping and it was clear that something needed to be done. What we wanted from that report was a picture of what was going on inside the organization and recommendations—always with the idea that we would share those recommendations with them and that board would use them. The report was presented to the HPO board.

[Brottman] Many of the recommendations were accepted. It took a year or two for many of them to be acted upon and in fact there was a change of upper level management. Nevertheless, the financial situation was precarious and over the next three years the deficit grew uncontrollably. It culminated in 1995/96 with a deficit so large that the organization was fundamentally bankrupt and they then went and did the house lottery which plunged them even further and then they eventually closed down. What that did to our funding—we, in our orchestra programme... most orchestras that were perceived by our advisors to be operating on a reasonably high artistic level and were well-managed were offered multi-year commitments. We would offer those organizations a grant over a three year period as long as our funding remained stable. The HPO was on that three year commitment in about 1992, but were put on a year to year basis. Began reducing the grants, only marginally in 1994. In the last year before they closed down—the 325,000 was

given in four installments and last installment was never given out because they closed their doors.

And this is in reaction to your concern that they would actually collapse?

[Brottman] Yes, it was never certain in that last year that they would finish the season—so we wanted to protect what is public money after all but not penalize the orchestra unduly if they were going to come out of it—what we did was we tied those installments to evidence of performance from the HPO i.e. if their fundraising targets were achieved, if they did the number concerts they said they would then we released the grant. We ended up giving three-quarters of that grant; they ended up closing down before the last $80,000 installment was due.

The HPO was in pretty bad financial shape at the time of this report. How supportive does the Ontario Arts Council remain of organizations that are in serious financial trouble?

[Brottman] Well, we try as much as possible to remain supportive. Every organization goes through a life-cycle, and there are tough times experienced by many organizations that then come through it, so we do not withdraw funding. Nor do we decrease funding unless there is a case, like in the HPO situation where it is plain that it is something above and beyond (or maybe I should say below and beyond) a normal tough time—where there are

issues of mismanagement; where there are issues of the community itself no longer supporting that organization. That to us is a real indicator. If the community is withdrawing support, either by not showing up to concerts, not donating, not giving fundraising—that tells us that we too then ought to be withdrawing funding. So what we do in those instances is to give warnings over a number of years. We reduce the grants marginally and watch what happens, because we do not want to be the instigators of an organization's demise.

Questions of audience support; problems with mismanagement; ineffectual fundraising; and continuing decreases in public funding. What really brought the former HPO down and can these mistakes of the past be avoided with the burgeoning New Hamilton Orchestra? These questions and many more will be posed to the movers and the shakers of Hamilton's orchestra community—both past and present. Please join me on March 12, two weeks from today, for part two—a special feature on The Hamilton Philharmonic Orchestra: An Orchestra in Crisis. [Theme music]

You've been listening to a special three-part documentary series on the performing arts in our communities. This series is produced in association with Centerstage, *Hamilton's local arts profile show.* Centerstage *will be returning to its regular programming next week at noon on 93.3 CFMU. I'm Marlo Spence, thanks for listening.*

The Hamilton Philharmonic Orchestra: An Orchestra in Crisis

[Theme music—J.S. Bach: Brandenburg Concerto No. 4 in G, BWV 1049, Andante[7]]

Welcome to the second installment of a three-part series examining the state of the performing arts in our community. I'm Marlo Spence. In the first programme Fight or Flight: The Arts Community of Hamilton *we looked into how the arts community of Hamilton is coping with the current funding challenges. Like many communities across the nation, Hamilton is experiencing some difficulty sustaining its once vibrant arts organizations. Government cutbacks, changes in the economy, and competing priorities have all taken their toll. Nowhere is that struggle more apparent then in the funding troubles associated with former Hamilton Philharmonic Orchestra, an organization so beleaguered by debt that it collapsed over a year ago. Today's show will explore the reasons why the former HPO was forced to close its doors on January 4, 1996 and examine the prospects of the New Hamilton Orchestra. The Hamilton Philharmonic Orchestra: An Orchestra in Crisis.*

In light of all the media attention surrounding the arts funding crisis there is a temptation to assume that the HPO was simply an unfortunate victim of government cutbacks, cut-off at the knees by governments unconcerned with the

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[7] J.S. Bach. Brandenburg Concertos Nos. 4-6. Cond. Neville Marriner. Academy of St. Martin-in-the-Fields. Phillips, 400 077-2, 1980.

effects of their spending reductions. But this type of scenario would seem to absolve the organization of any responsibility for its own demise, an absolution that is not entirely warranted. Government funding cutbacks have not facilitated the continued existence of any arts organization, least of all the Hamilton Philharmonic; however, the problems that pushed the former HPO into bankruptcy were much deeper and more complicated than simply a sharp shift in available government moneys. Issues of mis-management, lack of community support and questions of artistic direction plagued the organization in the years leading up to its collapse. [End Music]

The financial crisis of the HPO did not suddenly materialize in the year before they went under. The orchestra's financial history is characterized by Hugh Fraser, music critic for the Hamilton Spectator, as a series of half-million dollar bombs: an onslaught that would eventually sink the orchestra. The first "bomb", however, was successfully avoided. Hugh Fraser:

[Fraser] The first one dates back to July 1983. At that time what I call the first $500,000 bomb was an accumulated deficit on that date of $500,000. Subscriptions were a very meager $4,900 and prospects were extremely bleak. We heard the same crisis talk in eighty-three that we did later on. Paul Eck came in as General Manager There was a campaign called "reasonable request" which asked for $13.01 from subscribers as a contribution which was to be matched dollar for dollar by Wintario. That was the $500,000 bomb that was dodged. The deficit came down to $166,000 and the subscriber base was

just over 10,000 (almost the same as Tiger Cats had season ticket holders). It was a really Golden Age, in a sense, for management of the HPO. That was the status when Paul Eck left in the Fall of 1987.

Paul Eck, former General Manager of the HPO from 1983-1987, came on the scene at a time when the HPO was in strong need of good management:

[Eck] Over the years Hamilton had had a whole series of general managers — the longest term of which had been for two years, so there was a continuity problem. They wanted to double their audience and increase their fundraising. They had a fair size staff —I don't know maybe seven or eight people on staff. They had the right people in the wrong positions on staff. So it was kind of interesting to be able to change some people around to meet their interest areas and so on, and see the results almost immediately in what happened. The upshot of all that is when I left five years later, the audience had more than doubled, the fundraising had more than tripled and every service in the guaranteed contract was being used.

When you went in there what was the financial picture like at the HPO?

[Eck] There was an accumulated deficit of about $600,000 . When I left it was at $166,000 (which was manageable certainly).

[Musical Interlude—Gershwin: Fugue from Porgy & Bess Symphonic Suite[8]]

[8] George Gershwin. Symphonic Suite from Porgy and Bess. cond. Boris Brott. Hamilton Philharmonic Orchestra. CBC, SMCD 5111, 1992.

So what really happened after Paul Eck left in 1987? The orchestra was going through some particularly challenging internal re-organization. After nearly twenty years at the helm there was a push to replace conductor Boris Brott with a new artistic director. A move which Brott campaigned furiously against but was ultimately defeated in 1988 when the decision not to renew his contract was made. Even though his contract was not renewed in 1988, Boris Brott's contractual agreement ensured a two year notice of termination clause which meant that he continued to serve as artistic director until the spring of the 1990 season. This tumultuous artistic period was also marked by managerial and financial problems which culminated in the second half million dollar bomb in the spring of 1990. Hugh Fraser: [End music]

[Fraser] What happened there was that the general manager was Jurgen Holgersen at the time and he was anticipating a worrying but manageable deficit of $330,000. Which, in one day, increased by $448,000 to $778,000. That was the bomb that hit— the $448, 000 is what I call the second half million dollar bomb. From that moment onward, really, the deficit dominated all decisions of the HPO—from that date— and it never really recovered.

[Musical Interlude—Sibelius: Symphony No. 2 in D major, Op. 43, *Allegretto*[9]]

[9] Jean Sibelius. Symphonies 2 & 6. cond. Lorin Maazel. Pittsburgh Symphony Orchestra. Sony, SK 53 268, 1990.

Certainly 1990 was a real financial fiasco for the Hamilton Philharmonic Orchestra. The cracks in the organizations began to show on a multitude of levels. Firstly there was this unexpected and grossly underestimated operating deficit. Stephen Bye, who was assistant General Manager at the time and the person who discovered the discrepancies in the books offers a number of explanations. To begin with, the marketing director significantly overspent his budget; the bookkeeper was inexperienced and was unable to handle properly the finances. This arrangement was ironically one of the cost cutting moves of then General Manager Jorgen Holgersen. When the former comptroller resigned from his position Holgersen decided that the bookkeeper could simply absorb the work that this person had previously done, thereby saving them the cost of a salary. Unfortunately this tactic backfired. The last reason offered for the deficit was overspending related to hiring extra musicians.

Interestingly, in an article published in the Globe and Mail last March, Jorgen Holgersen comments that the financial problems of the HPO were the result of a trend to play bigger repertoire than they could afford. A trend which he notes began under Boris Brott. This observation is certainly true but is it not the responsibility of the General Manager to ensure that the Artistic Director stays within the limitations of the budget? Certainly it is responsibility of the General Manager to oversee the financial business of the organization. [End music]

While Holgersen was not outright relieved of his duties, the board decided not to renew his contract after this series of mishaps came to light. Then president of the board David Gow:

[Gow] We told Jorgen Holgersen that we were not going to renew his contract —we told him that in June when we discovered errors in bookkeeping (which weren't his fault personally but he's the captain of the ship so it's one of his crew that made the mistake) We told him that we weren't going to renew contract — we didn't want to fire him because he was a good fellow and had a long and honourable career. Stephen Bye had been his assistant and none of us thought Stephen was ready to become general manager but he seemed to be the best we had. We simply weren't in the position to pay the big dollar to go and find a GM who would turn things around.

No serious action was taken against Jorgen Holgersen, even though his managerial skills were in serious question. Furthermore, at a time when strong leadership was most needed the board went with a person they were not entirely convinced could do

[Musical Interlude—Richard Rogers: *March of the Siamese Children*[10]]

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[10] Richard Rogers. "March of the Siamese Children" *An Evening with the Boston Pops* four vols. Vol. 4 "In the Park". cond. Arthur Fieldler. Boston Pops Orchestra. RCA Victor 74321-39803-2, 1996.

Paula Elliott, chairperson of the players committee and principle flute for the former HPO takes a no holds barred approach when asked how she thought the organizations was run in the past:

[Elliott] A few years ago we had a very inept management —I don't think the manager knew how to read financial sheets and the person in charge of supplying numbers to him didn't know what was going on. I have a feeling that there was a large amount that was just lost and all of a sudden it caught up with them. I just think it was ineptness more than anything. [End music]

While the reasons proffered for the missing funds takes into account some of the 1990, $440,000 operating deficit, as Paula Elliott notes, some of the money seems to have been just lost. 1990 was not only a significant year because the operating deficit burgeoned out of control, but it also marked the end of Boris Brott's tenure with the orchestra. His departure was anything but amicable and the interim period that followed lacked a clear focus.

The first order of business was to figure out how to recover from this colossal deficit. At the time, an idea hatched that was supposed to get the orchestra back on track. The HPO had a reserve fund of $200,000 which they used to purchase a strip bond. The strip bond when it reached maturity would be worth $700,000. This bond allowed the organization to approach the region with a unique arrangement. The HPO would give the strip bond to the region as collateral, in exchange for which the region would guarantee a $700,000 bank

loan. Stephen Bye, former General Manager, who was one of the main players behind this deal explains how the bond was suppose to work:

[Bye] The bond was basically a stop gap— it wasn't the be all and end all, but it was a mechanism to allow us to go forward, get our house in order, market the orchestra better, do fundraising better, and continue on in the community. Unfortunately, as I understand it, things changed after I left and there was an unfortunate reversal and that put things out of balance

So in your mind, from the time you were involved with the strip bond plan things were heading towards getting the house back in order?

[Bye] It was a combination of things. The strip bond allowed us some breathing space. We then had [some] very serious negotiations with the musicians who gave up a significant portion of their livelihood in their contract to try and make the thing work. It wasn't going to be the bond only that was going to allow the orchestra to survive; it was going to be a combination of things. It was going to be a reexamination of who we are, and what we are, and where we are in the community, and how the orchestra fit into that, and what really should we be spending on it—what the demand was. The strip bond was one segment. The agreement with the orchestra (which we got) was another one —because we're all partners in this—and the increased funding from the community. And I saw that pattern working and as I understood since... if things had continued in the manner that they should have continued, that

there would have been ,like I said, a slow growth out of it—but there was growth.

Stephen Bye suggests that if his lead had been followed after he left that the HPO should have experienced a slow growth out of their financial woes. Yet under his management the organization still continued to have yearly operating deficits. David Gow:

[Gow] In any event, I can remember saying to Stephen Bye "don't worry about the existing debt, that's our job (you don't buy it). But make sure no more occurs— do what ever you have to. We may have to cut a concert series; we may have to change music to have fewer musicians; we may have to do all sorts of radical things, but make sure we don't have anymore operating deficit." Well we did. We went right on having operating deficits, because of course I could say those words but the management was still saddled with the interest on the deficit and that was considerable.

A few years into the five-year recovery plan, concerned with the HPO's continued financial troubles the Ontario Arts Council commissioned an independent study to examine the financial troubles of the organization. The report indicated that "it would seem that the organization is technically

insolvent".[11] *Furthermore it was extremely critical of senior level management and its relationship with both the musicians and the board.*

In response to the findings of the report and its criticism of Stephen Bye, Seymour Wigle, former treasurer and president of board of the HPO:

[Wigle] I would say that perhaps you should recognize that the person who was the author of that report very soon after caused the orchestra in Kingston to do exactly the same thing—in other words, I'm not sure that the Ontario Arts Council, if asked privately, would really want to stand behind that report. There is no doubt that the then managing director [Stephen Bye] was unfavourable— we put that person in place when the managing director who was there when we had the huge loss in 1990 and he was no longer with us [Holgersen]. I think that probably the musicians were unreasonable in some respect. I suspect also that the managing director of the day wasn't as strong as one would have hoped for. I guess perhaps there is some merit in that the report was written in that it jacked us up a bit. Yes, technically we were insolvent. If you take about a $200,000 loss in accumulated debt before 1990 and add 1990 to and add 1991 we were up around the $900,000 debt level.

Stephen Bye defends his term as manager and like Seymour Wigle calls into question the validity of the report:

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[11] Stuart Smith, Jack MacDonald. *Facing the Music: Report to the Hamilton Music Research Task Force*. Hamilton: Ernst & Young, 1996, 24-25.

[Bye] It was a very interesting report, because I happen to know the person quite well who did it—who shortly after that report was issued was kicked off the board of his own orchestra for various and sundry reasons, the most of which was not being in touch with what was going on. It's unfortunate that that particular individual happened to do the study. There were aspects of the study that were valid that we addressed. There were some that we were already addressing—the timing was kind of funny because he coming after we had discovered a lot of things and as were putting things in place. So a lot of things people were talking to him about were already history; we were already changing. And, in a way, that was good because they got the study that said we should do this and this and the majority of it we had already changed. I think you'll find that with any study done by a third party over an extremely brief period of time, and with a small amount of input from a few people, it sometimes gets a little bit skewed and it does affect the validity of it as well.

While both Mr. Bye and Mr. Wigle suggest that many of the reports recommendations were taken to heart. Facing the Music, *a report to the Hamilton Music Research Task Force, dated March of last year, finds no indication that any of the "study's key recommendations [were] adopted by the HPO."*[12]

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[12] Stuart Smith, Jack MacDonald. *Facing the Music: Report to the Hamilton Music Research Task Force*. Hamilton: Ernst & Young, 1996, 24-25.

[Musical Interlude—Beethoven: Symphony No. 3 (Eroica) *Allegro*[13]]

There had been a long battle to replace Boris Brott as the conductor of the orchestra, who had served over 20 years in that capacity. Two camps (pro and anti-Brott) emerged in both the community and the orchestra. Hugh Fraser:

[Fraser] It was a long and protracted battle and I do believe it did hurt the Philharmonic. I believe it split the audience; I believe it split the community into different sides. To support an arts group as large as a symphony orchestra, a community the size of Hamilton really has to be together—completely together. So yes it did have a negative effect.

Perhaps more than simply splitting the community, Boris Brott's departure opened the issue of having to find a new artistic director—something the HPO was not particularly experienced in. Many people were critical of the length of time taken to find a replacement for Boris Brott. In 1988, Brott's contract was not renewed, yet it took until 1993 to appoint his official successor Akira Endo. David Gow: [End music]

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[13] Ludwig Van Beethoven. *Symphony No. 3.* Jukka-Pekka Saraste cond., Scottish Chamber Orchestra. Virgin Classics, RCZ 72435 68214 2 2, 1989 & 1992.

[Gow] Why did it take so long? I never thought of it taking so long to tell you the truth.

By most people's account, four years is a long time, but Mr. Gow goes on to explain the reasons why the search took so long. Many of which were echoed by Stephen Bye:

[Bye]We had to do a music-director search, which at best takes a number of years to start with. You have to go out and find the people you want to audition; then they have to come and perform with you (for their part of the audition), and then you have to hire them, and conductors schedules are quite often booked two, three or four years in advance. So by the time you figure out who you want, (that's a year) get them in there, (that's another year and a half to two years) and then free up their schedule enough to come in on a full-time basis, (that's another few years too) it does make it a really long transition. Quite typically, people have a number of guest conductors in mind who they would like to see back and maybe can narrow it down to two or three . We weren't quite in the same position. Boris did the majority of our concerts, whether it was the big concerts or the small concerts or the pops concerts, so the orchestra hadn't really been exposed to that many guest conductors. So that when a time came to start making a list, it was a pretty big list because they hadn't seen most of these people. I think from that point on the policy was that there would be a certain number of conductors in a year simply to have a

look to see who was out there and if the need every arose again we would be a little better prepared.

Notwithstanding these arguments, other orchestras seem to manage this transition between conductors much more expediently. During this period Victor Feldbrill was asked to act as interim conductor, a term that seemed to set up a wait-and-see kind of mentality in the community. Paula Elliott:

[Elliott] Here again, this is ineptness in the office and on the board of directors. Victor should have been hired as music director —right off the bat. (Nobody needed to know that he was just going to be around for three years and we were going to continue looking.) They called him interim something or other or music advisor or something. This town being what it is, just sort of thought—we'll wait until the new guy comes. Victor is a fine conductor; Victor is a good community person, but they didn't market or marketed him in a very poor way. So almost everything that has been done in the last several years, with the exception of changing music directors, has been a big wash-out. And I think we're suffering the fall-out from that.

Even though by all accounts Victor Feldbrill's artistic abilities were superior and the orchestra was playing better than ever, the public seem to stay away, still waiting for the new guy. Paul Eck:

[Eck] He was there to program artistically and work with the orchestra —so he didn't really have that opportunity to be part of the total community, that could be part of what causes that. I certainly heard a couple of concerts under Victor in which I thought the players were probably playing better than ever. And I went to several concerts with the new music director, Akira Endo, and I heard a couple of wonderful concerts. But again, maybe it's the flash and dash. Maybe Hamilton was so used to Boris's kind of off-the-cuff and off-the-wall sense of humour. Boris would talk from the podium and he'd play Santa Claus in the middle of a concert and he did a number of outrageous things that conductors aren't suppose to do, but which to an audience makes that conductor much more one of them, much more human. So it could be just a perceptional difference. Certainly the quality of music if anything went up—did not deteriorate.

[Musical Interlude Bizet Symphony No. 1 in C major, *Allegro*[14]]

Well the wait-and-see attitude seemed to continue past the appointment of the new artistic director. Usually, a new conductor is an opportunity to make a big splash in the community but the year Akira Endo arrived: the HPO lost $80,000 that season. The community seemed to be less then willing to support an orchestra, and the accumulated deficit was continuing to rise. Finally, by the Fall of 1995, the orchestra was carrying a 1.2 million dollar accumulated deficit. Desperate measures were taken and the fateful house lottery was

[14] George Bizet. *Symphony No. 1 in C major*. Jukka-Pekka Saraste cond., Scottish Chamber Orchestra. Virgin Classics, RCZ 72435 68215 2 1, 1989 & 1992.

launched as a last ditch effort to save the orchestra. Unfortunately, the results were disastrous and the lottery which was supposed to raise $800,000 lost $60,000. This was the final bomb required to sink the HPO. [End music]

Paula Elliott is critical of the decisions made by both management and the board of directors:

[Elliott] It seems to me that if you are creative and have a good product you can raise money. I refuse to believe that money can't be raised. I think we had a very tarnished image in the community because our debt was so big and people didn't want to put good money after bad, so to speak, towards the end. I think the whole thing just really reflects inept management and lack of supervision at the board level. I mean, they should be held responsible for what they're doing but I think they are naive and innocent—you know, not understanding the business and from this respect I think it probably would be good to have people with business sense from the outside overseeing the whole operation.

Audience numbers and community support are critical factors in an orchestra's success. After struggling to keep the orchestra afloat, Seymour Wigle wonders about the community's commitment to support an orchestra:

[Wigle] I guess the only thing that I've thought of since all this occurred was that maybe we should have really seriously considered not having an

orchestra after our tragic year of 1990. Because the last six years were— I have never had so much stress in my life (I was a professional person all my life) I never had so much stress as I've had in the last six years trying to keep the orchestra alive and thinking of various ways of raising moneys. Each of us have contacts all across the country and we bring in ideas. While I think the staff was excellent, the community didn't seem to want to support it. And that's why I've wondered if we would have been better to call it quits six years ago. So I think, if anything, we gave the community six years, or five at least, of music they wouldn't have otherwise had.

David Gow has had similar thoughts over the years but does not think that abandoning the HPO in 1990 was a better solution:

[Gow] How could it be better? I agree that it might have been cleaner to wrap it up in 1990, but we didn't, and I think this city had five and a half more years of philharmonic music and of course the musicians had that term of employment. But that certainly is an alternative that I've thought about many times but I would do it again the same way, only I would be tighter . Maybe it's a cop-out to blame it on management, but it should have been covered— we should have been well informed. If the board had been well informed of what was going on, we would have taken some drastic steps in that particular year [1990].

Hindsight is always 20/20 but unfortunately the appropriate steps were not taken and the orchestra went under as a result of it. Over this five-year period, governments on all levels were slowly reducing their grants to the organization. This made the orchestra's struggle for survival that much more challenging. Coupled with dropping community support the prognosis for a new orchestra remains uncertain.

[Musical Interlude—Barber: Adagio for Strings[15]]

So what about a resurrected orchestra? After the orchestra collapsed various factions came in to survey what the potential in Hamilton was —a trend that Paula Elliott found quite disheartening:

[Elliott] It's just amazing what political forces have come out of the wall in the city with our demise. It's really cannibalism. Boris going after our grant money; Symphony Hamilton trying to move in and get more money from the arts council and try to raise their professional level; and Kitchener-Waterloo is ready to move in right away. I find this very ghoulish. They should have enough respect for the city and the artists in it and the organization, which has been around forever, to give it a chance to get organized. This has been quite an impediment as well. My guess is that the greater—way more than half of my energies., since last October [October 1995]—have been spent in a negative way. I truly believe that if weren't for the initiatives of the players

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[15] Samuel Barber. *Adagio for Strings, op. 11,* Jukka-Pekka Saraste cond., Scottish Chamber Orchestra. Virgin Classics, RCZ 72435 68216 2 0, 1989 & 1992.

nothing would be started here. We just kept ourselves in the public eye. We gave the series at the Scottish Rite in the spring and we've done what we can that way—just pushing, pushing, pushing behind the scenes.

The players are certainly critical for success in a new orchestra. One of the economic factors cited in the Ernst and Young study Facing the Music *aside from managerial problems, was that the musicians were paid for a set number of services that were not fulfilled. According to the study, there were simply too many services for the community to support, therefore some were left unfilled, but still paid for. This had led to the belief that the only type of financially viable orchestra in Hamilton would be structured on a fee-for-service type of arrangement, especially in light of government trends to donate less to the arts community.* [End music]

Dory Vanderhoof, an arts consultant with Genovese, Vanderhoof & Associates, and contributor to Facing the Music *explains:*

The Hamilton Philharmonic is not very different from most orchestras caught in cities of a half million, where in the sixties and seventies, when money was available, people thought that the money would continue and the goal of the orchestra was to be a full-time performing unit. In other words, having an ensemble playing together fifty-two weeks of the year, playing as one, gives you the highest artistic quality. So there is a belief in Canada in those early years that every city deserved a full-time orchestra and

agreements were negotiated and the musicians really expected from the management that they would be growing into that full-time orchestra. Then when 1977 came and cuts started happening, orchestras found themselves with contracted levels of activity far beyond what they could afford to support. And I think they went through a number of years of doing everything they could to provide the payments to keep the services going to the musicians, but eventually it bankrupts the symphony because you are over-performing to the market-place. And that is simply what was happening in Hamilton

However, John Shaw, General Manager of the HPO at the time it went under sees this type of thinking as lacking all respect for musicians:

[Shaw] It's far too facile an answer to say, "let's only pay them for the services that they do for one set of concerts, or whatever." That is treating professional musicians as something less than professional, and while it might be less costly (well of course it is less costly) nevertheless, the respect with which musicians should be held with the training and background and the amount of work that is done unseen and unheard —that respect should be there. My opinion would be that that is lazy funding. People who think musicians should be treated that way— they are not treating them as professionals. Look at teachers, for instance. Do you think they should only be paid for the number of hours they teach in the classroom where they are visible to their students? What about all the preparation time? Should they not be paid for that?

And yet this is definitely the modus operandi for a lot of reports coming out recently about the types of orchestras that communities can support.

[Shaw] If you want to have that kind of orchestra you can have that kind of orchestra but don't call it a professional orchestra. Don't try and persuade professional musicians to work in that orchestra.

But Mr. Vanderhoof is insistent that this is the only type of orchestra Hamilton can support:

[Vanderhoof] Fee-for service is what has kept a number of symphonies alive —Kingston, Regina and Saskatoon. These are fee-for-service arrangements. The American cities that are in the size — Americans are deceptive because sometimes you'll quote the population, for example, of St. Louis as a city of 500,000; therefore, they compare to Hamilton. Well the metropolitan area of St. Louis is about two and a quarter million, but the downtown core is a half million. And so it depend on who makes the comparison. If you take an urban area of 500, 000, which what we're talking about when we're talking about the Hamilton area, you will find very few cities that size capable of supporting anything other than a per-service orchestra.

It would seem that Hamilton is taking Mr. Vanderhoof's recommendations seriously. The New Hamilton Orchestra — which is more or less the players of

the former HPO with new management and a new board of directors — has opted for fee-for-service type of arrangement. According to the Jack Nelson, the new General Manager of the NHO the players have accepted these terms of payment even though they certainly are a step down from their previous arrangement with the HPO. While no doubt the players are hoping for this to improve, Mr. Nelson doesn't see the scenario changing in the near future.

[Musical Interlude— Grieg: Morning from Peer Gynt Suite No. 1[16]]

The New Hamilton Orchestra is facing a number of challenges before their future in the community is secured. They find themselves in a difficult position of trying to rebuild an orchestra with no artistic director at present. They have attempted to begin their reconnection with the community with a series of teaser concerts to remind the community that a professional orchestra does still exist in Hamilton. Their first concert on February 15, 1997 was a good success and they have managed to secure enough funds to continue the season but the community is still a bit wary. The former HPO lost the Regional Municipality of Hamilton-Wentworth approximately $350,000 as a result of the strip bond bank loan guarantee. The region, as a result, may be reluctant to commit more funds towards a new organization. I spoke with new GM Jack Nelson about the prospects of the new orchestra:

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[16] Edvard Grieg, *Morning from Peer Gynt Suite No. 1.* An Evening with the Boston Pops four vols. Vol. 2 "Pops Potpourri". cond. Arthur Fieldler. Boston Pops Orchestra. RCA Victor 74321-39803-2, 1996.

[Nelson] Well there's no doubt that we have to change the artistic content and appeal to a different audience and that is one thing that we'll be focusing on very strongly over the next few months. The initial intent of the short season is to get the orchestra back in public focus. The orchestra has been out of the public eye for more then a year and the intent of these concerts is to show people that we still have an orchestra. Next season we intend to look at the artistic content and look at the audience participation and try and change our audience. So that is a goal for next season.

What would you say is different about this organization's structure and the way that it's being run from the former Philharmonic Orchestra and what do you think it will really take for you to succeed in Hamilton?

[Nelson] I think there's been a great misconception regarding the previous organization. Most of the people I've spoken to in the last month or two have focused on the artistic content and the lack of audience support et cetera. The reason that the previous orchestra is not here today is because the financial management could have been better. The orchestra did generate enough in terms of revenue to be successful and to be here today. Unfortunately, the expenditures exceeded the revenues and here we are, but it wasn't something that happened in six months or two years, it was something that happened over ten years. I think somewhere in that ten period there was an opportunity for someone to step up and say look we can reverse this by

being a lot more astute on the financial side. Certainly we are counting our nickels and dimes in this organization right now.

To get a little into the funding issue, when I was speaking with Mayor Morrow a number of weeks ago, he said that for this very short season you had not approached the city for any kind of funding. Where are you going in terms of looking to governments for any kind of support for future seasons, whether it be this coming season or years after that?

[Nelson] Most orchestras are very heavily funded through government grants and the previous Philharmonic was no exception. It certainly is our intent with the new orchestra to seek funding from the federal level, the provincial level, as well as the region. Again, initially we wanted to get the orchestra back into the public eye and let people see that we have an orchestra and that we can stand on our own two feet (at least through a short season—a series of seven concerts). We were hoping to do that with community support. Next year is the full launch of the orchestra. Next season we will be applying for regular grants.

Now I understand that the Ontario Arts Council and I believe it is also true for the Canada Council as well, that in order to receive support there are stipulations that the organization has to have existed for "X" amount of years. Is there a way around this, since you are a new organization as opposed to the former HPO?

[Nelson] Well if you come back in a couple of months and do this interview I can be a lot more specific. We are filling out the applications and we've had initial discussions with both councils (the Ontario Arts Council and the Canada Council). We've no guarantees but we are filling out the applications and we're hopeful.

Now you've talked a little bit of artistic questions as well. Now you mention that there's been a focus on the fact that there were a lot of artistic problems with the former orchestra. Whether or not that was true, there certainly was some difficulty finding the right person to lead the organization. And that is obviously something that you're having to face as well. Do you have, at this point, somebody in mind for the upcoming season or is that something you're going to be determining over the next year?

[Nelson] Obviously we need artistic direction and that's not my field. The first requirement was to get a basic infrastructure as far as the business side goes and we're rapidly, (hopefully) getting there. On the artistic side we are looking at several possibilities. We'll probably be fairly prudent in the first year. We will probably not have a resident artistic director. We will look at an artistic advisor; the artistic advisor will advise the resources we have within our orchestra and myself and guide us through the first season. That seems the most prudent way to go at this point.

Your organization is attempting to follow, as far as I know, the recommendations of the Ernst and Young study Facing the Music *more or less as closely as is reasonable. One of those recommendations is that the long term survival of an orchestra in this community sort of hinges on this whole idea of regionalization. Is this something that is part of your long term plan?*

[Nelson] Well I think if you look at the Ernst and Young study, which I've looked at in great detail, one of the first recommendations is that we should have an orchestra up and running first. I think we're at that stage right now. I think everyone in this organization has a very open mind and we are following that study and it is yet to be determined if the regional concept is the preferred way to go. But I think if you look at the study, it's not suggesting that we go to the regional concept day one. That's something we have to look at down the road.

Now is next season more or less planned at this point or are you still waiting for financial securing of moneys in order for the season to actually be carried through?

[Nelson] Well it's sort of a cart and horse situation. We have to plan—time is of the essence—we have to plan for next season; it should be planned out at this point. Obviously we also need to know what our funding will be. So we have some tentative plans for next season. We are in the process of

submitting grants to the various councils and our plans will have to be fine tuned as we receive more information. [Theme music]

Jack Nelson contends that the reasons why the former HPO went under were due largely to managerial problems and not enough pressure from the board of directors to keep the finances in check. As a man coming from a strong business background, he certainly seems to be the person to count the nickels and dimes for the New Hamilton Orchestra. But an orchestra is not only a business; it's an artistic ensemble that need solid artistic direction. From a funding point of view the NHO's future seems to be promising although much work still remains to be done. Artistically though, the NHO has a challenging road ahead. Without an artistic director or even a fully planned season it will be difficult to gain the much needed community support. But the NHO remains optimistic. Will the NHO learn from the mistakes of its predecessor the former HPO? This next year will be critical for their long term survival

You've been listening to a special documentary on the collapse of the HPO. The third part of this three-part series will explore questions of funding our arts communities. Please join me in two weeks from today—March 26— for Funding the Arts: A Need for Creative Solutions. The HPO: An Orchestra in Crisis *has been a special presentation produced in association with Centrestage—Hamilton's local arts profile show.* Centrestage *will be returning to its regular programming next week on 93. CFMU. I'm Marlo Spence. Thanks for listening.*

Funding the Arts: A Need for Creative Solutions

[Theme music: J.S. Bach: Brandenburg Concerto No. 4 in G, BWV 1049, *Andante*[16]]

Welcome to the third and final installment of this special three-part documentary on the state of the performing arts in our community. I'm Marlo Spence. Adequate funding for the arts is a critical issue in their quest for long-term survival. As the first two installments have shown, the dynamics of government funding, audience support and corporate donations are shifting. The arts as a sector is challenged to meet these changes. As the government reduces its commitment to fund the arts, we are confronted with a number of questions. Do we as a society value the arts enough to sustain them? And if we do, where will the necessary funds come from? As the first two programmes have demonstrated, there is a crisis in the arts community as many organizations push to stay alive. Having existed in the past is no guarantee of existing in the future.

In the second programme, The Hamilton Philharmonic Orchestra: An Orchestra in Crisis, *we examined the reasons why the former Philharmonic was forced to shut its doors. Fraught with internal organizational problems, questionable management and a staggering debt load, the former HPO leaves a difficult legacy to its offspring the burgeoning New Hamilton Orchestra. This new orchestra still has much to prove—both to the community, and to the government funding bodies that once supported its predecessor the HPO. While*

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[16] J.S. Bach. Brandenburg Concertos Nos. 4-6. Cond. Neville Marriner. Academy of St. Martin-in-the-Fields. Phillips, 400 077-2, 1980.

the New Hamilton Orchestra is optimistically filling out grant applications to the Ontario Arts Council and the Canada Council, the much needed government support may not be available. Funding bodies have been dramatically cut back; as a result, they are extremely cautionary in their granting procedure. John Brottman, head of the Music Division at the Ontario Arts Council, explains the chances of the NHO actually receiving funding:

[Brottman] In the last go around, the last application deadline for the orchestras, the HPO had closed down. We did receive a couple of proposals from Hamilton but we felt, and our advisors felt quite strongly, that we should not make any recommendations about putting money into a new orchestra in Hamilton until the community itself decided what it wanted to support. So even though we still do have one proposal on the table, we also know that there are a couple of other structures that the community is weighing up—whether to support, whether to put together... We don't even know if they'll fly or not. [A]nd when the community itself shows what it wants, and when that new structure has established some record of activity and shows itself to be stable, that is when we would consider funding it again.

What kind of record would the New Hamilton Orchestra have to demonstrate to prove their stability to the Ontario Arts Council?

[Brottman] Historically, our orchestra programme will only fund an orchestra that can show at least three years of stable activity with a season of concerts and support from the community. So it's not simply a matter of

organizing a concert and saying now we exist as an orchestra because, believe it or not, there are dozens of orchestras around the province that would then qualify. We do not have the money to fund them. We used to fund forty-four orchestras around Ontario, we are now funding something closer to thirty—just over thirty orchestras. We still do not have enough money for all of them, obviously. The New Hamilton Orchestra, even though it has announced itself in existence, has not yet demonstrated either an established series of concerts, [or] an established roster of musicians. There are a whole lot of questions around it. We don't know who the board is. We've had communications from different people purporting to represent this orchestra—as recently as last week someone changed in that office. So we do not know... it would be a little premature to start funding that orchestra.

[Musical Interlude: Mozart— Symphony No. 41 (Jupiter) *Allegro Vivace*[17]]

The funding future of the New Hamilton Orchestra is anything but certain at this point. Moreover, the future of public funding for the arts is also uncertain. As John Brottman has pointed out, the number of orchestras his programme is able to support has been dramatically reduced, as have the levels of support to those organizations. Under the current Conservative Government, the OAC has been forced to cope with fairly significant cuts to their operating budget, totaling about thirty percent of their revenue. While these cuts were, by necessity, passed on to the artists and organizations the OAC supports, the cuts were not across the board. Some organizations were dropped altogether; others were cut forty to forty-five percent, while others that were perhaps more fragile only lost ten

[17] W.A. Mozart. *Symphony No. 41 K551 in C Major*. Jukka-Pekka Saraste cond., Scottish Chamber Orchestra. Virgin Classics, RCZ 72435 68213 2 3, 1989 & 1992.

percent of their funding, depending on the criteria. In any case, the Ontario Arts Council is now more than ever limited in its ability to fund Ontario artists. Even though cut-backs have been severe and some fear a complete withdrawal of government support, Gwen Sutterfield, Executive Director of the Ontario Arts Council doesn't see that trend occurring. [End music]

[Sutterfield] I don't think that's the direction we're heading in. Only because, the every indication that has been given to me by the people that I talk to in government is that there is not a recommendation there that they should discontinue support to the arts or that they discontinue the Ontario Arts Council. The government has just appointed five new people to the board of this organization and established a crown foundation called the Ontario Foundation for the Arts, which is actually administered by the Ontario Arts Council (and that's part of that legislation.) So that would tell me that there is still some intention of supporting the arts at some level. Do I think that we may suffer more cuts? I think that is regrettably a possibility.

While the government seems to be making moves to demonstrate some commitment to the arts, the level of that support appears to be dropping dramatically. Many people both inside and outside the Government herald this reduction in government funds as a good thing because it will force the arts community to stop living off the public purse and allow the market to determine what survives and what doesn't. Why should tax payers who have no interest in the arts be expected to support these organizations? Gwen Sutterfield finds this line of thinking absurd and misleading:

[Sutterfield] You know, somebody said to me this morning, "well they've all got to learn to stop living off the public purse." Nobody lived off the public purse. Our average grant to individual artist is $2,000 a year (just over) and our average grant to an organization is about $20,000—nobody was living off the public purse. It is part of a mix of private, individual support, corporate support, foundations, box-office, other kinds of sales to raise money, plus public money and it all went together, one making the other happen . It's a synergy. So, that balance is all shifting and it's going to take awhile for that all to settle down.

The perception that artists and arts organizations live off the public purse has dominated the thinking of a significant portion of the public—especially the more "right-wing" contingent. There is a belief that if I won't support something directly by either donating or attending performances why should I support it indirectly through government grants? This type of attitude is at the heart of the funding crisis because it addresses the question of the value of the arts to society. Why should the government help fund the arts? John Shaw, former manager of the Hamilton Philharmonic Orchestra argues that the push for a "market-driven" arts community overlooks that value. John Shaw:

[Shaw] I don't think that arts organizations can survive without government support. I think what they need to be able to do... if the governments decide that they are not willing to support it at the same level, then there should be a period of time over which that adjustment is made. So I don't think, no, that the arts organizations can survive without government

funding and I'm not sure that they should. Governments have a vested interest in the cultural industry, the global cultural industry. I know that the argument about economic impact and that kind of thing is a bit old fashioned now, but nevertheless, there is a very significant economic impact. And there is a very significant social impact which only the arts can provide.

From the perspective of a board member, Seymour Wigle, former president of the board of the Hamilton Philharmonic Orchestra, sees the need for government funding as a means to secure other funds from the community:

[Wigle] A new phenomenon has entered the major funding area and that is that an organization will not support an arts organization that is not economically viable. In other words, if you were getting $25,000 from company X—they had then changed their rules and say, "yes we will give you the $25,000 but you've got to be breaking even or better before we'll support you, and if you have a big debt we are not going to put money down what we see as a black hole." Now in the eighties I don't believe that was the case but it— certainly by the third or fourth year of the nineties— became abundantly clear. So yes, it would be wonderful it we could do that but it's quite clear to me that without government funding you' re not going to have organizations breaking even, and if you don't have organizations breaking even, then the community (and I use that to include both the individual and the corporate) will not support you.

[Musical Interlude—Aaron Copland: Appalachian Spring, "Simple Gifts"[18]]

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[18] Aaron Copland. *Appalachian Spring*. cond. Aaron Copland, London Symphony Orchestra. CBS Records Masterworks, MK 42430,1988 (recorded at EMI studios 1970 in England]

Max Reimer, Artistic Director for Theater Aquarius in Hamilton, believes that theaters, at least, could survive without direct support if certain criteria were met. Max Reimer:

[Reimer] I think they could survive without any financial grants from the government. I think that they would still need government assistance in several ways. I think their environments would have to be set up that would be conducive. For example, most theaters are tax exempt. For example, were that maintained universally in Canada, that would be a huge help. I just can only imagine how much better the situation of Theatre Aquarius would have been had that been set up. So I think the government in not funding us directly—I think they could get away with not funding us directly and I think that we could survive without direct government funds if there was a certain good working environment. Another issue is—and the government is trying these things— I think they just have to make sure they keep these moving. There are certain adjustments to capital gains taxes based on charitable donation. There are certain adjustments to sponsorship money and charitable contributions just in and of themselves of certain amounts. If the government continues to do that, it will create the right environment for corporations to step up and assist arts organizations, possibly more like the American model.

If the environment were made more like the American model, then perhaps Canadian arts groups could survive without direct government grants. But the American and Canadian systems of sustaining the arts are entirely

different. Dory Vanderhoof, arts consultant with the firm Genovese, Vanderhoof & Associates explains:

[Vanderhoof] It's a matter of economics and different economic systems. In the United States the arts have always been market driven—the markets that have driven the arts are the fundraising market and the ticket buying market. So arts organizations grew to the size that the market would support. In Canada, arts organizations grew to the level of government support and so, in a way, the availability of government funding encouraged arts organizations to become larger than the market would support. And so in the absence of government—or as government pulls back—the Canadian organizations are forced to deal with market realities and what you really have is a situation where there are much larger organizations, and the Canadian public has enjoyed far more arts activity then the American arts market. And so that's one of the crises that's going on right now. The sad thing about that is that in the net tax-return effect, of the way Canadian governments have supported the arts versus the Americans, that the cost of the larger arts organization have been a net benefit to the economy, as opposed to in the United States. In other words, the amount of government money put into the arts organizations in Canada has been offset by a much larger tax return from the arts organizations back to the governments that you don't have in the United States. So in a way, the beneficiary of the extra amount of arts activity was the market place and it was happening without a cost or a burden to the government

[Musical Interlude—Mozart: Symphony No. 32 in G Major, *Allegro spiritoso*[19]]

The trend for Canadian organizations to grow to the level of support and not necessarily the market is upheld by Betty Webster's observations that orchestras across Canada haven't done as poorly as it seems—indeed most of their deficits are the result of a freeze in funding. Betty Webster, president of the Canadian Association of Orchestras: [End Music]

[Webster] what's interesting is that the private sector funding from individuals and people who really believe in whatever (their orchestras, opera company or whatever) they've actually increased; the money from the private sector has increased. It still has not, however, been sufficient in some cases at least to keep up with the cuts. So in many cases, what you've seen is the deficits of many orchestras (and I think they're beginning to address them now) but those deficits really represent the fact that their funding, in large part from the Canada Council, over about eight years has been frozen. So if you really look at what they might have got as increases, and over that period of time they've accumulated that deficit—so they haven't done as badly as it appears.

Yet even in the face of all the public funding problems Betty Webster doesn't accept the naysayers who predict dramatic decreases in the number of orchestras over the next few years. Despite the cuts these organizations are still surviving:

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[19] W.A. Mozart. *Symphony No. 32, K318 in G Major.* Jukka-Pekka Saraste cond., Scottish Chamber Orchestra. Virgin Classics, RCZ 72435 68212 2 4, 1989 & 1992.

[Webster] Now there are many who say we won't have as many professional orchestras in the next—after the millennium . That's really hard to say. I don't really see that. Now the Hamilton Philharmonic situation is a tragedy certainly for everyone involved, for the musicians and the community, really, because we've build up such a resource here. But, apart from that, while they [orchestras across Canada] do have deficits, in most cases they have not increased this past year. Ontario was very hard hit but despite that, most of the orchestras that are the professional orchestras—and there are really mainly fourteen major orchestras, professional orchestras in the country—most of those have wound up this season a modest surplus. [Musical Interlude—Aaron Copland: "Saturday Night Waltz" from *Rodeo*[20]]

Indeed these organizations are still surviving but at what cost? Dory Vanderhoof:

[Vanderhoof] Over that time period what has happened is, the way that the arts have compensated is by cutting on the quality but by keeping the production level—the quantity—up. So that if you were to take a comparison of American and Canadian, what you would find is that Americans are doing less work but spending more money on qualitative parts of the art; Canadians are doing more work but they're holding everything together with bailing wire—it's just stitched together. They try for it not to show to the audience, but the level of activity is much larger than the institution could practically support on a qualitative level. [End Music]

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[20] Aaron Copland. *Copland: Music For Piano*. "Saturday Night Waltz" from *Rodeo*. James Tocco, piano. Pro-Arte CDG 3183, 1986.

Further to the question of the quality of the art produced, is the quality of life of the individual artists. Gwen Sutterfield:

[Sutterfield] I do think there is a hidden cost to the reduction in government money that we are not aware of and not seeing: and that is, we look around and we see all the companies that have been cut, and people say, "Well they're still there, they're still in existence, so what's the big deal?" But when you talk to the dancer, the designer, the director, the actor, what you find is, in these companies, there are fewer dancers in the company and they're hired for fewer weeks. So they are receiving less money. And in the case of dancers particularly, when they are dancing, they are dancing too many hours, too many pieces. And there's nobody to cover for them, and then you get illness and so on. You get theaters who say, "Well, we can't afford to bring in a guest director or two, as we always did. We're just going to go with the resident director, and he or she is going to direct all the plays." So you get a kind of dead hand, in a sense—not that these directors aren't good. But artists live on the life blood of the exchange with other artists, and new, fresh visions. And so you get that kind of deadening. You get actors who say, "Gee, I would be hired at such and such a theatre for a run, and the run would be three weeks, and I might have had two weeks of rehearsal. Well now, it's a week's rehearsal and the run is only going to be two and a half weeks. And I'm only going to get scale—they can't afford to pay me that extra bit." So it is from the point of the view of the individual artist: that's who is really paying the price.

The costs to the arts will become even more pronounced if the government continues to bow to pressure to steer Canadian arts groups towards an American model of sustainment without making the appropriate changes to the taxation legislation. Dory Vanderhoof addresses the validity of the market-driven argument for the arts in Canada:

[Vanderhoof] The argument has validity to Americans and the argument has validity to a number of Canadians. The difference is that there is a big difference between the Canadian and the American interpretation of the argument. In the United States two things are happening that are hidden subsidies of the arts. The first is that, while the arts do not receive the same amount of direct government support, they are tax-free institutions. So they do not pay sales tax; they are exempt from property taxes; they are exempt from all types of taxes; and all of their mailings are done on a subsidized basis. So if you were to take that into the equation, the Canadian government's support is actually not much more than the American [government's] in terms of direct subsidy. Tax forgiveness, or not having to pay taxes in the United States—that's one method of subsidy the United States has. The second method of subsidy has to do with contribution tax law. In the United States, gifts of appreciated property are exempt from capital gains [tax], and the bulk of arts endowments are formed by gifts of appreciated property. In Canada gifts of appreciated property are taxed for Capital gains so it costs the Canadian taxpayer far more money to make a gift to a Canadian charity than it does the American taxpayer to make a capital gains gift to the American charity. So therefore, you really can't compare the two systems; the

Americans are subsidized in a different way. It's a way that enables Canadians who are more economy-oriented to say, "See. Look at the way it works in the United States. We should be that way." But those people who say that in Canada are unwilling to give the same tax benefits to the arts organizations. They want it both ways: they want the organizations to exist on the economy, but they don't want to give the tax benefits the Americans have; and that's why Canada is slowly becoming the worst operating economy for the arts in the Western world.

But even if the Canadian government was to significantly change the capital gains tax law and legislate the appropriate tax breaks, Canada would still face the simple fact that the U.S. population is much larger. Paul Eck, former manager of the HPO and current GM for the Meadowvale Theatre:

[Eck] It seems to me that in a country as vast as Canada and as under-populated—thirty million people spread out from East to West and back again—we don't have the opportunity for bulk audience. Through education, we don't have the introduction to arts awareness. And through governments, we don't have an awareness that the arts represent the heart and soul of any community or any country. I think there has to be government incentives throughout the entire not-for-profit sector. One of the problems that we have is that those people who do care about humanity, who are prepared to put some of their net worth into arts and cultural institutions and programs and so on, don't get a fair shake on the tax write-off. It's up to fifty percent now, but it's been sitting at seventeen to twenty-two, twenty-four percent depending on

your income bracket for a long time. And yet if you donate to a political party you get a major incentive there. If the government doesn't wish to encourage Canadian culture, encourage Canadian expression—with direct dollars—, then it needs to find other ways that will allow the other citizenry in this country to provide that support.

[Musical Interlude—Marais: "Muzettes I & II" (viola da gamba)[21]]

The arts seem to be in a real quandary. There is little doubt that governments are no longer prepared to support arts at the same level they have in the past—even though, as Dory Vanderhoof has argued, the amount of money given by of way direct support is offset by a much larger tax return from the arts organization. The perception of the arts as a frill seems to outweigh the fact that funding at a moderate level results in a net benefit to both the economy and the government; the cuts continue to hit hard. As a result, arts organizations are being asked to seek even more money from the corporate sector. In tandem with the push to make arts organizations less dependent on government sources of funding, the government is limiting who arts groups can approach for sponsorship dollars. As a means of addressing the health concerns associated with smoking, the current federal government is severely restricting the tobacco industry's ability to advertise. The federal government's bill to crack down on the Tobacco industry will, if passed, effectively terminate tobacco companies from sponsoring arts organizations or arts events. At present, the bill stands before the Senate, and could possibly go into effect this coming fall.

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[21] Marin Marais. *Tous les Matins du monde: Original Soundtrack*. "Muzettes I-II". Jordi Savall, viola da gamba. Auvidis, K 4640, 1991.

The reaction towards this legislation aimed at reducing the consumption of tobacco products in the arts community has been extreme. Betty Webster:
[End Music]

[Webster] It's a very delicate issue. It's a very sensitive issue, and we understand that. But the point is that tobacco has not been declared an illegal substance, and they continue to collect taxes on it. And they've told the arts to move to the private sector because we can't continue to fund you at the same rate—"Find your sources of money elsewhere"—and now they're trying to tell the arts who those sources of money should be.

Although the changes in legislation do not affect Opera Hamilton, Ken Freeman, General Manager for Opera Hamilton, as an individual and as someone working within the arts community speaks out strongly against this legislation:

[Freeman] If the government has decided that smoking is so bad—and I think it's horrible—it must address it directly and not through proxies. It must simply say, "This is a bad thing. This is a health risk. And we are going to ban it. We are going to ban it. You cannot buy it, you cannot sell it. It is off the shelf, we will deal with the black market, but this is not something that Canadians collectively want as part of our society and we're going to get rid of it as thoroughly as we can." I think that's their intent. But I do not believe they're going about it honestly. And I'm really stepping out on a limb here, I feel really quite strongly about this: don't use proxies—other organizations—

to do what you should be doing directly. They are trying to starve the tobacco companies out of business. That's dealing with the problem through the back door and penalizing the arts groups along the way.

While arts groups have been extremely vocal over the loss of sponsorship dollars associated with the tobacco industry, Dory Vanderhoof notes that the partnership between the two is somewhat uneasy and stems more from necessity than political conviction:

[Vanderhoof] The arts need—desperately need—the funding that the tobacco companies are providing; and they're being forced into a political situation, to have an opinion because they're so desperate for the funding. The reality is: I think if you talk to most artists, they don't want to have anything to do with it [tobacco sponsorships]; but there is no other way for them to make a living.

Mr. Vanderhoof also goes on to criticize the manner in which the arts community has handled the issue:

[Vanderhoof] It's been blown out of proportion. The amount of money that the arts community receives from the tobacco companies is far smaller than we've been led to believe. I've heard numbers of twenty million dollars in support; I think the reality is closer to between two and five million dollars. If you take Canada Council-funded organizations I believe the figure is about two and a half million dollars. The arts have been politically badly positioned in

using the twenty-million dollar number. I think if they had realistically come out and said, "We stand to lose two-and-a-half to five million," that the number wouldn't have been so outrageous and a situation may have been found to increase Canada Council base by that much, since it's not an onerous amount. But I think the arts have postured themselves in a position that is too absurd. And the arts do that a lot; the arts tend to; well, we tend to inflate things to make a stronger point. Artists are emotional people. So there tends to be a lot of inflation. And the reality is that people see through the inflation, so it's better to deal with the realities.

[Musical Interlude—Bach motet: *Singet dem Herrn ein neues Lied*, BWV 225[22]]

So what is to be done? How is the funding crisis to be solved? There are certainly no easy answers. In Hamilton there has been much hand-wringing over what type of an orchestra we can afford, a way of thinking that confounds Hugh Fraser:

[Fraser] Well I think the economics are rubbish, frankly. People hop up and down, of course, and say the government's current funding levels mean that Hamilton can't afford anything but a fee-for-service, very small orchestra, or a very small, say twelve to fourteen, salaried musicians, supplemented by Kitchener-Waterloo [Symphony] or freelancers, and so forth and so on. Frankly, a society as rich as Canada pays for what it wants.

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[22] J.S. Bach. *Motetten*. "Singet dem Herrn", BWV 225. cond. Frieder Bernius. Kammerchor Stuttgart. Barockorchester Stuttgart. Vivarte, SK 45 859, 1990.

Maybe the economics are rubbish but the government still continues to cut and arts groups still need to find solutions somewhere. They have lobbied hard recently to get the message out to the general public that the arts do have value and that they contribute not only to the social and cultural fabric but to the economy as well. But the countless studies that have proven these assertions are not enough to change the trends in funding. As a result, solutions must be sought in different venues. Perhaps there is room for improvement in the granting agencies themselves. In terms of cutting bureaucracy, both the OAC and the Canada Council have laid-off significant numbers of staff and are operating on a bare-bones structure. This desire to preserve as much money for the grants themselves is laudable, but Ken Freeman is concerned that the agencies may be limiting their abilities to adequately perform their jobs. Ken Freeman:

[Freeman] One of the things that I'm concerned about—well, there's a whole raft of concerns; one is the general level of funding to the arts, period; and what that means for not just our cultural fabric, but also our social fabric. I sometimes wonder if people are truly aware of how important the arts are in terms of reminding us and helping us to define who we are as a society—on a local level, on a provincial level, on a national level. As the funding is cut back, each organization is dealing with it differently. Where I got very concerned—and I'm still very concerned—is, in the first step, both the Ontario Arts Council and the Canada Council (I can't speak beyond those two) did what I thought was a great thing, and a brave move. Which was to say, before we touch the grants, we're gonna [sic] cut ourselves. We're gonna [sic] cut our overhead. Because the arts councils have laudably protected the granting moneys at the

expense of administration, and downsized—the Canada Council has thirty-three percent fewer staff than it had a year ago, they'll be down to half the staff they had two years ago—the quality of support and work that goes into administering these arm's length agencies has to suffer. I think this whole notion of community partnering needs to be looked at on the government side as well; at least on the arts councils. They do talk to one another. Maybe there isn't need for a separate jury for opera at the national level, at the provincial level. Maybe the juries who adjudicate us can be shared. Maybe there's some efficiencies there that can preserve the grants and ease the load.

While this idea would seem to have a lot of merit, Dory Vanderhoof points out the limitations of an amalgamated arts council:

[Vanderhoof] There's a story in economics about what is a good tax. And what is a good tax? A good tax is a tax that taxes someone else. A bad tax is a tax that taxes me. What is a good government funding agency? A good government funding agency is an agency that is supportive of me. A bad funding agency is an agency that is not supportive of me. At this point in time it might be better if the federal government took care of all arts funding because its attitude is much better than the provincial government ['s]. But five years from now, it might be that the provincial government's attitude is far more beneficial or supportive than the federal government['s].
So it's impossible, I think, for the arts to make that decision because, at this point in time I'd far rather go to the Canada Council for support than the Ontario Arts Council. But five years from now we might be happy to go to the

Ontario Arts Council because the Canada Council has changed its philosophies. So the short answer is: I think it's better to have many sources. And that's the market theory. And that's what the Americans basically believe. [They believe] in market support: it's far better to have thousands of thousands of individuals as donors. If one individual gets upset with you, other individuals fill in. In the Canadian system that we had in the sixties and seventies, if the government cut out of the business then, there would be no arts, period; the arts were held up by the government. Now, the arts will limp along without the government until the market place determines that we really care and want this and starts making significant contributions. But that will only come when the tax laws encourage the creation of endowments and major arts support.

Numerous people have raised the need for changes to the capital gains tax. This may go a long way in helping to raise private donations, but it is unlikely that the increase in private funds could ever entirely compensate for public funds. Thus far, these potential solutions raised have focused on the fundraising side of arts sustainment. But what about the audiences and the communities that support these organizations? Betty Webster sees one solution to the woes many orchestras are facing is to make themselves truly a part of the communities they serve:

[Webster] I think they have to really make themselves indispensable to their communities in every way. They really have to be a major musical

resource; and they have to be able to show how much they contribute not only to individuals but to the community at large.

[Musical interlude—Boccherini: Overture (Sinfonia) in D major, Op. 43, G. 521[23]]

Education is also an important key to developing new audiences and generating a general interest in your organization. If people don't know what you do, or what you contribute to the community, how can you expect hem to support your activities? While this type of thinking is reflected in the programmes of a number of arts organizations, many groups still perceive outreach work as second-class activity. Boris Brott, a strong advocate of educational programmes, expresses his frustration with those who fail to place education as a priority: [End Music]

[Brott] I think the most important function of our orchestras is education. I think that, curiously, it is the least valued function of our orchestras. I had a very interesting experience just this week. You know, as part of the summer music festival that I run here we have an institute, and the institute brings together mentors from Canada's finest orchestras and the finest young graduates, as it were, from music schools across Canada who want to become orchestral musicians, and puts the two together. And part of that is I have an apprentice conductor every year; at least one, or sometimes two. And the result is that over the last eight years I've kind of built a stable, if you will, although [laughs] that's probably a bad way of putting it [imitates a horse] given that conductors are not necessarily horses, although they may be

[23] Luigi Boccherini. *Concertos for Violoncello and Orchestra, overture, Octet, Sinfonia.* Overture (Sinfonia) in D major, Op. 43, G. 521. Vivarte, SK 53121, 1993.

race horses, I suppose. There was a competition in Winnipeg a few weeks ago for the position of resident conductor or assistant conductor of that orchestra, and four of my apprentices were selected to be in the finals, and one was eventually selected, Rose Thompson, to take on the position. Another of that group of four, Fabio Mastrangelo, was very much appreciated by the conductor of the Winnipeg Symphony, who took him aside and said, "Listen, I really think that you're terrific, I'm really impressed with your talent and ability. But I didn't select you to be the apprentice conductor, or the assistant, because, I felt that it was a position that was beneath you. After all, all you're going to do here are education concerts, and I would like you to do some serious music and get a guest engagement. I'm going to give you a guest engagement on our musically speaking series. And Fabio called me with great joy. And as I listened to him, I must say, my first reaction, of course, was pleasure for him. But it turned to real anger because I felt that, here was a major orchestra in Canada and the musical leader of that community was basically saying that education, for his orchestra, was a second-class activity. And I've seen this so much throughout North America, and yet every study indicates that education is the most important thing if we want to develop an audience for the future.

There will be little hope of developing an audience of the future if we as a society don't value the arts in the present. Government cuts are just one indication that the value of the arts socially, culturally, and economically is being put in question. For those in the arts community, this type of thinking raises great concern and sadness. Betty Webster:

[Webster] I don't think I would want to live in a community or in a country that didn't value the arts. I think that will be a tragedy for Canadian society, or for society in any particular province or community, if the community itself doesn't recognize that this is a very important part of people's lives, and how many ways it can enrich their lives.
[Musical interlude: Milhaud— *La Création du monde*[24]]

In some ways that is what the crisis within the arts community is really about: the fear that society will fail to recognize the important contributions of the arts and therefore cease to fund their existence. As the deficit mentality set into the various levels of Canadian government, various areas of spending have been drastically cutback as a means of controlling the deficit. The arts sector is just one of many targets ranging from health care to education. The outcry within the community over the cuts has been boisterous. But when confronted with the question: Why should the government fund the arts? Many members of the arts community often have difficulty articulating the reasons for government support and the value derived from that funding. The argument that those who value the arts should sustain them without help from public money seems reasonable. Since, after all, it is those individuals who benefit from the arts. Right? But, if John Shaw is to be believed, that argument is far too facile a way of looking at the funding issue. Are the only beneficiaries of arts activity in our society those who practice it and those who directly appreciate it? Or does arts activity in our communities, in our country create a ripple effect on society as a whole? That is what the arts community would like us to believe. The arts are an integral part

[24] Darius Mihaud. *La Création du Monde.* cond. Alberto Zedda. Orchestre de Chambre de Lausanne. Ultraviolet, LC 7873, 1987.

of our cultural fabric and help to define who we are as a society. But beyond the social value, many studies have proven the economic benefits of the arts sector as well. Most recently, the OAC published a study on the economic impact of OAC supported arts organizations. The study showed that the money invested in arts organizations by way of government grants had a net benefit on the economy. Moreover, the Ontario government gets back more than it gives to arts organizations. While governments seem to be aware of these studies the cuts to the arts sector have continued and may be even more severe in the near future.
[End Music]

There are no easy answers to the funding crisis. As we've seen over the course of this series many organizations are suffering serious financial troubles, such as Theatre Aquarius and the former HPO, while others like Opera Ontario are seemingly thriving. The success of Opera Ontario (or Opera Hamilton as it is known locally) is based on a number of factors but the underlying theme of their achievements seems to lie in the conception of partnership: partnership with the corporate community; partnership with their audience and partnership with other communities outside the Hamilton area. Today, the real challenge to the arts sector is to recover the losses from government grants from the community: be that private citizen or corporations. But to make that partnership work the arts must convince the community of their worth and the government must help create the right environment to encourage private support. Without changes to the capital gains tax laws and other contribution tax legislation Canadian arts organizations will have little hope of recouping the loss of government grant revenues. If positive change is not forthcoming in the near future, communities

across the country may see a reduction in the number of active arts organizations. The funding landscape is changing rapidly and the need for innovative thinking is needed now more than ever. [Theme music]

You've been listening to a special documentary on the state of funding for the arts. Funding the Arts: A Need for Creative Solutions *has been a special presentation produced in association with* Centrestage*—Hamilton's local arts profile show. Technical support for the series was provided by Janis Nixon, Eric Anson and Victoria Fenner.* Centrestage *will be returning to its regular programming next week on 93.3 CFMU. I'm Marlo Spence. Thanks for listening.*

—Conclusion—

Sustaining an arts organization in Canada, both financially and artistically, can be difficult in the present economic climate. Most organizations in the arts sector carry some kind of accumulated deficit. Depending on the circumstances, the amount of debt each organization bears can vary from manageable levels to insupportable levels that threaten the very existence of the establishment. Within the community of Hamilton two of its major performing arts organizations, Theatre Aquarius and the former Hamilton Philharmonic Orchestra, experienced severe economic troubles as a result of their respective deficits. The HPO collapsed when their $1.2 million debt problems were too heavy to bear. Theatre Aquarius is still in business but totters on the brink of bankruptcy with an estimated $5.2 million in accumulated deficit. Fortunately, the other major performing arts organization in Hamilton, Opera Hamilton, is faring quite well and stands as a good example of success in the face of hardship.

The first two documentaries in the series examined the financial stability of these organizations as well as their commitment and artistic contributions to the community. Each organization's specific problems cannot be blithely lumped together as being the same; however, what unites them is their struggle to maintain their vitality in the face of aggresive competition for funding dollars. Of the three organizations profiled, Opera Hamilton has been the most successful in dodging a financial train wreck. Their achievements can

be attributed, in part, to the creative initiatives within the organization to keep the organization vital. But, not to discount their hard work, Opera Hamilton is also profiting from the current popularity of the art form.

If we look at the funding crisis from the perspective of our own backyard, Hamilton has already lost one of its primary performing arts organizations and stands to lose at least one more if certain problems within the arts sector are not addressed. Furthermore, this crisis is not exclusive to our community. While the problems of the former HPO and Theatre Aquarius are somewhat specific to each organization, the problems of sustaining the arts in today's market are nation-wide. Are there reasonable solutions for the future? Will they bring about the necessary changes? Can the community of Hamilton hope to have not only a financially stable arts community but an artistically vibrant one as well?

Theatre Aquarius seems to be on the right track. They have a solid grasp of the problems they face and are working towards the necessary solutions; however, a $5.2 million dollar debt is not an easy burden to overcome. First and foremost, they must resolve their property tax issue—they cannot afford the yearly assessment nor can they pay off the accumulated arrears of nearly a million dollars. The most favourable solution to their dilemma would be a tax exemption status, which would allow them to continue to own and operate their own building without the encumbrance of property taxes. That arrangement, however, was overruled by the local school boards who stood to lose a significant chunk of money if Theatre Aquarius was granted the exemption. Even though both the region and the municipality

recognized the validity of Theatre Aquarius's request, without the consent of the school board—the third party to benefit from property taxes, the region and the municipality being the other two—the change in legislation could not be made. The resolution to the impasse was to re-classify the DuMaurier Arts Center as a regionally owned and operated facility. This would seem to solve the tax issue but is Theatre Aquarius really willing to give up ownership? It is not as though the region is going to pay Theatre Aquarius for the right to own the building. Rather, the region will simply take possession when all of Theatre Aquarius' encumbrances have been removed. Since the tax exemption is now already in place, as of January 1, 1997, Theatre Aquarius is in little hurry to entirely do away with their deficit. Their strategy, it would seem, is to benefit from the principle of being regionally owned without actually giving up ownership of their building.

While they may not want to do away with their debt entirely, it would be prudent to work towards deficit reduction. Max Reimer has just launched a capital fund campaign aimed at accomplishing just that. So far the response from the community has been extremely favourable and Mr. Reimer seems optimistic that they may reach their goal in the next few years. With the capital fund campaign well underway, coupled with modest increases in audience numbers, Theatre Aquarius may well weather this financial crisis. While the community is fortunate to still have an active professional theatre company, the weight of their debt problems do not affect the balance sheet alone.

Deficits are detrimental not only from a financial vantage point, but they also have a dramatic affect on the artistic "product". One of the major complaints about Theatre Aquarius is that its programming is very conservative and has become even more geared towards a commercial market in recent years. The need for box-office revenue and strong audience support is critical at this juncture. Without a mandate from the community to carry on, there would be little to keep Theatre Aquarius afloat. Typically the artistic reaction to a financial crunch is to program a light and "safe" season with an emphasis on proven productions. There is little room to risk when the stakes are so high; however, Theatre Aquarius is a 'not-for-profit' arts organization, not a commercially based theatre company. If their programming becomes more commercial, as a means of surviving in the market-place, what is to separate them from purely commercial ventures? Part of the mandate of the not-for-profit sector is to provide an artistic product that is different from the commercial sector. Because, theoretically, these organizations are not depending on box-office revenue alone for survival, they are more free to do the type of productions that challenge their actors as well as their audiences—such as experimental plays, newly commissioned works, thought-provoking and controversial pieces. Without the freedom from the ultimate tyranny of the box-office, not-for-profit theaters like Theatre Aquarius are relying on a greater number of light musicals, sex farces and similar productions to see them through the season. Moreover, they are establishing these type of seasons as a means of increasing their audience base and attempting to widen their appeal.

Is there really anything wrong with this scenario if the public truly wants this type of programming and demonstrates their support through high attendance rates? In this past year, with a "lighter" programming fare Reimer has managed to increase the audience support for Theatre Aquarius for the first time in years. The issue, therefore, seems to be the boundaries between not-for-profit theater and commercial theater. What are the responsibilities of not-for-profit organizations that receive some level of government support to produce "not-for-profit" theater—i.e. theatre productions that would not otherwise be presented in strictly commercial houses? Yet compared with other theaters across the country, Theatre Aquarius receives fairly low levels of government support. With low levels to begin with and the trend towards reduced government grants, Theatre Aquarius is already having to deal with the market reality. Were Theatre Aquarius to pursue a less commercial type of programming would it have a large appeal to the Hamilton market? If Reimer's programming choices are to be believed, Hamilton would not embrace that type of programming.

Further to their responsibilities to produce plays of a high artistic quality, the organization does have a responsibility to the community to produce the kind of theatre that they want to support. If considerably fewer people will go to see an "elitist" type of production, is there any value in mounting it when so many more people will go to see a more "commercial" production? The commercial production will obviously be more profitable, but does that discount the value of the other type of theatre? Some would argue that there is an intrinsic value in its creation alone and that audience numbers

means very little; but in a community like Hamilton the balance between artistic innovation and commercial appeal must be kept in mind if the arts sector wishes to survive. Audience numbers do count. Without the security of government funds, the move towards more lucrative programming is inevitable. There is little question that Theatre Aquarius's recent programming have tended towards 'commercial' ventures; however, once their financial house is in order perhaps they may find more room to expand the artistic boundaries and give Hamilton the opportunity to experience a wider range of productions.

While the troubles that plagued the former Hamilton Philharmonic Orchestra were not the same as those faced by Theatre Aquarius, they do share a similar challenge. Both organizations must find the right balance between their artistic goals and their potential to address the artistic tastes of this community. Hamilton is situated close enough to Toronto that its cultural activity is easily accessed by Hamiltonians; furthermore, Hamilton's population is small in comparison to the level of arts activity in the community. The competition for arts patrons in Hamilton is fierce. That being said, however, the troubles of Theatre Aquarius or the collapse of the HPO were not inevitable simply because the community was not large enough or unwilling to support these organizations. The make-up of the community poses certain challenges but they are not insurmountable.

In the case of the HPO, the problems were largely organizational. Poor management plagued the orchestra from the time Jorgen Holgersen took over as General Manager from Paul Eck in 1987. During Holgersen's tenure as GM,

the HPO suffered some of its most significant financial blows. His abilities as a general manager were highly questionable. In June of 1990, two days before the final budget meeting with the board of directors, it was discovered that the HPO had drastically over-spent their annual budget by nearly half a million dollars. To be completely unaware that his organization had over-spent their yearly budget by so much is inconceivable. Holgersen may not have spent the money himself, but he had the final responsibility to oversee the financial expenditure of the organization. His comments that Boris Brott's ambitious programming choices and penchant for hiring too many extra musicians were the reasons for the spending problems, highlight his inability to adequately lead the organization. It is the role of the General Manager to ensure that the artistic direction of the organization falls within the financial limitations of the annual budget. Boris Brott has a reputation for tenacity when pursuing a goal that he wants; he may have been difficult to keep in check, but there should have been some mechanism in place to keep those expenses in line. The artistic director cannot be allowed to blithely make programming decisions without budgetary considerations.

More than just Holgersen's costly blunders led to the ultimate collapse of the orchestra. There were multiple of factors that forced the HPO into bankruptcy. Unlike Theatre Aquarius, the Hamilton Philharmonic was fortunate to have had fairly high levels of government grants compared to similar sized orchestras across the country. The HPO came into existence at a time when grants for the arts were more readily available and they profited from that arrangement. They were, therefore, more reliant on government

support for their sustainment. Even though all levels of government had begun dramatically cutting back their support to arts organizations, the HPO still continued to receive fairly substantial government subsidies. In 1993, for example, all levels of government reduced their funding to the HPO, ranging from drops of 2.8% to a 5% cut from the Canada Council. The cuts accounted for a $36,000 loss, but the HPO still received a total of $957,910 from the region, the Ontario Arts Council and the Canada Council that year. (Their annual budget was $2.2 million.[25]) Not to discount the effect of government cutbacks on the arts sector—this was not the first year of cuts nor would it be the last—but the drop in levels would appear to be manageable. Unfortunately those cuts hit at a time when the HPO was already battling to recover from the dreadful year of 1990. Moreover, the orchestra was struggling for vitality in the community; audience numbers were decreasing and major corporate donors, such as Stelco were pulling out. Nevertheless, the loss of government funds had to be balanced by funding from the community: be that box-office sales, private donor or corporate support. Yet at a time when community support was most critical, the HPO continued to see a decline in their audience numbers—less than 1/3 of their total operating costs came from ticket sales—a trend that was pushing the organization even more deeply into debt.[26]

Historically, part of the struggle for audience support stemmed from a lack of artistic direction. When Boris Brott was forced to leave in 1990, the

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[25] Hamilton Public Library. Special Collections. *Hamilton Philharmonic Orchestra Scrapbook of Clippings*. vol. 10 [1992-1993].
[26] Stuart Smith, Jack MacDonald. *Facing the Music: Report to the Hamilton Music Research Task Force*. Hamilton: Ernst & Young, 1996.

orchestra was faced with the task of finding a new artistic director. Brott had been the musical leader of the community of Hamilton for over twenty years before he finally stepped down in 1990. Victor Feldbrill was appointed as the interim music director until the search for the new conductor was complete. The interim period lasted over three years during which time audience support dropped even further. By all accounts Mr. Feldbrill was an excellent musical leader but he never had the opportunity to make his mark on the community.

Various reasons for the delay in appointing a new conductor have been put forward by those involved but most other orchestras across Canada have not had this difficulty. An efficient conductor search should not take more than two years. While they may not have been in the position to officially begin the search, the HPO management and board were aware of the need for a new conductor in 1988 when they terminated Boris Brott's contract. Akira Endo, Brott's official replacement, was not appointed until 1993. Ineffectual organization accounts in part for the length of time to find a replacement for Boris Brott. But Brott's unwillingness to step down from the podium also contributed to the turbulent transition.

Even though Jack Nelson, General Manager of the New Hamilton Orchestra, dismisses the collapse of the HPO as simply a case of mis-management, the former organization's struggle for artistic direction and its deteriorating relationship with audiences cannot be dismissed out of hand. These issues did not die with the collapse of the HPO. There is an audience for orchestral music in Hamilton, but the strength of support of that audience is deteriorating. The New Hamilton Orchestra cannot discount the ambivalent

attitude of the audience, nor can they overlook the need for artistic direction. Nelson suggests that while many people focus on the artistic and audience-related problems of the former HPO as part of the reasons why the orchestra went under, in his mind, the orchestra had the appropriate resources (artistic direction, community support and adequate funding). When times got tough the management simply fumbled the financial ball. Certainly, financially, the HPO was poorly managed and the management of New Hamilton Orchestra will have to be vigilant with their bookkeeping if they want to flourish, but an orchestra does not run on dollars and cents alone. The New Hamilton Orchestra needs an artistic vision, as much as the former HPO needed one. The NHO does not have an artistic director at this time nor do they even have a fully planned season for next year. Solid bookkeeping is an important aspect of running an orchestra but the music itself and the artistic vision of the organization must be kept at the forefront. The New Hamilton Orchestra still has much to prove and should be wary of some of the struggles faced by the former HPO—the community of Hamilton is still the same, and many of the problems remain.

Jack Nelson's emphasis on the financial aspects of running an orchestra is certainly critical for financial solvency, but the push for greater box-office revenue and the need to appeal to a wider audience raises some of the same issues faced by Theatre Aquarius. Theatre Aquarius has moved towards a more commercial season as one means of gaining greater box-office numbers. While there is not really an equivalent repertoire of commercial orchestral works, new, risky and avant-garde works will likely lose out. The push for a

market-driven product may also result in a higher proportion of "pops" styled concerts being programmed. Financial constraints will certainly have an effect on the repertoire chosen as well. Since a smaller core of performing musicians is less costly, the type of repertoire open to the orchestra will have to be limited. The New Hamilton Orchestra must assess carefully its artistic priorities in the community; while the community will have to decide what type of an orchestra, if any, they are willing to support. The community may have to accept a much smaller, more artistically constrained orchestra than the model of the former HPO if the community wishes to have an orchestra at all.

The New Hamilton Orchestra is considerably scaled back in comparison to the former organization. The musicians are to be paid on a per-service basis with a set number of services "guaranteed". The number of performances in a season has also been reduced until a more solid level of support is demonstrated. Even with good audience support, the previous level of activity enjoyed by the former HPO may never be possible again. These measures, as outlined in the recommendations of the Ernst and Young Study *Facing the Music,* make for a financially viable organization but will they make for an artistically vibrant one as well? It is too soon in the history of the New Hamilton Orchestra to predict their success or failure; however, the struggle that lies ahead of them is tantamount.

Nelson has emphasized his priority of keeping the orchestra financially on track. For its first half-season series of concerts, he has managed the finances of the orchestra quite handily with the help of Sam Taylor and a number of other generous private citizens. However, the task of mounting a

full season for the Fall looms ahead. It is unlikely that private support alone could sustain the orchestra for a full season. Government support, even at marginal levels, is needed if the orchestra is to proceed; however, John Brottman made it clear that the Ontario Arts Council is still wary of funding an orchestra in Hamilton. If the New Hamilton Orchestra can prove their viability, the OAC may reconsider their position but that remains to be seen. The region is equally wary because they were held responsible for a substantial amount of money owed when the former HPO went belly up. While they have expressed support of the New Hamilton Orchestra in principle, they may be reluctant to translate that into actual dollars. Notwithstanding the challenges ahead, the desire for success of the New Hamilton Orchestra is tremendous among all its supporters—many of whom have worked tirelessly since the collapse of the former orchestra. Desire alone may not be enough to overcome the encumbrances. While it is not the preferred choice of the musical community of Hamilton, a shared orchestra with a wide-range of neighboring communities may resolve the audience base question and allow for a stronger orchestra.

The notion of sharing artistic resources across communities is not new. Opera Hamilton has taken up the initiative of partnerships across communities. Known locally as Opera Hamilton, the opera company has in this past year re-incorporated under the name Opera Ontario and has expanded its market-base to include the city of Kitchener-Waterloo. They have cleverly marketed themselves in that community as Opera Kitchener-Waterloo, while maintaining their profile in Hamilton as Opera Hamilton. The

partnership initiative goes beyond just adding a few performances in Kitchener and marketing themselves under a new name in a new community. Not only does Opera Ontario perform in both Kitchener and Hamilton, but the company shares the musical resources of the two communities. The orchestra is comprised of a combinations of musicians from both communities, giving the organization roots in both communities.

The regionalization initiative did not stem from problems in Hamilton but was the result of a realization that Opera Hamilton had grown as much as they could within the confines of the community. If they wanted to advance artistically, they needed to expand their size and reach an even greater number of patrons. Hamilton alone could not provide that, simply because there are limitations on the levels of support any community is willing to give. Expanding into Kitchener-Waterloo gave them access to a wider audience without dramatically increasing the cost of production. As it stands they run three shows of each production in Hamilton and two in Kitchener. Were they to try and do five shows in Hamilton they would not have the audience numbers to support that level of activity. In Kitchener, however, there is easily an audience for two shows. By widening their audience base, they have increased the revenue potential for each production, since it is much less costly to mount the same production more times to a wider audience then to produce more productions to a smaller audience base.

This is not to say that opera is inexpensive to mount. The cost of putting on a single production is tremendous. Ticket sales only cover a fraction of the cost to stage an opera. Opera companies, like all other arts

organizations, must look then to the government and to the private sector for support. Like Theatre Aquarius, Opera Hamilton has never received high levels of government support, nevertheless, they do continue to rely on some support. The lower-levels of government grant money has forced the organization to be more in touch with the corporate and private community: a partnership that has perhaps made it better able to deal with the drops in government funds. Grants do still account for a significant proportion of Opera Hamilton's budget and could not be dropped without a dramatic effect on the organization.

Opera is very fortunate to be riding on the wave of popularity. The fashionability of opera has not only translated into higher ticket sales, but also accounts for much of the interest from private and corporate patrons. Opera Hamilton is viewed as a 'glamorous' organization and attracts important and influential supporters as a result. Opera Hamilton is fortunate to have an exceptionally strong board of directors who have effectively campaigned on their behalf and have helped raise significant amounts of capital.

Strong fundraising capabilities were something the former HPO lacked. Certainly, if their last attempt at raising funds — the ill-fated house lottery— is any indication, poor fundraising was a weakness that proved to be very detrimental to the organization. Good fundraising is, in part, the product of good management and Opera Hamilton is very fortunate to have that in General Manager Ken Freeman. The organization should, if the current trends continue, remain successful both on and off the stage. Over the years Opera Hamilton has established a well-deserved reputation for producing fine artistic

productions. However, like Theatre Aquarius they are limited by the community that supports them. While forces within the organization may be interested in doing more risky and less-known operas, they are kept in check by the reality of the market they are performing for. Were they to begin mounting overly ambitious productions that demanded huge numbers of musicians and expensive sets they could easily find themselves in the same position as the former HPO. That scenario is unlikely to occur, since Opera Hamilton has a very good feel for what the community will support. The awareness of the community's conservatism may work towards limiting the artistic experimentation but it helps to keep the company alive. Each community has its own limiting circumstances and it would be unreasonable to expect more than the community can support.

The final programme in the documentary series expanded the discussion of arts sustainment beyond the community of Hamilton by highlighting some of the more pressing issues facing the arts sector. Government cutbacks in all areas of social spending, from health care to education to the arts sector, are forcing us as a society to evaluate what we are willing to support. The government has through the granting system allowed us to become complacent about supporting the arts sector. Traditionally, there has been little monetary incentive for private or corporate donors to make significant contributions to the arts. Because gifts of appreciated property are taxed as capital gains the benefit to the donor is very little. This was not a problem when the government was funding the arts sector more generously. Lower levels of corporate and private support were compensated by proportionately

higher government grants. The trend in government now, however, is to reduce the amount of revenue ear-marked for the arts sector. This has meant that arts organizations are having to look more and more to the private sector for additional revenue. The government has yet to really create the appropriate environment to encourage large-scale corporate donations. Many corporations and individuals need more than the humanitarian benefits associated with supporting a not-for-profit organization. Changes to the capital gains tax legislation is critical if the level of private support is to be dramatically increased. The government is certainly more than aware of the benefits of tax incentives, given the fact that donations to political parties are seventy-five percent tax exempt. If governments continue to cut grants without changing the contribution environment, the arts will be forced to re-trench and the level and quality of work will suffer.

Straddling the need for increased private support is the federal government's proposed changes to the sponsorship legislation pertaining to tobacco companies. The solutions to this quandary are not easy nor are they immediately forthcoming. The changes in legislation will effectively limit tobacco companies from using sponsorship dollars as a means of advertising their product. Essentially this is intended as a crackdown on the tobacco industry in response to the growing health-related concerns associated with tobacco products. Other areas of tobacco advertising have already been severely restricted and sponsorship was one of the few promotional vehicles tobacco companies had at their disposal. As a result, the amount of money tobacco companies put into their sponsorship programme was high. The arts

as a sector have benefited from those dollars and are now facing the reality that those dollars may no longer be available. Ideally, the government would simply compensate the arts, and all other sectors affected by this change in legislation, since the idea behind the legislation is to penalize the tobacco industry not the arts sector. But total compensation is not really a likely outcome of the scenario. More likely, the arts along with every other sector supported by tobacco sponsorship dollars will simply be asked to survive without those funds. For that reason, the outcry against this legislation has been fierce. Money from tobacco companies may not be the most politically correct source of funds but the arts are in desperate need of all the resources available to them. If the government goes ahead with this legislation as planned without any compensation to the arts sector they will effectively further erode the already fragile funding arena.

Today's government seems to have lost touch with the value of the arts to the cultural fabric of the nation. The attitude that the market will decide what holds value and what does not fails to see the greater value of the arts beyond mass appeal. In the past, when the Canada Council was first coming into existence the government seemed more willing to promote its cultural policies with substantial grant allocations. While the policies themselves in principle may not have changed—the government does still recognize some value in supporting the arts sector—the proportion of government grants has been reduced. Each government is affected by the philosophies of the governing political parties, as well as the economic climate of the time. Some governments value arts funding more than others and this philosophy is

reflected in their budgets. Recent times have seen a greater emphasis on promoting self-sufficiency across all sectors: health care, education, arts et cetera. Stemming from the desire to reduce government spending and cut government deficits, this type of philosophy has forced the arts into a more market-driven existence: giving popular culture the upper hand.

Popular culture and commercial art forms have their place within the cultural landscape, but they should not account for the whole sector. Some art forms simply require a greater amount of revenue to exist than can be reasonably brought in by the market alone. That is not to say that the market does not matter, but to allow popularity alone to determine value is extremely short-sighted; quality of the art and quality of life for the artist will ultimately suffer. The perception that most organizations have withstood the assault of the funding crisis simply because they continue to exist overlooks the state of the organizations left behind: existence alone does not make for a vibrant arts community.

The government has a responsibility to facilitate the survival of the arts—not fund them 100 percent. Culturally, economically and socially the arts have a profound effect on our quality of life. The government cannot continue to remain oblivious to that fact. At the same time, the arts sector cannot sit back on its laurels and make no effort to demonstrate their value to the community. Education is the key to the future and without the promotion of arts awareness the marginal audience numbers arts organizations now have will only continue to drop. The arts community must be proactive and make themselves, their work and their contributions to the community recognizable.

It would be unrealistic to think that government grant levels will ever return to the levels they once were in the late 1960's when the belief that every community could have and should have access to a wide range of arts activity, even if its population was small. The reality of today's market will not allow for the sustainment of many arts organizations in smaller communities. Many communities may simply lose a number of their organizations if the levels of funding dip too low and the private sector is unable or unwilling to step in. The solution to share arts resources across communities may not be the best solution for the artists involved, since it will result in fewer employment opportunities, but alternatives are less desirable. As a society we may be forced to lose much of our arts community before we realize its worth.

The community of Hamilton has been very fortunate to enjoy high levels of artistic activity in the past, but the existing financial and artistic troubles of some the city's more prominent artistic organizations are still unresolved. Theater Aquarius is labouring under a huge debt but I think there is a future for the organization. The community has shown enough interest and support that the company should be able to overcome their debt. However, it is extremely unlikely that Theatre Aquarius will ever develop into a company that produces great or important pieces of work—certainly not in the near future. Max Reimer's vision must be split between artistic goals and financial concerns, with the financial concerns weighing most heavily.

Even though Opera Hamilton is not running a deficit, the organization is no less concerned with finances than Theatre Aquarius. Opera Hamilton is headed for excellent market success if it continues on the path it has

established for itself. Backed by strong artistic and managerial direction, Opera Hamilton, more than any of the arts organizations, knows how to appeal to the community and knows how to take calculated risks. Their productions have established a record for solid artistic quality; they are in touch with the demands of the market; and they have developed strong ties important community leaders; Opera Hamilton is a fine example of the potential for arts organizations in Hamilton.

The New Hamilton Orchestra, at this point, is just trying to realize their potential as a major orchestral force in Hamilton. Their success hinges on so many factors that it is extremely difficult to predict whether or not they will survive. I am extremely doubtful that Hamilton will ever recapture the level of activity once provided by the former HPO. The road ahead is paved with many tests and challenges. The first challenge is to set an artistic course. The second challenge is to establish a solid fiscal base, but the cash flow may prove very limited if none of the governmental granting agencies will pledge any money. I would like to believe that the NHO will overcome the encumbrances and grow into the kind of orchestra that Hamilton deserves; however, I am not yet convinced. The problems of the former HPO are still the problems of the New Hamilton Orchestra. Even though the business side of the NHO appears to be a dramatic improvement over the former management of the HPO, the orchestra still has yet to prove itself musically.

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