

The employment, training and job creation aspects of the cultural sector are impressive. It is labour-intensive. Its workforce is highly educated and mobile. The sector's strong contribution to tourism and economic development has resulted because of support reflected in federal, provincial and municipal policies and programs.

It is unfortunate that this Government in its latest Budget is not continuing that support. At a time when the strength of our cultural life is becoming more and more important to our independent identity as a nation, I find that this Government's pretence of support is an unconscionable smoke-screen.

The Communications Minister waxes poetically. He claims a 7 per cent over all increase while, in fact, if the truth be told it does not even cover the cost of inflation. In actual fact, the arts are in a lose-lose position over what actually was spent in 1988-89. With the minimal 3 per cent increase over the last year, in real terms a drop in spending has taken place in the communications portfolio. The way this Minister fights for budget increases he may be a banker's dream, but he is no hero to our cultural community.

It is quite interesting to note that the budget of the Department of Consumer and Corporate Affairs has an increase of 26.4 per cent, the Department of Energy, Mines and Resources has an increase of 22.7 per cent while the budget for Indian and Northern Affairs is up 11.6 per cent. What was the Minister of Communications (Mr. Masse) doing when his colleagues spoke up in defence of their Departments and got increases? What was this Minister dreaming about? His "canned" trips? I say to the Minister, it was no time to be silent or to give the silent treatment because Canadian cultural policy cannot afford it and, at this point, cannot afford him and his defence.

• (1150)

The Government has repeatedly told Canadians that under the Canada-U.S. Trade Agreement, our ability to protect our cultural sovereignty and provide for the expression of our identity has been protected and can be promoted. How often did we hear through the summer months and all the other months of negotiations that culture was not on the table? As a show and a promise to Canadian voters that Canadian culture would be preserved, the Government made two very strong commitments among others: first, that postal subsidies which help many publications reach a wide number of Cana-

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dians would be maintained for at least five years, and second, that the CBC would be strengthened, that there could be equivalence in programming in English and French and that for once and for all, we could see Canadian news, national and international, from a Canadian perspective. Now that the election is over, these two promises have been broken and can be added to the list of actions the Government has taken to weaken Canadian cultural policy.

Let me give Hon. Members a few instances of the kinds of things I am referring to. The reduction of the capital cost allowance for Canadian films and television programs resulted in the loss of millions of dollars of private sector investment in the creative field. The revision of the Film Products Importation Act made a sham of the political strengthening of our Canadian film industry. Investment Canada guidelines for film distribution proposed by the 1985 film industry task force, the Raymond-Roth report, were rejected. There was a backing away from the 1985 Baie Comeau policy on Canadian ownership in book publishing and distribution.

I remind Hon. Members of the scorched earth discussions that were undertaken with the now President of the Canada Council and the then Canadian Ambassador to Washington supporting strong Canadian cultural content. With that kind of support, I think we have some serious concerns. In the book publishing policy, we have ended up with a pretend control. Look at what Gulf and Western offered with the sale of its book publishing companies. It is allowing a 51 per cent equity but a veto on the right to decision-making, and that equity was purchased by the Government at an incredibly inflated price.

There has also been rejection of key recommendations made by the House of Commons Standing Committee on Communications and Culture in its 1988 broadcasting policy and legislation which would have placed limits on the North Americanization of the Canadian Broadcasting System. These are very serious concerns about Canadian content that were not addressed.

Let us take a specific look at postal subsidies, a broken promise to the Canadian book and periodical industry. Last year, the Government promised the publishing industry that for at least the next five years, the program's funding would be maintained at approximately its current level of \$220 million annually. Where have these promises gone? Is it because of American pressure that sees postal subsidies as unfair subsidies? Look at the