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Following government expenditure reductions, the 1984/85 budget level of \$11,294,000 fell in 1985/86 to \$8,687,000. This base cut of \$2.6 million (23%) is not however the only factor contributing to the reductions in 1985/86, the government freeze in February 1986 diminished our level of activities by a further \$787,198. A comparison of expenditure figures for 1985/86 (\$8,039,263) and 1984/85 (\$11,367,108) leaves us with a global reduction of \$3,317,947 (or 29.9%) in expenditures for the International Cultural Relations program (I.C.R.). Therefore in 1985/86 the level of activity has dropped approximately to that which existed five years ago.

The statistical summary of international cultural activities for the year which follows provides, through a series of graphs and numerical tables, a picture of the quality and diversity of the Bureau's activities, as well as the distribution of expenditures by geographic region. This year we have added a detailed list of activities which make up the Arts Promotion Program; this list can be found in Chapter Eleven.

This document is the fifth annual report published since the Bureau received authority to manage the I.C.R. program through the use of grants. This mechanism has served the program well and has proved its value despite changes in structure or content of the program.