

Borrowing Authority

In addition, in 1987-88, the Government will place licence fees on telecommunications carriers through the CRTC. As well, in 1987-88, the Government will levy radio frequency fees on government agencies at the federal, provincial and eventually the municipal level. We are told that the Government expects to obtain \$10 million from the latter and \$6 million from the former. This has left the cultural and communications industry in Canada with losses of \$137.5 million.

Let us examine the task force studies, the book tariff and the Budget for 1987. I was quite surprised that the Budget began with the elimination of the book tariff and the Christmas tree tax. A number of task forces and papers were initiated by the former Minister of Communications. They include the Task Force on Broadcasting at a cost of \$2.8 million; the Task Force on the National Museums at a cost of \$425,000; the Task Force on Funding of the Arts at a cost of \$833,000; the Task Force on the Film Industry at a cost of \$134,000; the Task Force on the National Arts Centre for \$319,000; the Task Force on the Status of the Artist at a cost of \$50,000. After we, the taxpayers, have laid out in excess of \$4.5 million for all these task forces, what is the result? There has been no action. Added to these expenditures were the millions of dollars spent by the Nielsen task force which, according to the cultural community, were ineffectively, inefficiently and poorly spent. The very meagre consultative process that took place was a non-credible effort.

As well, the Standing Committee on Communications and Culture has tabled its studies and recommendations on federal museum policy and taxation and the arts. That committee recently had its forty-sixth meeting since November.

After spending that \$4.5 million and using the committee's time, there has been absolutely no action taken from all of these studies, recommendations and consultations. There is nothing in the Budget of the Minister of Finance respecting the cultural industry. He even failed to indicate that there were representations on the upcoming tax reform. Why were these reports ignored by the Minister of Finance in his Budget Speech? The Government does not believe in delivering on its promises.

Let us examine the book tariff. On June 6, 1986, a customs duty on certain English language books was imposed. Consequently, novels, works of fiction, some periodicals, publications to encourage enrolment in educational institutions outside Canada, and books of printed music reverted to being subject to the legislated duty at the rate of 10 per cent *ad valorem* under the most favoured nation tariff and the United Kingdom and Ireland tariff.

The amount of duty collected from June 6, 1986, to November 30, 1986, which is the date of the latest available statistics, was \$11.142 million. Of the \$11 million collected in duty, \$9.741 million was collected from the United States; \$979,000 was collected from the United Kingdom, which has nothing to do with shakes and shingles; \$109,000 from Hong Kong; \$85,000 from Japan; \$47,000 from Italy, \$44,000 from

Belgium and Luxembourg; \$37,000 from Spain; \$14,000 from West Germany; \$14,000 from Switzerland; \$2,000 from France; and \$1,000 from Ireland. The remaining \$69,000 was collected from other countries. This shows the effectiveness of the reprisal against the American action on shakes and shingles.

Finally, after nine months and losses of up to \$15 million to the fragile Canadian book publishing industry, the Tories have recognized the errors of their ways and in his February Budget the Minister of Finance removed the ill-conceived, regressive tax on reading. Certainly, the credit for the removal of this tariff must go to Canadian publishers, book sellers and readers who protested long and hard for the tariff's removal. I want to take this opportunity to thank the thousands of Canadians who wrote petitions to me and the House concerning this issue. I want to thank my colleagues for standing up day after day and reading those petitions into the record. The Minister finally saw the light, and I sincerely hope that the removal of this tariff is a clear message by the Government that Canadian cultural industries are not at risk in free trade negotiations.

It is interesting to consider what the Minister will do with the \$11 million in new-found money? I am sure he expects to reduce his deficit, but I suggest that he find a way to repay the publishing industry and those who suffered as a result of this ill-conceived measure.

The Minister also found another \$1.2 million in his Budget as a result of changing the procedure in reporting the taxes. The new requirement imposed by the Budget for businesses to remit source deductions on a twice-monthly basis will have a negative impact upon large theatres, museums, dance companies, orchestras, and publishing houses. This results in very poor business practice, with more administrative hassles for business, causing much more paperwork. In addition, this measure will squeeze some cultural industries which have uneven or seasonal revenue.

Let us consider the 1987 Estimates. The Minister of Communications (Miss MacDonald), in a news release on March 2, 1987, set out the increased amounts of resources to cultural agencies funded by the Government of Canada. The Minister demonstrated creative sleight of hand as the figures she uses are not limited to increases in parliamentary appropriations but include anticipated operating revenues of the individual cultural agencies, leading to the perception of great largess going to these key Canadian cultural agencies. The fact is that most will not even be covered by the inflation rate. It will mean cuts in staff and programs for many.

Let us examine the situation. The Minister's stated amount of increase for the CBC is \$50 million, but the actual parliamentary appropriation is \$11.6 million. The stated amount of increase for the Canada Council is \$5 million, but the actual appropriation is \$3.1 million. The stated amount of increase for Telefilm Canada is \$3 million, but the actual parliamentary appropriation is \$1.522 million. The stated amount of increase for the CRTC is \$2 million, but the actual appropriation shows an increase to \$2.276 million. The stated amount of