

performance companies, have not been promoted by current federal policy . . . Our commitment to stimulate growth, ensure federal support through arm's length agencies and councils, and encourage alternative developments in film and program development are directed toward reversing the current low priority of cultural policy.

That is absolutely preposterous when we see what the Conservatives have done since they became the Government. Let me continue this litany of false promises:

We will seek better means to stimulate investment in the film, program and theatrical industries, and will ensure recognition of research and development costs, training and employment capacity . . . We will ensure that federal cultural agencies have the mandate and resources to assist the cultural sector in taking new initiatives.

Instead, what we have had is cut-backs in existing funding for the Canada Council and in existing programming for the CBC. I continue:

We believe, for example, that the Canadian Broadcasting Corporation can play a stronger role in bringing Canadian performers, writers, designers, and companies both better employment opportunities and greater exposure.

Yes, the CBC could indeed be doing this, but it cannot if there are cut-backs. The CBC needs more funding. I agree the CBC needs a changed mandate and that there ought to be public input into that changed mandate. The CBC can hardly begin to do the kind of work in drama, entertainment, the kind of full programming that we want from it while it is experiencing these kinds of cut-backs.

Let me continue with the astonishing promises:

At the level of federal policy, however, there does not seem to be a sufficient understanding of the role of cultural growth to the social and economic future of Canada.

What did this Government proceed to do, Mr. Speaker? It has been quite ignorant of the economic contribution that the arts and culture industry has made. The letter continues:

In order to ensure that federal policy is better informed by the cultural sector, we will include in the Cultural Agencies legislation a guarantee that the Minister receives and responds to recommendations from the federal agencies which work most closely with the cultural sector. For the arm's length principle to have effect, advice to the Minister must be regular and accountable on both sides.

Yet the major arts agencies have not been able to get a meeting with the Minister, the groups who actually represent the artists who are doing the work in Canada. The major ones have not yet seen the Minister who manages to fly off to other countries, make speeches and spend a lot of taxpayers' money while he is preaching restraint here at home and has been absolutely unavailable to the community he is supposed to be serving.

I would like to point out the foolishness of these cut-backs in sheer economic terms. The arts industry makes an enormous contribution. It is the number 11 industry in Canada. It is about the same size as the electrical industry or the wood industry. More people are employed in arts than in manufacturing, and this is an industry that is growing.

• (1805)

Funding for the arts has enormous economic spin-offs. Let me give one example, Stratford. Stratford received a grant of \$1.5 million. Its budget is \$13 million, of which \$8 million comes in through sales. It injects \$35 million into the local economy. Stratford activities generated \$9 million in provincial and federal tax revenues. In other words, Governments get

back six times what they put in. Restaurants, motels and businesses in the tourist industry in the area receive an enormous amount from a very modest investment in terms of arts and culture expenditure.

To conclude, I want to stress the economic foolishness of the Government's cut-backs. This is what the arts and culture agencies and representative groups are stressing. I would like to see them argue the merits of the case in terms of the cultural contribution. Even on the Government's own stated criteria of helping the economy, these arts and culture cut-backs are foolishness indeed.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the three-pronged question by the Hon. Member for Broadview-Greenwood (Ms. McDonald) has generated what looks like a 30 minute written response from our departmental officials. I will get as much as I can into my three minutes, and hope my Hon. friend will understand if I can not cover all the points she raised.

Let me state one important aspect of her "promises promises", speech. These budget reductions to the Canada Council, the National Film Board, the CBC or any other cultural agencies in no way diminish the importance which this Government attaches to the development of cultural expression in Canada. I can assure all Hon. Members of the personal commitment of the Minister of Communications (Mr. Masse), of my own personal commitment, and indeed the strongly held view of the Prime Minister of Canada (Mr. Mulroney) to the maintenance of support which is essential to Canada's artists and this country's arts organizations as we come through this difficult economic period.

It is, however, the view of this Government that its most urgent priority is to arrest the growth of our national debt and to reverse the debilitating effect which debt service has on our ability to act on other national concerns. The burden of implementing such reductions must be shared by all, including the cultural sector. We are convinced, however, that the impact of these measures on individual artists and arts organizations can be greatly minimized through reductions in administrative expenditures, the elimination of non-essential services, of fat, if you will, plus greater involvement of the private sector.

The budget reductions to the Canada Council were \$3.5 million and reductions to the National Arts Centre were \$1 million. In the case of the Canada Council, this represents 4.8 per cent of the current parliamentary appropriation of approximately \$72.5 million and 4.2 per cent of the Canada Council's total operating budget, which totals almost \$84 million. The reduction to the National Arts Centre represents 6.2 per cent of its anticipated parliamentary appropriation of \$16.16 million and 3.4 per cent of its total operating budget of \$29.1 million.

The budgetary cut experienced by the National Film Board does not amount to twice as much as the ones made to other federal areas. They are equitably shared among the cultural