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11-18-1975

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THE LIBRARY OF CONGRESS
Congressional Research Service

WASHINGTON, D.C. 20540

September 18, 1975

TO: Senate Labor and Public Welfare Committee
Attention: Mr. Stephen Wexler

FROM: Education and Public Welfare Division

SUBJECT: Subsidies for the Arts

This is in response to your request for information comparing subsidies for the arts in the United States and Europe. While the figures for European nations vary in the years in which the studies were conducted, the information gleaned does offer an opportunity to carry out, realistically, interesting comparisons.

Interest in cultural activity and willingness to support it appears to have a solid base in the United States according to a survey taken in 1973 by the National Research Center for the Arts. This study surveyed 3,000 persons 16 and over, 47 percent of those polled indicated a willingness to pay a \$25.00 annual "cultural" tax, and 64 percent were willing to pay a \$5.00 tax. Finally, the poll also found that 90 percent felt that the existence of museums, theatres, and other facilities were important in the life of the community. ^{1/}

^{1/} New York Times, April 4, 1974. "Survey Finds Many Would Pay \$25 Tax on Culture".

Current expenditures by the government reflect a desire on its part to support the arts as well. In 1965 the Congress established the National Foundation for the Arts and Humanities, under which exist the National Endowment for the Arts, and the National Endowment for the Humanities. Recent grants from both Endowments have in past years resulted in benefits for the American cultural community.

Toward the end of fostering and maintaining the Arts in this country, the National Endowment for the Arts alone has become involved in the following areas:

Music	Folk Arts and Crafts
Drama	Dance
Architecture	Creative Writing
Photography	Industrial Design
Painting	Costume and Fashion Jewelry
Environmental Arts	Television
Motion Pictures	Radio
Tape and Sound Recordings	Sculpture

- and other related areas -

Obligations for the Endowment's projects in recent years total as follows:

<u>Fiscal Year</u>	<u>Number of Activities</u>	<u>Amount</u> ^{2/}
1971	699	\$17,640,135.00
1972	1,543	33,103,035.00
1973	2,143	42,031,058.00 ^{a/}
1974	2,969	67,605,975.56 ^{b/}

a/ \$60.00 unreconciled.

b/ \$10,028 unreconciled.

For FY 1974 the breakdown of expenditures is: ^{3/}

Architecture and Environmental Arts	\$ 4,202,353.42
Dance	3,942,327.39
Education	3,576,425.00
Expansion Arts	4,980,629.32
Federal State Partnership	10,558,296.00
Literature	1,393,646.90
Museums	9,050,907.13
Music	16,116,310.73
Public Media	4,681,802.95
Special Projects	894,143.98

2/ National Endowment for the Arts. Annual Report, 1974. p. 101.

3/ Mailman, Madelyn. National Endowment for the Arts, November 5, 1974.

Theatre	\$ 4,957,051.44
Visual Arts	2,335,721.00
Miscellaneous	702.53
Program Development and Evaluation	1,807,685.77
<u>Total</u>	\$68,498,003.36

In short there is approximately \$50 million more that was committed in FY 1974 than in FY 1971.

Comparison between the U.S. and European nations is however somewhat difficult for three specific reasons:

- 1) With the variation in currency exchange values it can often be difficult to draw precise dollar comparisons;
- 2) Recent statistics for European countries are often unavailable or incomplete;
- 3) Also to be considered is the difference in population between the different countries that are mentioned here. In each instance, the countries mentioned have lower populations than that of the United States. Therefore, it could well be that while the United States may spend more than most countries in total dollars, the per capita distribution in America may be lower than that of other countries.

Yet, in spite of this handicap, the growth of contributions to the Arts from the Federal government can be seen in comparison to other countries.

Toward the end of drawing such comparisons, consider first the following statistics supplied by the Austrian Embassy.

4/

Austrian Contributions to the Arts as Compared to the U.S.

	<u>Austria</u>	Converted to U.S. dollars	<u>U.S.</u>
	Schillings		
Art Exhibitions	14M	\$ 848,484.84	*No category directly comparable
Music and Performing Arts	161M	9,757,575.75	\$16,116,310.73
Literature	7.5M	454,545.45	1,393,646.90
Films	25M	1,515,151.51	4,681,802.95 (public Media Grants, National Endowment for the Arts)
			1,377,973.00 (Film and TV grants NEH)
Help for Artists	5M	303,030.30	*No category directly comparable
Exhibits Abroad	<u>5M</u>	<u>303,030.30</u>	
<u>TOTAL</u>	217.5M	\$13,181,818.18	\$23,569,733.58

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This information about the Austrian Government's contribution was offered by Dr. Koche of the Embassy staff and covers support of activities besides the state theatre and opera. Dr. Koche mentioned that the cost of maintaining the national opera was about one million schillings a day (\$60,606.00). As carried out over 365 days such support

4/ Dr. Koche, Embassy of Austria.

would top the amount contributed by the U.S., but it is important to note that the support of theatre and opera by the state in Austria is a tradition established through time, a tradition which does not exist in the U.S.

A comparison with Germany is somewhat less precise. The latest figures provided by the German Embassy extend only to 1971, a point at which the American commitment was beginning to become stronger. Figures for Germany show:

<u>Year</u>	<u>Expenditures on Art and Culture</u> ^{5/}		
1950	253.5	million	marks
1955	503.5	"	"
1961	1,071.4	"	"
1965	1,152.0	"	"
1970	1,886.0	"	"
1971	2,008.9	"	"

As can be seen the proportional increase for each decade is approximately double the initial expenditure at the beginning of the decade. As a result, if a calculation were made for the year 1975 in the same proportion, it might show a figure of 2,500.00-2,600.00 million marks, which would roughly equal \$1,050.42-\$1,092.40 billion. While this is a substantial sum for any government, it must also be kept in mind that this figure represents the total of the amounts contributed by the Federal government,

5/ UNESCO, "Cultural Policy in the Federal Republic of Germany", Paris, 1973, p. 20, and from conversations with an official at the German Embassy.

the Länder (or state governments), and city governments. And, the fact that (according to the German Embassy, and they offered no figures) the Länder carry a substantial part of this amount must be taken into account. Also, the fact that state theatres are supported from the Länder's contributions must also play a tempering role in an evaluation of funding in Germany.* So with consideration of these variables, it might appear that contributions made by the two Federal governments might be on a more even scale.

In light of this information therefore, if we were to total expenditures from the National Endowment for the Arts, we would arrive at a figure that would be considered proportionately comparable to the amount spent by Germany and by Austria:

N.E.H.

Film/TV grants	\$1,377,973.00	N.E.H.	\$ 2,236,045.00 ^{6/}
Museum grants	<u>858,072.00</u>	N.E.A.	<u>67,616,003.56</u>
<u>Total</u>	\$2,236,045.00	<u>Total</u>	\$69,852,048.56
United States		\$	69,852,048.56
Germany		1,092,000,000.00	
Austria		13,181,818.18	

(for the figures used in the conversion to dollars, please see the appendix.)

* It is worth noting that "German Theatre is supported by public funds, following a tradition which goes back to the court and municipal theatres of the previous centuries, and was continued after 1919 by the subsequent republics". (Footnote 5).

6/ Figures for the National Endowment for the Humanities are from the National Endowment for the Humanities, Eighth Annual Report, 1974, p. 66.

The United States exhibits a similar relation to expenditures to the arts in Britain. The figure given by the British Embassy for the government's grants for the arts is £21.3 million, ^{7/} converted roughly to \$9.68 million. This is a figure for the current year. Unfortunately, the Embassy was unable to supply us with a further breakdown of commitments, but in years past, British subsidies have gone to support a variety of cultural and artistic activities.* The agency of support in Britain is known as the Arts Council. Taken in comparison to the expenditure by the National Endowment for the Arts alone, (i.e., \$60 million), it would appear that the U.S. expenditures exceed those of Britain.

Finally, we might consider France. In relation to the French our figures show that overall contributions are ahead. And, it should be remembered that the American figures related to Fiscal Year 1974 while the French are for FY 1976. ^{8/} Ms. Backhaus of the French Embassy has indicated to us that .06 percent of the French national budget is spent on the arts. Given this fact that the FY '76 budget equaled roughly 14.38F billion, ^{9/} this would be calculated to a level (rounded) of \$8,628,000, not higher than that of the United States. As Ms. Backhaus indicated, a

^{7/} Conversation with an official in the Information Office of the British Embassy.

* While a breakdown of the current Arts Council activities in Britain is not available it might be of interest to note that in 1969-70 the sort of activities supported included: grants to place art in public places, transportation subsidies to encourage people to attend performing arts, assistance to individual artists, and other similar activities.

^{8/} Conversation with Ms. Backhaus of the French Embassy.

^{9/} Conversations with M. De Combret of the Financial Attaché's Office of the French Embassy.

breakdown of these grants is not available, so it would be impossible to detail exactly how this money is to be spent. However, a review of activities of the French Ministry of Culture in the past indicates an involvement in such areas as music, cinema, theatre, and other forms of art and art related activity.

In conclusion, it might be of interest to see how country by country contributions appear when broken down into per capita figures. Population of the countries with estimates of per capita expenditures in dollars are:

<u>Country</u>	<u>Population</u>	<u>Per Capita</u>
Austria	7.5 million	\$1.75*
Britain	[Sources at the British Embassy were unable to offer any figures on population later than 1971, and were unable to specify a breakdown of art contributions between England, Wales, Scotland, and Northern Ireland. However, calculated for all four groups and for England and Wales alone we see:]	
England and Wales	48,594,000	\$0.20

England/Wales	48,594,000	
No. Ireland/Scotland	1,525,000 N.I.	
	<u>5,228,000</u> Scotland	
Combined	<u>Total</u> 55,347,000	\$0.17

* (This does not include State opera, etc.)

<u>Country</u>	<u>Population</u>	<u>Per Capita</u>
France	51.0 million	\$ 0.17
Germany	62.0 million	\$176.13**
United States	213.0 million	\$ 0.32

(Population figures have been provided by the respective Embassies and by the U.S. Bureau of the Census. Estimations are based on conversions into dollars made in this report.)

** (Again it is worth noting that a large, though unspecified, portion of this comes from the Länder.)

William Bagley
426-5860

APPENDIX I

It might be of interest to note an article that appeared in the New York Times in 1972 concerning museums in Europe. The article points out that American museums are in much better financial shape than are their European counterparts -- a fact that is attributable, at least in part, to the contribution of the National Foundation on the Arts and the Humanities. The article points out that the Prado in Madrid has a director whose salary in 1972 was \$3600 a year. And, while the situation might not be quite as severe in other museums in Europe, they nonetheless have had to tighten purse strings even to the point of auctioning away valuable paintings.

APPENDIX II

Calculations on the rates of exchange for the currencies of the countries discussed in this paper were supplied by the Embassies. And it might be noted that the Embassies stressed the fluidity of the level of exchange; but its use should be of value nonetheless. The rates follow:

Austria	16.50 schillings	=	\$1.00
Britain	2.20 pounds	=	\$1.00
France	18.00 francs	=	\$1.00
Germany	2.38 deutsch marks	=	\$1.00

APPENDIX III

In addition to supporting artists and artistic endeavors, the Federal government has also continued its support for major national museums and a performing arts center. Indeed, the government's role in supporting the National Gallery, the Smithsonian, and the John F. Kennedy Center has been significant. For example, in FY 1975, appropriations (P.L. 93-404) for the Smithsonian and the National Gallery showed:

Smithsonian Institution \$67,789,000.00

National Gallery 6,623,000.00

And in FY 1975 the John F. Kennedy Center received \$2,420,000.00 for support of non-performing arts functions (P.L. 93-404).

SUMMARY OF ENDOWMENT FUNDING TO THE AMERICAN FILM INSTITUTE

FISCAL YEARS 1975-1977

	Grant (General Purposes)	Preservation Contract (Pass through to specified groups)	Filmmakers' Contract (Pass through to specified groups)
FY '75	1,100,000	406,000	275,000
plus increase	190,000	116,000	111,000
FY '76	1,290,000	522,000	386,000
plus increase	400,000	17,000	21,000
FY '77 (requested)	1,690,000	539,000	407,000

*Figures round out.

Totals

FY '75	1,781,000
increase	417,000
FY '76	2,198,000
increase	438,000
FY '77	2,636,000