

In November 1983, following the debate of the motion which established taxation and the arts as the first and most pressing item of business on the agenda of the Standing Committee on Communications and Culture, the Board of Governors of the Canadian Conference of the Arts met. In discussing these developments, it decided to call for a moratorium in order to ensure that there would be something left for the Standing Committee to review and report on. The CCA Board sent a strongly-worded telegram to the Minister of National Revenue. The Minister replied, eventually, that he was not in a position to respond favourably. (The CCA telegram, and the Minister's reply, are appended with other selected correspondence on the matter.) To say that the CCA was bitterly disappointed by the Minister's unbending attitude would be an understatement.

Despite the Minister's refusal to respond to the many calls for deferral of actions detrimental to the arts community, we are given to understand that all cases related to inventory have been placed temporarily in abeyance; that action related to certain individual cases has been suspended for the moment; and that the collections procedure in the instance of a desk or office audit where intent to appeal is indicated will be deferred. In effect, then, we would seem to have an unconfirmed, unofficial, unacknowledged and partial moratorium in place. What prevents the Minister of National Revenue from making such deferrals complete and official seems to be his belief that he has no option under the law but to proceed as he has been doing. In order to assist the Minister to extricate himself from this impasse, we discovered a provision of the Financial Administration Act, Section 17, which seemed to hold some promise as a way of achieving a moratorium. (This Section of the Act is also appended with relevant correspondence.) We drew this provision to the attention of the entire Cabinet, and encouraged its consideration and employment in order to spare the arts community -- and federal cultural policies and programs -- from further damage. While the existence of this provision has been acknowledged, it has clearly not been exercised.

We also called recently upon the Minister of Finance to address the more critical and well-documented problems in the forthcoming Budget, as we have done in previous instances, in order that the Standing Committee be relieved of the more pressing issues and be permitted to take a longer, broader approach to the issues before it. We will know shortly what the response of the Minister of Finance is. We are not holding our breath in anticipation.