

*Adjournment Debate*

Measures which deal with only one small group are not enough. We want justice for artists. We want measures which will ensure that they have adequate incomes in order that they can pursue their work.

[*Translation*]

**Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, many recommendations made by the subcommittee on the taxation of visual and performing artists and writers were accepted on an administrative basis by Revenue Canada and did not entail legislative amendments.

With regard to the specific case of performing artists, their self-employed status has been strengthened by the administrative policy which allows them to deduct the cost of musical tutoring and other lessons to develop their talents. Revenue Canada has also reviewed its interpretation bulletin for musicians and performing artists to take into account the length of their job contracts. This will allow most performing artists to be considered as self-employed.

When the contracts of symphony orchestra musicians are once again submitted to Revenue Canada, the department is willing to consider most, if not all, these musicians as self-employed, therefore, it is no longer necessary to implement the recommendation of the subcommittee to amend depreciation provisions since these self-employed musicians can already claim depreciation for their instruments. Mr. Speaker, these changes meet the concerns expressed by the subcommittee about the fiscal status of performing artists.

[*English*]

The question has also been raised as to whether the Government is prepared to introduce a measure permitting the deduction of artistic and writing losses from other income. Such a measure implies a definition within the Income Tax Act of a special category of individuals called "professional artists", who could deduct losses without necessarily meeting the test of "reasonable expectation of profit". By allowing the proposed deduction, our tax system would be providing a subsidy to all individuals who meet the criteria of "professional artist" but who may have no intention of earning income from their artistic pursuits.

Further, the definition of "professional artist" would likely be unpalatable to the arts community and would be difficult for Revenue Canada officials to administer with any degree of consistency. Given these problems, Revenue Canada has modified its administration by including in its determination of "reasonable expectation of profit" the criteria of professionalism and the longer time frame required to earn profits from artistic and writing activities. This change in administrative practice ensures that these persons will not be denied the deduction of losses from other income.

[*Translation*]

Finally, Mr. Speaker, the Hon. Member for Broadview-Greenwood (Ms. McDonald) would be well-advised to refer to the Budget Speech and Papers to learn about the most recent

changes in the legislation dealing with artists generally and especially visual artists.

● (1810)

PUBLIC SERVICE—JOB CLASSIFICATION—GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, the question I want to raise during the adjournment debate has to do with an issue of great interest to public employees. I am referring to job classification and classification standards. The matter is very complex, so perhaps I might explain first what classification means and how the system works.

Here are some of the remarks one can find in the Auditor's General's report. Job classification is an important element and an integral part of the salary of federal employees. This process makes it possible to establish the relative value of jobs in the federal Public Service and to classify each job within a professional group and at a precise level.

In other words, Mr. Speaker, it is a duty to be performed by the employer, a management responsibility related to about 222,000 jobs in the Public Service of Canada.

Last May 22, I asked the Minister a question to find out whether this Government—which, as we know, made a considerable number of election promises—would keep its word. In a letter he wrote last year to the President of the Public Service Institute, Mr. Donegani, the then Leader of the Conservative Party said, and I quote from the English version I have here:

[*English*]

A PC government will negotiate directly with public service unions and associations toward the establishment of an improved collective bargaining system... Staffing procedures, classification, technological change, designations, and other issues will become negotiable.

Classification will become negotiable.

[*Translation*]

Last May 22, I wanted to know from the Minister when the Government would keep its word and when we might expect that famous negotiation for classification standards to become reality and on what conditions.

The Minister was absent at the time, so the Minister of National Revenue (Mr. Beatty) told me that he would note the question and bring it to the attention of his colleague.

It is not just everybody who can talk every day to the Minister responsible. I remind Hon. Members that I am still waiting for an answer, that the unions are worried and would like to know when the matter will be settled.

As you may recall, Mr. Speaker, the issue of classification standards had been raised in last year's Auditor General report. According to the Auditor General of Canada, the existing system was such that 25 per cent of Public Service jobs were incorrectly classified; 80 per cent of classification errors or 19 per cent of all jobs were cases of overclassification. According to the findings of an audit by the Secretary of the