

During the period in which the Applebaum-Hébert Federal Cultural Policy Review Committee was active, and despite representations made to the Minister of Finance by the Canadian Conference of the Arts and other associations, the federal government brought down a Budget in November 1981 which addressed none of the problems identified in the Disney Report, rendered some worse, created some new problems and, in one case, went directly against the relevant recommendation of the Disney Report. The Canadian Conference of the Arts concluded at that time that it had been naive to assume that the federal government would await the outcome of the Applebaum-Hébert review before altering the tax structure as it applied to the arts and the cultural industries, and accordingly called a meeting of certain of its interested major national associational members to discuss a response to the November 1981 Budget and other related problems. Of that larger grouping, a small sub-committee on taxation was chosen to pursue the matter.

Following a series of meetings, the CCA sub-committee prepared a statement to the Minister of Finance which was forwarded to him in May 1982. (A copy of that statement is appended for the reference of the Standing Committee on Communications and Culture.) The CCA sub-committee on taxation then initiated a series of meetings on the issue with federal officials from the departments of Communications, Finance, National Revenue and the Privy Council Office. While little immediate progress resulted from this round of meetings, we were encouraged by the belief that, if we persisted, we would create an eventual awareness and climate at the official level more likely to result in favourable change. We were not so naive as to expect that we could accomplish change quickly by this approach, but were determined to convince departmental officials by force of reason, by patience and persistence, that the problems under discussion were serious and merited attention and action.

This process might well have taken us into the next century had it not been for the inexplicable and unprecedented interest which Revenue Canada Taxation began to manifest in the arts and artists in early 1983. We had been quite prepared to endure a long and uphill process, but we were wholly unprepared for the sudden onslaught which began last year.