

Creative Artists—Income Tax

a few hundred or a few thousand for the effort. Obviously, the individual has to find another way to make a living.

Having said all that, I do not personally agree with this technique for supporting artists. It seems to me it is always attractive to single out a special group in society and say that they are worthy of special tax treatment. I look around this House and see people here at the moment who have said that farmers should get special tax treatment because they are engaged in the vital activity of producing food. I am sure we could extend the list to include social workers who are increasing the happiness in life for people who otherwise might be suffering from emotional or social difficulties—

Mr. Althouse: Liberal MPs.

Mr. Fisher:—doctors and nurses who are involved in the vital question of personal health, teachers and professors who help us to expand our horizons and bring important training to everyone. All of these people can be described as important groups, people who have more than just a commercial pursuit in life. They are people who leave extra in the world rather than taking from the world. I guess in a way it is tempting to say that we should look at them as potential beneficiaries of special tax treatment.

Obviously, as we begin to draw up such a list the grey areas become more and more apparent and the list gets longer and longer, until we get to the point where no one would be paying any tax at all. That is not a bad idea, but it is not too practical. We always have the temptation to define a special group of people and give them special tax treatment.

On the other hand, we might take a look at a more practical way to go about achieving the same goal. Over the past few years the Government has more and more actively tried to bring in grants as a system of paying people instead of using the tax system.

Mr. McDermid: The big “L” in the corner.

Mr. Fisher: I hear my good friend and colleague, the Hon. Member for Brampton-Georgetown (Mr. McDermid), making some comment. I might say that the use of grants by the Ontario Government, certainly in the artistic area, has been very constructive. The Ontario Government has used grants rather than tax deductions as an excellent way to reach out to the artistic community. The Ontario Arts Council has often been a pioneer in grant techniques. I remember the system it devised in the early 1970s to pay grants directly to Canadian authors through Canadian publishers, thereby giving the individual target group the maximum amount of help without any government strings attached.

Mr. McDermid: Where does the money come from?

Mr. Fisher: I find that grants are usually much more flexible. They allow us to get right to the group of people we want to support. In this case it would be artists. I suspect that we would look at nationality as well. We would want to have either Canadian citizens or landed immigrants as recipients,

and I suspect we would also want Canadian-owned companies to be involved. That has been the thrust of grants at the federal and provincial levels for the past decade.

Grants are also much more accountable. When the Government gives out a grant it is called upon quite regularly to explain why the grant was given to the particular recipient.

Mr. McCuish: What about Alastair Gillespie?

Mr. Fisher: I recall we had a debate of this nature in the House some time ago on charitable donations. The topic got around to tax deductions versus grants. One of the Members from Halifax stood up, waved a newspaper advertisement and said he wanted to know why a grant had been given to a particular group. That is a very accurate illustration of what I mean. Grants are easily identified and, therefore, the Government is easily called upon to account for their distribution.

I would draw to the attention of the House a report prepared by Mr. Paul Audley of the Canadian Institute of Economic Policy, a private research group based here in Ottawa. He has urged that we move away from tax exemptions and get into a direct grant and tax credit system for artists because he sees the current deduction system as too broad and too open-ended.

Quite rightly, the Hon. Member for Brampton-Georgetown also wants to know where the money comes from for grants. I remind him that expenditures on grants are much more easily controlled than expenditures through the tax system. That is one of the big problems with tax deductions; they are wide open. Anyone can get a tax deduction if they fall into the general category.

The Hon. Member for York North (Mr. Gamble) gave us a colorful description of the problems involved in defining categories. Once you are in the category you get the deduction, whereas a granting system is not open-ended in that fashion. It is a distinct and definable amount of money.

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Perhaps the best way to consider this problem is to imagine ten people living on a desert island. The cost of running the Government on the desert island is \$100. If one person demands a tax deduction, then that \$100 has to be paid by the other nine. Instead of each person paying \$10 they then pay \$11 and change. If it is a grant, the grant will then be discussed among all of them and everyone will pay the same amount of tax. There will be a discussion about priorities and whether or not the grant should be paid out of the \$100, whether the \$100 should be increased or another system implemented. In fact, they might even find that the desert island should get into a deficit.

Overall, one will find that the granting system has been used in this area instead of tax deduction because it is more easily targeted. In fact, since grants are not open-ended, they are much more accountable. They are a distinct amount of money that can be spent within a predefined sense of affordability.