

Oral Questions

that? In short, what did the Minister mean that Canada has to pay a price?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I want to make it quite clear that the Hon. Member is putting the cart away in front of the horse. What the Minister said is exactly what was said in the House repeatedly on previous occasions by the Secretary of State for External Affairs, that if Canada is asked to participate, we will give the matter serious consideration. He went on to recognize the responsibility of Canada in relation to the role we have traditionally played, or the way in which we have been prepared to react to requests that contribute toward world peace in the past. I am confident that the Hon. Member opposite would be in full support of the principle that Canada continue to play the traditional role in working for peace that it has in the past.

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INCOME TAX

REASSESSMENT OF ARTISTS' TAX RETURNS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister of National Revenue. He will know that his departmental officials have followed, in recent months, a very aggressive policy of reassessing income tax returns of artists, not just for the current taxation year but for three or four years back. In the view of the artists, the officials are treating them as if they were manufacturers, which they are not. Artists feel very strongly that, if that policy continues, the production and creation of innovative and creative art will simply dry up. Will the Minister give consideration to putting a hold on that kind of interpretation or that kind of policy, at least until he can work out a system which is fair to artists?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): First, Madam Speaker, I should like to reassure Hon. Members and tell them that we have no special programs to audit the income tax returns of artists in particular. I might remind the House that the general provisions of the Income Tax Act may be used by taxpayers whose situation is similar to that of an artist when they file their income tax returns. There are various ways of figuring out their income, just as there are special ways of figuring out expenses which may be deductible. Those general provisions of the Income Tax Act have been quite adequate so far with respect to the income tax returns of artists, and unless the Minister of Finance is shown that they ought to be changed, they will remain in force.

● (1440)

[English]

EXPENSES OF PART-TIME ARTISTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, the Minister surely knows that there are no new laws, but that the interpretations now being used in his Department have created an entirely new situation for full-time artists. I direct his attention to another group of artists who earn a lesser part of their income from the sale of art but work full-time as teachers and so on. They are not permitted to deduct expenses which they incur in producing their art, when calculating their income tax. Will the Minister give consideration to that aspect of the way in which his Department is assessing artists?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): In the first part of my answer, Madam Speaker, I referred to the general provisions related to the interpretation of the Income Tax Act for people whose situation is similar to that of an artist. Under those provisions, a taxpayer may claim general expenses to maintain a work place, a studio and a place to sell works of art. There are as well very specific provisions for an artist who must incur special expenses to produce a work of art, and those expenses must be deducted from the selling price of that work of art.

The Hon. Member is wondering whether a special treatment might not be given to a group of artists whose art work is not the main source of income. I must say that it is difficult to make a general rule for such particular cases. However, on the basis of the facts submitted to us, we look into the situation of the artist and we try to be as lenient as possible in our interpretation of the Income Tax Act in those particular cases.

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[English]

PUBLIC SERVICEPAYMENT OF HOSPITAL INSURANCE PREMIUMS—
GOVERNMENT'S SHARE

Mr. Hal Herbert (Vaudreuil): Madam Speaker, my question is for the President of the Treasury Board who is the Minister responsible for the federal Public Service. The subject is hospital insurance premiums. Is the Minister prepared to discontinue the federal Government's tacit support for the payment of these premiums by its payment, in the Province of Ontario and other Provinces, of part of the contributions of the federal public servants and, if his attitude is to discontinue this tacit support of this obnoxious form of taxation, will he compensate the public servants by folding that amount of money into the existing pay scales?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I will be happy to take the Hon. Member's question under consideration.