

Generally, however, such changes are not always easily effected and most often resisted, as we have discovered and as you may. In encouraging you in your task, we would remind you that conventional medical wisdom once held that bleeding, by the application of leeches or lancets, was an unfailing cure for virtually all ailments. Years upon years of low recovery rates and high mortality rates resulting from purportedly beneficial ministrations persuaded the more imaginative that other approaches to medical treatment might best be considered. We do not use this non-cultural example lightly, but as a particularly relevant analogy to inspire you to encourage a similar evolution of thought in regard to the tax treatment of the arts and artists.

Change to the tax structure is not without precedent. Change to the tax régime as it affects the cultural sector has been due for some time. Requests for such change are unarguably reasonable, and, with the guidance of the Standing Committee on Communications and Culture, such change can be accomplished. The tax structure is not graven in stone. And if it were, we number among our members some very able and highly-motivated sculptors.

BACKGROUND

As mentioned above, none of the problems we are currently facing are new, and this was acknowledged in the only comprehensive if ill-fated review of the matter undertaken by the federal government to date.

The issue of taxation and the arts was a preoccupation of then Secretary of State Gérard Pelletier and his department's fledgling Arts and Culture Branch in the late Sixties and early Seventies. His successors, Hugh Faulkner and John Roberts, similarly concerned themselves with the matter, and it was during this period in the mid-Seventies that the late Russell Disney, Senior Partner of Touche Ross and for ten years the Treasurer of the Canadian Conference of the Arts, undertook and published Federal Tax Issues of Concern to the Arts Community in Canada: An Analysis, otherwise known as the Disney Report, for the Department of the Secretary of State.

This report was presented to Cabinet, which reviewed it and referred it for analysis and comment to an interdepartmental committee comprised of officials from the departments of the Secretary of State, Finance, Revenue Canada Taxation, Revenue Canada Customs and Excise, Employment and Immigration, and the Privy Council Office. The Interdepartmental Disney Report Review Committee pondered the recommendations of the Disney Report at length and, finally, the only agreement which could be reached was that participating departments disagreed. The exercise fell of its own weight.