

Creative Artists—Income Tax

—craftsmen, authors-composers, choreographers, film-makers, photographers, writers or any other creator of original works of an acknowledged cultural or artistic nature—

It is certainly true that Parliament has used the provisions of the Income Tax Act on a number of occasions to promote industrial or commercial communications activities. For example, there was the tax exemption for commercial mines on income generated during the first three years of operation, with the view of promoting the development of mines in Canada.

From the standpoint of culture and communications we can look to the special advantage for film-makers who are entitled to a 100 per cent write-off of the investment made in Canadian productions. One would suspect that this motion is designed to accomplish the same purpose, but I draw to the attention of the House that both of those other provisions were designed to promote the creation of industrial or commercial development.

There is nothing in this motion that would have the same effect. If you give an operator of a mine an exemption from tax on all the income generated within the first three years of operation, you would imagine that every mine that was operated would produce as much ore as it could during that three-year term. With respect to the film industry, the concept of the capital cost allowance deduction to the extent of 100 per cent obviously generated funds for the film industry.

One would be inclined to believe that the effect of this motion would be to lead to the creation of new artists. It has nothing to do with the actual creation of income for the artists. I would presume, having regard to the statistics given today, that artists are performing to the maximum of their achievement and financial return. What this would conceivably do would be to draw people out of other income-producing activities into activities of the creative artist so that they might benefit from the \$20,000 exemption which is not available to the ordinary citizen. I did not know that artists can be created in this way. Either people are or are not able to produce artistic works. It seems unrealistic to turn to a dentist and say: "If you become a creative artist you can have a tax advantage that is not available to you as a dentist". The same might apply to every other walk of life in which Canadians find themselves.

Since the motion would have no effect on the creation of new wealth, I do not believe it is an appropriate undertaking for the House. I would add a further caveat to my examination of the motion, Mr. Speaker. On examination of the categories of artists to which it would apply, I cannot help but think, specifically having regard to the complex provisions of Bill C-139, that there is not any reasonable way that draftsmen can create the category of privileged artists entitled to these special benefits without writing an entirely new Income Tax Act.

One of the great tragedies of the Act as it stands is that it is too voluminous and too complex. The masters of the Department of Finance and the masters of the Department of National Revenue—the Deputy Ministers—would have a heyday playing with the words used in the motion. It would take page upon page to define a film maker. Should that include some of

the large production facilities such as Paramount Studios in the United States, should it undertake activities in Canada? Of course not. It would have to be excluded. What would happen then? They would talk about public corporations which could not qualify, about individuals who incorporated themselves who could not qualify, about groups of artists who got together to undertake projects which would not qualify. If you want to have some fun with the kind of definition that would appear, Mr. Speaker, I urge you to exercise your mind and think how they would deal with the word "photographer".

• (1600)

I suggest that the undertaking of this task by the various Departments that would inevitably become involved in the drafting of the required legislation would render, in its final product, an absolutely confusing, burdensome and useless piece of legislation. That has been our experience in the past. There is no reason to believe that the Department of Finance in conjunction with the Department of National Revenue would treat this particular recommendation by the Hon. Member any differently.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a real pleasure for me to comment on this motion, for two reasons. First, I think the Hon. Member for Argenteuil-Papineau (Mr. Gourd) has, as usual, done a very good job of raising an important issue for our attention. All of us are grateful to him for doing so. He has a reputation as a wise and hard working Member of Parliament. I am pleased to rank him as one of my friends and to have his advice available.

Second, for the past 15 years I have been a businessman in the book publishing industry. I understand something about problems facing writers, editors and other artistic people involved in that industry. My own business is on the commercial side. We are distributors and I am a salesman by training. I have seen people spend long hours trying to create a book, to take a vision of the world and to communicate it to readers. I hold these people in the highest regard. I look on this Bill, therefore, with some nostalgia and approval.

One of the toughest ways to make a living is that of writing books. It is not something which will make an ordinary individual into a rich person. There are exceptions, and we are grateful for them. I am thinking of people such as Pierre Berton, Margaret Atwood, Farley Mowat and so on. They are probably in a position where they can earn a comfortable living from their writing. Unlike American and British writers, Canadian artists are usually dependent on some kind of outside income to give them a decent standard of living. Those of us who know something about the industry are always looking for ways to provide extra support and help to people who play such a vital role in our lives.

I have worked in the industry for a long time. I was a publisher's agent for a while and I have seen what it means for an individual to spend six months on a book and then earn only