

*Oral Questions***INCOME TAX**

DEPARTMENT'S TREATMENT OF ARTISTS

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of National Revenue. It concerns the current tax treatment of artists in Canada. A moment ago the Minister of Communications indicated in answer to a question that he had intervened with the Minister of National Revenue on a number of occasions with respect to artists. As the Minister knows, we have a current problem which needs a quick solution. Would the Minister not now commit himself and his Government to imposing a moratorium on the tax situation for artists until he can carry out a review of the interpretations mentioned by the Minister of Communications?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am a little surprised at the question and especially at the member's request. I may remind him that the general provisions of the Income Tax Act that apply to individuals who deduct expenses from their income should also apply to artists. I realize there may be special circumstances a person may encounter in the exercise of his profession and that this may be the case for a great many artists. I would therefore like to point out to the Hon. Member that when applying the general rules of the Income Tax Act, departmental officers responsible for assessing the situation allow for any special circumstances mentioned by the taxpayer, so that when artists submit their expenses with their income, they are given special treatment because of the particular circumstances in which they exercise their professional activities.

[English]

REQUEST FOR MORATORIUM

Hon. David Crombie (Rosedale): Madam Speaker, surely the Minister understands that his own Department is treating the artists of this country as manufacturers for the purpose of tax. That is the issue. Surely the Minister can understand that if we are to have creative arts in this country, artists must be treated as creative human beings and not as manufacturers of plastic hose. The reality is, Madam Speaker, that unless the Minister acts now, we will have a demonstration in Vancouver and in other parts of the country, with artists trying to speak out in order to get a tax situation which is only fair and congenial to them. Why will the Minister not at least place a moratorium on those interpretations so that artists can have a chance, as the Minister of Communications, as well as we and the artists, would like him to do?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am rather surprised at the Hon. Member's question and at his interpretation of the facts. If the Hon. Member knew what he was talking about, that is, how the Department of National Revenue treats artists—like other

taxpayers—he would not ask such questions. We do allow for special circumstances as I indicated in the first part of my answer. I also wish to remind the Hon. Member that an artist's inventory is not taxable. They can deduct expenses on each piece they sell, and income is not taxed until it is actually received by the artist. There is a set of special conditions that applies to artists and does not apply to manufacturers, and we treat them as individuals, which is the same way we treat other taxpayers in our society.

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PETITION

MR. RIIS—WINNIPEG—MORGENTALER CLINIC

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Friday, October 7, 1983, does not meet the requirements of the Standing Orders as to form.

● (1500)

ROUTINE PROCEEDINGS

[English]

PETITION

MR. DEANS—EXTENSION OF UNEMPLOYMENT BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have the privilege of presenting a petition on behalf of more than 3,000 citizens of Sault Ste. Marie and the District of Algoma, petitioning the federal Government and the Minister of Labour (Mr. Ouellet), in light of the present economic situation where jobs are not in plentiful supply, to present to the House for approval a Bill to extend UIC benefits beyond their expiry limits.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,639, 4,809, and 4,816.

[Text]

GOVERNMENT POLICY CONCERNING FOREIGN SPIES

Question No. 4,639—**Mr. Kilgour:**

Is it government policy to try to convert foreign spies to work for Canada rather than prosecuting them and, if so, has there been any change in this policy?