

They ask that the government cease with the proposal which will shift the tax burden onto ordinary Canadians through a regressive consumption tax instead of through real tax reform.

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#### QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Albert Cooper (Parliamentary Secretary to Government House Leader):** Madam Speaker, the following questions will be answered today: Nos. 208, 215, and 216.

[Text]

#### MONEY RAISED BY PROCAN

Question No. 208—**Mr. Hughes:**

1. In each of the past five fiscal years, has PROCAN raised money from (a) licence fees (b) royalty fees and, if so (i) what amount (ii) is there a projected amount for the current year and, if so, what amount (iii) what amount of the sums collected goes to administration (iv) in what way are the other funds expended or to be expended in each of the above six fiscal years, including such details as the number of employees and location of employment?

2. In the past two fiscal years (a) what number of sources are there paying licence and royalty fees (b) what percentage of the total fees collected are collected from volunteer or charitable organizations?

3. What amount is raised by the assessment of the basic minimum licence fee?

**Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)):** 1. i) PROCAN's *raison d'être* is to collect royalties and licence fees on behalf of copyright owners, for public performance of musical works.

Licence fees and royalty fees collected in fiscal years 1984–88 (December 31) were as follows:

1988: \$27.5 M  
1987: \$25.2 M  
1986: \$24.1 M  
1985: \$20.5 M  
1984: \$19.7 M

These include fees, charges and royalties collected in respect of domestic broadcasting and other public performances, and income from foreign royalties and rights. This information is directly extracted from PROCAN's financial statements, that the organization is required to file annually with CCAC. Such information for the year ended on December 31, 1989 is not yet available.

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ii) No projection for the fiscal year 1990 is available.

iii) During the fiscal years 1984–88, administrative and general expenses have represented between 19.4% and 22.2% of the total income (which consists almost exclusively of amounts collected plus interest). The percentages for each year are the following:

1988:—19.4% (\$5.3 M)  
1987:—21.7% (\$5.5 M)  
1986:—20.5% (\$4.9 M)  
1985:—22.2% (\$4.6 M)  
1984:—21.8% (\$4.2 M)

iv) No breakdown of PROCAN's administration and general expenses reported above is available. PROCAN has approximately 90 employees located in Toronto, Montreal, Vancouver, Halifax, Edmonton.

2. a) The Department does not have specific information about the "number of sources" nor does it have any information for example on the number of individuals and organizations that remit fees to PROCAN. However, the tariffs in compensation for the right to perform in Canada dramatico-musical or musical works, in respect of which PROCAN is authorized to grant performing licences, must be approved annually by the Copyright Board and are published in the Canada Gazette. In 1989, there were 20 tariffs applicable to various user categories such as television and radio stations, cabarets, clubs, etc.

About 10 per cent of PROCAN's income is from foreign sources.

b) PROCAN does not collect any fees from charitable organizations as this is not permitted under s. 27(3) of the *Copyright Act*, which reads as follows:

"No church, college, or school and no religious, charitable or fraternal organization shall be held liable to pay any compensation to the owner of any musical work or to any person claiming through that author by reason of the public performance of any musical work in furtherance of a religious, educational or charitable object".

3. There is no basic minimum fee. There are 20 different tariffs each providing for different minimum amounts.

#### THE PURCHASE OF TWO VESSELS FOR MARITIME COMMAND

Question No. 215—**Mr. MacDonald (Dartmouth):**

Did the government purchase two vessels for the Canadian Forces Maritime Command from Tidewater Inc. or its subsidiary Tidex and, if so (a) what was the total acquisition cost (b) did the vessels contain any limpet-sprayed asbestos and, if so (i) was it completely removed (ii) did the government pay for the removal and, if so, at what cost (c) did the electrical systems of the vessels require any conversion and, if so, did the government pay the cost (d) were the vessels renamed and, if so, with what names (e) have the vessels had any breakdowns or malfunctions during their operation by Canadian Forces Maritime