

Arthur Drache (13:15)<sup>(2)</sup>

“That is not to say that Canada has not established an excellent record in supporting its cultural growth and development. We clearly have, and have accomplished much. The tax system, however, is not only having an adverse impact on our individual artists, but it is undermining and contradicting the policies and programs we have established to achieve our cultural objectives. It is doubly important, therefore, to restructure the tax régime as it applies to the arts and the cultural industries.”

Canadian Conference of the Arts (1A:3)

Artists praised the general level of government awareness and support of the arts in Canada even though many are upset with current tax policies and administration. They pointed out the irony that the government and the Canada Council actively assist the arts while tax policies and administration simultaneously hinder their creative activity.

The Sub-Committee agrees that a more consistent, integrated approach to the treatment of artists is essential. On the support side, the existence of grants and subsidies and the full range of assistance in the cultural field testifies to the importance of this sector to Canada as a nation. On the taxation side, at the very least, the law should not throw up obstacles to cultural achievement. Common sense should tell us that it serves no national purpose for Revenue Canada to tax away a Canada Council grant from a theatre, to present internationally recognized visual artists with large retroactive tax bills, or to fully tax government grants to professional artists regardless of the expenses the grant was intended to cover on the grounds that they were hobbyists. The time has come for the left hand to be aware of what the right hand is doing.

## WHY SPECIAL TREATMENT?

“We want no special consideration”

Union des Artistes (7:5) (translation)

“... we simply want fair and equitable treatment...”

Canadian Conference of the Arts (1:26)

“... you want to take the bull by the horns ... and say: Okay, the artists are special.”

Arthur Drache (13:16)

The Sub-Committee wants to be reasonable on the question of preferential or special treatment.

The Sub-Committee heard words like “equity”, “special status” and “specific treatment” from many witnesses. The Sub-Committee was repeatedly urged to recommend mere justice and not to favour the arts community, while at the same time many of the proposals presented would indeed create a favourable tax status for artists unavailable to other taxpayers.