

Creative Artists—Income Tax

With the accumulation of data from different studies, different sources and even different countries, it becomes clearer and clearer that artistic and cultural activity is most heavily subsidized by the financial sacrifices of individual artists. Artists, in short, do not receive a financial return which is commensurate with their contribution to the quality of Canadian life and, quite possibly, to the Canadian economy. Something obviously must be done.

The Federal Cultural Policy Review Committee, the Applebaum-Hébert Committee, was established in 1980 to examine the totality of the cultural scene in Canada and make recommendations to the Government for its enhancement and growth in recognition of the fact that, while we have done a good deal in this field, we were certainly not doing all we might, as efficiently and usefully as we might. One of the major areas the Committee was asked to address was specifically the problem of the status of the artist in our society.

They took that challenge to heart and examined the question thoroughly. One of the major conclusions they came to dealt specifically with the tax treatment of artists. I will quote it direct, since it speaks for itself:

Tax provisions respecting the employment status of artists and such matters as the calculation of their costs against income, the valuation of works given for public use and enjoyment, and their entitlement to income averaging must afford equitable treatment in comparison with those applicable to other classes of taxpayers.

All of these concerns are now the subject of continuing study, but there are other broader issues as well. For example, should Government support take the form of direct grants to artists, or should Government expenditures focus on supplying facilities or special services which would constitute indirect support?

Certainly consideration must be given to tax issues to ensure fair treatment for artists, but these issues are complex and careful consideration is needed from a number of different perspectives. For example, if artists are to be treated as self-employed persons so that they can claim expenses, should they also be eligible for Unemployment Insurance? The easy answer to such a question may not be valid when it comes time to implement a policy. Careful deliberation is essential.

The development of new tax provisions for artists also cannot ignore the Federal Culture Policy Review Committee's diagnosis of the main problem as "not one of excessive tax burden, but rather of inadequate income". Yet the Canadian Conference of The Arts made an important point when it noted that our taxation system had not been used systematically to stimulate cultural, as opposed to economic, development.

The Department of Communications is now exploring these matters on a number of fronts. It is currently studying the impact of federal financial policy on the cultural sector and examining ways to bring specific financial policies into line with cultural policies. To this end, departmental officials are holding on-going meetings with the Department of Finance on possible amendments to financial legislation to improve the economic situation of artists. These discussions are serving to clarify a variety of complex issues.

The motion now under discussion was placed before this House in October, 1981. Since then, a strong, concerted effort has been made through the Federal Cultural Policy Review Committee and elsewhere to examine the problem and propose solutions.

● (1550)

As I indicated at the beginning of my remarks, this motion highlights a prime area of concern of both the Federal Cultural Policy Review Committee and the Department of Communications, namely support for the creative artist. I want to congratulate the Hon. Member for Argenteuil-Papineau for defining so clearly and recognizing the importance of these key elements of the arts and culture environment. His focus on the artist, his recognition of the artist's plight, his emphasis on changes to the tax structure—all these represent significant contributions to the on-going debate on Canada's cultural future.

Mr. John Gamble (York North): Mr. Speaker, within a period of 24 hours we have witnessed a perfect illustration of why Parliament has become irrelevant. Last evening, at 5:45 p.m., the House was called to vote on Bill C-139 which, as we all know, provides for substantial amendments to the Income Tax Act. We are now confronted with a motion in the name of the Hon. Member for Argenteuil-Papineau (Mr. Gourd) who apparently urgently believes that it is important that some relief of a kind I shall describe later be offered to creative artists. One would have thought that if the Hon. Member really believed strongly in his motion, he would have stood in this House and voted against Bill C-139. There is no provision in that Bill for the motion he has brought before the House.

We have just listened to the Parliamentary Secretary to the Minister of Communications (Mr. Burghardt). He has praised the Hon. Member for Argenteuil-Papineau and at the same time has in no way indicated that it is the position of the Government to support the motion of the Hon. Member. We have, unfortunately, become a useless debating society where Members of the House are afraid to do what they say they wish to do. I lament the fact that Hon. Members take the time of the House to deal with issues in this fashion without substance and without the determination to see that their will is made part of the legislation of this country.

If I may pass on and deal with the provisions of the motion itself, I will say in advance that I am opposed to it, Mr. Speaker. The motion deals with the creation of additional tax exemptions for a select group in society. If the motion were adopted it would have the effect of amending Section 109 of the Income Tax Act which grants to ordinary, individual Canadian citizens a basic exemption with respect to which no tax is imposed. Last year that exemption was in the neighbourhood of \$1,700 for an individual unmarried taxpayer. The effect of the motion before us would be to increase that basic exemption to \$20,000. It would cover a group identified in the motion as follows: