



Ottawa, Wednesday, April 19, 2006

The Honourable Jim Flaherty, P.C., M.P.
Minister of Finance
House of Commons
Ottawa, Ontario K1A 0A6

Dear Hon. James Flaherty,

The Canadian Conference of the Arts (CCA) is Canada's oldest and largest arts advocacy organization. It represents hundreds of thousands of artists, creators and arts professionals working in all artistic disciplines throughout Canada.

Last autumn the CCA was privileged to present a pre-budget submission to the Standing Committee on Finance, providing Committee Members with recommendations for inclusion in the next federal budget. In response to your April 6 invitation for comments on the 2006 federal budget, the CCA is pleased to leave with you today a copy of our presentation, which is entitled "Setting the Stage".

The CCA has called for the Government of Canada to address the pressing issue of increased and stable funding for the arts and cultural sector for quite some time. It has endorsed the position of the Canadian Arts Coalition for an **increase of funding to the Canada Council for the Arts by \$ 5.00 per capita**. In "Setting the Stage", we also noted the important role of the Department of Canadian Heritage and its portfolio of agencies, recommending that Members of the Standing Committee meet with representatives of those agencies to determine their specific funding needs.

Our 2006 pre-budget submission also endorsed the need for a **new federal museums policy**, with adequate funding to ensure that our museums, public art galleries, and other heritage institutions can continue their work preserving, presenting, and celebrating Canada's remarkable history of achievement in culture and in all fields of endeavour. A third funding priority is with respect to the **CBC and its plan for regional programming in radio and television broadcasting**.

I also wrote to you on March 9, 2006 to endorse the **\$500 tax credit** your government has proposed to give to the parents of Canadian children under the age of 16 who enrol their children in physical activities programs. It is the hope of the CCA that the government's proposed tax credit can be **expanded to also include all forms of arts activities, not just physical activities**. While the CCA fully supports the physical fitness objectives that inspired this proposed tax credit, it would be our hope that the social wellness benefits of exposure to the arts be accepted as a logical extension of this proposal.

The CCA furthermore urges you to implement **income averaging for self-employed Canadians, including artists and cultural workers**. The growing number of self-employed people in the Canadian labour market who face fluctuating income levels would greatly benefit from such a measure.

Finally, we also urge that your government put in place policies to **exempt all or a maximum level creators' copyright and patent royalties from taxation**, as recently proposed by the Canadian Council of Chief Executives, measures which would greatly contribute to Canadian creativity and international competitiveness.

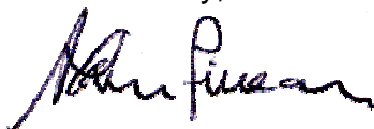
As you work at crafting the 2006 federal budget, your first as Finance Minister, the CCA assures you that these remain the immediate fiscal priorities that our members would like to see addressed by the Government of Canada.

The CCA welcomes the opportunity to participate in the public policy discourse in Canada. It has been our practice to contribute to the pre-budget exercises for over twenty years. It is our hope that you will continue this consultation process through the Standing Committee on Finance and perhaps next year, you will be able to dedicate to it adequate time and publicity to ensure thoughtful and constructive ideas from all parts of Canadian society.

The CCA will be monitoring the 2006 federal budget process carefully and will provide a detailed analysis to our membership. Once this analysis of how the 2006 federal budget impacts the arts and cultural sector has been completed, we will be pleased to share it with you and your officials.

In closing, please accept the best wishes of the Board and the membership of the CCA as you prepare to unveil your first federal budget.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alain Pineau', written in a cursive style.

Alain Pineau
National Director