

Seeking Out the Creators -- Equitable Taxation Treatment for Canada's Artists and Creators

Canadian Conference of the Arts
Pre-Budget Submission to the Standing Committee on Finance
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Introduction

In past years, the Canadian Conference of the Arts' pre-Budget submission has been many faceted: requests for more funding for the CBC, for the Canada Council, for the Copyright Board of Canada; improved tax incentives for modest charitable donors; removal of the GST from all reading material; and many other issues. In short, we submitted a plethora of recommendations which, if accepted, would have improved the lot of those working in the cultural sector and of Canada's cultural industries. Unfortunately, these recommendations have usually fallen on deaf ears. Action in the three areas of federal jurisdiction which might improve the working lives of Canada's artists and creators – funding, regulatory changes, policy frameworks – has been minimal.

This year, the CCA has decided to make a **single, focussed submission with only one goal: equitable taxation treatment for individual artists and creators**. In the past, we have argued this point through an appeal for a return to income averaging for self-employed individuals. This year, an additional solution is proposed: a tax exemption based on copyright income.

Tax Exemption on Copyright Income for Creators

As most of you are aware, in May 2000 Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP) introduced a Private Members' motion (M259) in the House of Commons. His motion read: "That, in the opinion of this House, the government should give consideration to exempting up to \$30,000 of income from income tax as a gesture of support for those artists, writers and performers who work in Canada's cultural industry."

Mr. Riis' motion is deliberately vague; his aim was to promote debate on the issue rather than to provide any definitive strategies about how this goal could be achieved. At his press conference on April 18, 2000, Mr. Riis emphasized that his motion uses as a model Quebec's Bill 108, an amendment to the *Income Tax Act* introduced in 1995, which states that artists and creators are entitled to **an annual income tax exemption on copyright income of up to \$30,000**. It is important to note this difference. The intent is to have an income tax exemption on **copyright income** not on all income.

While the CCA welcomes the motion and the debate that accompanies it, we strongly urge that an amendment to the motion be introduced, to focus the motion more clearly. Mr. Riis has stated that he would support amendments to his motion. Linking such an exemption to copyright income would make its administration infinitely easier. Our suggestion, supported by other cultural organizations including the Cultural Human Resources Council, is that a revised motion should read as follows:

That, in the opinion of this House, the government should give consideration to supporting Canada's professional artists and creators, the foundation of Canada's cultural industries and institutions, by exempting up to \$30,000 of copyright income.

In Quebec, the exemption works on a sliding scale: all copyright income up to \$15,000 is tax exempt, following which the exemption decreases. After \$30,000 of copyright income, no further exemption applies. The Quebec tax form includes a separate line for reporting all copyright income, making administration of the exemption fairly straightforward. (There are certain "special" cases, such as for visual artists whose copyright is not always transferred upon sale of their work.)

Gilles-A. Perron, Bloc Québécois MP for Rivière-des-Mille-Îles, stated in the House that:

The objective of this motion by the hon. Member for Kamloops, Thompson and Highland Valley is certainly most praiseworthy. We in the Bloc Québécois made the same comment, moreover, in the dissenting Canadian heritage committee report.... The Bloc Québécois would be prepared to support this motion if it were amended to include ... harmonization by the federal government of its tax system with that of the Government of Quebec, which provides that royalty income of less than \$15,000 is not taxable; action by the government on the recommendation by the Standing Committee on Finance that income averaging be permitted for cultural workers, a measure that existed in the 1970s I invite my colleague from Kamloops, Thompson and Highland Valley to amend his motion ... and the Bloc Québécois will be proud to support it.

A similar federal system of tax exemption based on copyright income for **creators** would not be prohibitively expensive. A recent survey carried **out** by The Writers' Union of Canada (TWUC) in conjunction with *Quill & Quire* magazine indicates that only 32% of writers earned income from book royalties/advances, 13% from the Public Lending Right Commission, and 7% from CanCopy. Nearly 45% of respondents reported their total writing income for 1998 was less than \$5,000. Therefore, such an exemption from **income tax** on copyright income should be inexpensive to institute and would benefit only those artists and **creators** at the low end of the pay scale.

And low end it is! Statistics Canada data, based on the 1996 census data, indicates that Canada's artists, musicians, writers, dancers, etc. are among the highest educated but lowest paid individuals in the country. The Applebaum-Hébert Report of 1982 stated that "... the largest subsidy to the cultural life of Canada comes not from governments, corporations or other patrons, but from the artists themselves, through their unpaid or underpaid labour". (The CCA would add that the artists' partners and spouses also contribute to this subsidy.) The figures indicated in the table below speak volumes in support of this statement.

Average Employment Income of Artists by Occupation (from the 1996 census data ¹)

| Occupation | Average Employment Income (all workers) | Average Employment Income (full-year, full-time workers) |
|--|--|---|
| Writers* | \$27,942 | \$40,438 |
| Producers, Directors, Choreographers and related occupations | \$36,688 | \$43,963 |
| Conductors, Composers, Arrangers | \$27,890 | \$43,348 |
| Musicians and Singers | \$12,593 | \$23,694 |
| Dancers | \$11,946 | \$25,145 |
| Actors | \$17,035 | \$31,836 |
| Other Performers | \$14,097 | \$29,691 |
| Painters, Sculptors, other Visual Artists | \$12,633 | \$18,188 |
| Artisans and Craftspersons | \$10,606 | \$16,943 |
| Total Labour Force | \$26,474 | \$37,556 |

"Figures on the average employment income of artists show very clearly how the high degree of part-time, seasonal and self-employment impact on their income levels. For example, the average employment income for dancers is \$11,946. Dancers who have a full-year, full-time job, however, make \$25,145 — higher than the average for all dancers but demonstrating that a full-time dancer still makes less than the labour force average."²

* It should be noted that TWUC's 1998 survey of writers reported quite different results. The average net professional income of writers from that survey was reported as only \$11,480 (total income minus deductible expenses).

Focus on Culture, a Statistics Canada quarterly bulletin, states in its current issue that "Of all the occupational categories used by the Census, selected culture occupations ... are all in the bottom half. In fact, artisans and craftspersons were found among the 25 lowest paying occupations in Canada in 1995 No culture occupations ... were found in the country's 25 highest paying occupations (which make on average \$80,200)." To put it more bluntly, painters, sculptors and other visual artists rank below taxi and limousine drivers, hotel front desk clerks, and hairstylists and barbers in the full year-full time scale, while artisans and craftspersons come even lower, after general farm workers, cashiers, and ironing, pressing and finishing occupations. Not enviable positions.

It might surprise people to know that the cultural labour force is the fastest growing sector in the country. Most Canadians are more aware of the cultural industries which have built up over the past years: music and sound recording, book and periodical publishing, broadcasting, films and videos. But surprisingly few remember that all these mega industries, with their multi-million dollar budgets, depend on individual **creators**: the writers, composers, painters, sculptors, and choreographers. The ability of our cultural industries "to create an enduring place in our lives is dependent on the creativity and talent of Canada's artists, **creators** and producers ..."³ Our

cultural institutions – the theatres, galleries, museums, and concert halls of which we are so proud – would be empty without the creative input of our artists, our television and movie screens would be blank, our radios largely silenced. As *The Guardian* newspaper in Britain recently stated: "The first task is to shift spending away from institutions and into individuals and art itself. What is the point of having some of the most well-appointed theatres and galleries in Europe if there is nothing to put on in them?"⁴

While it would be wonderful to think that all artists should be eligible for income tax exemption on any and all income earned, this is not realistic. Obviously, a global exemption on all salary earnings solely for artists would not gain acceptance with the general public. However, the CCA does believe there are sound reasons for an exemption of income tax based on copyright income.

Copyright is "the legal recognition of the inherent right of **creators** to material they have created"⁵, it is "automatic – it does not need to be registered.... You can only claim copyright in something you have produced if it is *original*"⁶. Therefore, **creators** are the first copyright holders of their work, and have an inalienable moral and economic right to any benefits accruing from their work. However, not all artists are **creators**. Many artists are interpreters of other people's creations; they are producing in effect a secondary work based on someone else's original creation. This applies to many performers: musicians, dancers, actors, etc. Performers and other interpreters are usually paid for their work as and when they do it.

Neighbouring rights protect the rights of such performers, and those of record producers and broadcasters. These rights are similar to, but distinct from, copyright and are granted to those who use copyrighted works. An example given in Lesley Ellen Harris' book *Canadian Copyright Law*, states that "... copyright protects the composer of a song whereas neighbouring rights would protect the performer of the song."

Creators have no assurance that there will be any remuneration upon completion of their work. They perform the essential research and development in the pursuit of their craft, for which there is no payment at the time. If and when remuneration is forthcoming, it might be for fairly small amounts, extending over a long period of time. As we have seen in the table, all artists earn meagre (and frequently fluctuating) wages from their craft, but it is the **creators** who take the most risks.

In the arts, creation represents the research and development. Canada has a long history of supporting research and development in scientific, industrial, medical and technological fields. It is now time to recognize and celebrate the importance of Canada's cultural innovators in a similar fashion. This was clearly outlined in *A Sense of Place, A Sense of Being*, the 1999 report of the Standing Committee on Canadian Heritage, which stated "From the Committee's standpoint, investing in the arts is no less important than investing in the social sciences, humanities, the pure sciences or medicine. The Committee is also aware of the long-term commitments made to researchers and scholars by other federal government agencies and looks for a similar level of commitment to Canadian artists ... **The Committee feels that support to individual creators should be increased**" (*our emphasis*). The federal government might feel it has addressed this with the additional \$10 million for the Canada Council for the Arts in the last Budget.

However, by way of comparison, the Canadian Foundation for Innovation was established in 1997 with an initial \$800 million; a further \$200 million was added in the 1999 Budget. This year, the Budget provided a further \$900 million to the Foundation. Contrast these amounts with the annual allocation to the Canada Council for the Arts of just under \$125 million. And while the Canada Council supports the creative process in this country, only 20% of its actual grants budget goes to individual artists; the remaining 80% is allocated "to arts organizations for arts production and dissemination".⁷ The Canada Council website also indicates that of the estimated 114,000 artists in Canada, only 1,900 (or 1.6%) receive its grants, a 27% success rate in 1998-99 (not all artists apply for such grants). Therefore, the CCA's argument at this time is not that more money should be provided to the Canada Council (although that would be nice), but that some sort of regulatory change needs to be introduced which would benefit a wider spectrum of Canadian artists in a more equitable way.

Research and development is highly praised and lucratively rewarded when linked to technology or new media; then it is usually called "entrepreneurship". Permit us to quote from the Chair of the Standing Committee on Finance himself, Maurizio Bevilacqua: "The federal government must break free of the bureaucratic mindset that rewards those who find reasons to say no to risk-takers and entrepreneurs.... History does not record those who play it safe..."⁸ Unfortunately, government frequently (and conveniently) forgets this sort of reasoning when it comes to creative R&D and artistic entrepreneurs.

It is perhaps opportune to mention here, also, the da Vinci Project, the first Canadian entry to an international competition sponsored by the St Louis, Missouri based X-Prize Foundation. This project, using a volunteer group of Canadian aerospace engineers and professionals, is competing for a \$10 million US award for the first team "to privately finance and launch a manned re-usable spacecraft".⁹ What the CCA finds particularly interesting about this project is that the article in the newspaper stated that "the demands of fickle investors, or even taxpayers, place too great an emphasis on immediate returns rather than innovative research and investment", and that "research and development expenditure and support of entrepreneurial efforts [in Canada] have lagged

dangerously behind those of the United States". Again, much the same applies to the cultural sector. And need we point **out** that Leonardo is known around the world as an artist first and foremost, and a scientist and inventor second?

This particular *Globe and Mail* article closed with these words: "Seek **out** the dreamers, the inventors, the inspired **creators**, and help them, beg them, to make you a billion dollars." The previously quoted *Guardian* article suggested that "if you find yourself dropped on a desert island tomorrow ask for only one thing: an artist. Quite simply there is no more voracious species of survivor on the planet.... Artists are used to improvisation, that's their business after all.... But there is a limit to how long even they can live on thin air." Canada's cultural community is brimming over with these dreamers, these inventors, these inspired **creators** – but how to appropriately recognize their personal contributions to artistic research and development?

Investing in the arts should be a given. Many other countries seem to understand the high returns on cultural investment far better than Canada. Although the cultural sector is still waiting for updated economic impact statistics from Statistics Canada (the most recent date from 1993-94), the latest *Report on Business* magazine from *The Globe and Mail* mentions a Conference Board of Canada study commissioned by the Stratford Festival.¹⁰ This study estimated that in return for a mere \$1.5 million in grants and a property tax exemption, the Festival "generates 6,000 jobs, \$170 million in tourism, \$346 million in overall economic activity and \$64 million in taxes". We wish all investors could reap such rich rewards!

The arts contribute to our society in other ways also, not simply in monetary terms. The arts have been used as a healing balm for the physically sick or mentally disturbed, as a means of communication for troubled youth or those with language limitations, as an innovative way to deliver traditional curriculum to students, and as an expression of joy – indeed, as an essential and necessary part of our daily lives.

Canada's cultural community is a major contributor to and participant in our quality of life, providing a public benefit and ensuring Canada's place at the top of the United Nations' list of best countries in the world in which to live, for the past several years. When a community advertises its unique "quality of life", it is generally referring to all the elements which add up to it being a wonderful place to live, and a vibrant cultural community is one of these intrinsic factors.

Income Averaging for all Self-Employed Individuals

As mentioned in the introduction, another solution, and one which the CCA has consistently put forward and which actually met with favour with the Standing Committee on Finance on a couple of occasions, is that of a return to some form of income averaging. A conference held by UNESCO in Paris, June 1997, reported that "deductions and income reductions favourable to artists are rare; income tax exemptions are non-existent (except in one very exceptional instance – Ireland) [however] income averaging for artists over several years is practised in several countries (Germany, Denmark, the Netherlands, Greece, France, the United Kingdom, and Luxembourg)..."¹¹

We find it interesting to note that during the years when the CCA and other organizations actively promoted income averaging for all self-employed individuals in Canada, using the cultural community's large proportion of self-employed artists as our rationale, very few MPs seemed to support the idea. However, when members of the various parties' stood in the House to debate Mr Riis' motion (and we agree it is a difficult motion to support in its current form), most felt income averaging would be a better and more equitable solution. We believe this indicates an understanding and acceptance of the plight of the artist in Canada today, and a certain degree of political will – across all party lines – to examine some form of regulatory changes to the *Income Tax Act* to redress the imbalance.

Karen Redman (Kitchener Centre, Liberal) paid lip service to artists and **creators** when she rose to address Mr. Riis's motion saying that the current government "is committed to ensuring that Canadians have Canadian choices This means focussing on the creation of Canadian content and supporting **creators**, artists and innovators."¹² Unfortunately, the government programs she then listed were almost exclusively aimed at the cultural industries rather than the individual **creators**. She went on to say: "It is interesting that this motion has come forward for consideration by the government, yet **creators** have come to the finance committee and asked us to look at initiatives such as income averaging or indeed some of the aspects of the Irish model." Indeed we have; regrettably, to date, the government has seen fit to reject all such advances **out** of hand.

A smattering of comments from other MPs during the two debates on M259 follows:

Hansard, May 1, 2000

Inky Mark (Dauphin-Swan River, Canadian Alliance)

"I also agree that professional artists are among the lowest paid workers in Canada. That same message came **out** loud and clear during the public hearings conducted by the Standing Committee on Canadian Heritage during the winter of 1998.... Another recommendation that came **out** of these meetings was that income averaging be looked at. Another issue addressed by the writer's union was that income averaging for artists be implemented so as to alleviate the unfair tax burdens. I agree that artists should be able to use income averaging to level the ups and downs from year to year.... All members of this House should lobby the finance minister to implement this worthwhile option for artists. I would challenge all members of the House to do so by writing the Minister of Finance." (Note: Mr. Mark did himself write to Paul Martin that same day, stating that "I wish to lend my support in aid of Canada's artistic community by inquiring into the possibility of income averaging for artists.... Is there a reason why income averaging for artists cannot be implemented by your department? We need to assist them because we know their work is important.")

Scott Brison (Kings-Hants, PC)

"... the hon. Member points **out** the financial roller coaster artists are on. An artist may go on for several years without payment and then receive a lump sum payment recognizing contributions made over a period of time.... The best way to address that would be through income averaging."

Hansard, June 9, 2000

Ken Epp (Elk Island, Canadian Alliance)

"Perhaps we should re-design our income tax system so there can be some long term averaging of both income and expenses.... Obviously we need to deal with this issue not only for artists but for all Canadians.... I agree in principle with what the hon. Member is trying to do..."

Jean Dubé (Madawaska-Restigouche, PC)

"An artist may go on for several years without payment and then receive a lump sum payment recognizing contributions made over a period of time.... This would also address other people who are similarly predisposed through the nature of their business to receive lump sum payments in recognition of work completed over a period of several years. Income averaging would be the best way to address it."

*(The CCA respectfully points **out** that comments from NDP MPs are not recorded here as, not surprisingly, they spoke in favour of the motion as it was tabled.)*

As you will note, there is a remarkable degree of support from all parties for income averaging. Why then has it received such casual attention from the Minister of Finance? In letters written to Marilyn Simonds of The Writers' Union of Canada on June 2, 1998 and July 20, 1999 (the text was identical in both letters), Paul Martin wrote "... income-averaging provisions were eliminated from the tax system as part of tax reform, which reduced the top marginal tax rate from 34 per cent to 29 per cent, and the number of tax brackets from ten to three. The reform also reduced the difference between the lowest and highest marginal tax rates from 28 per cent to 12 per cent. These changes have diminished the adverse tax consequences resulting from income fluctuations, and hence the need for averaging provisions, which are very complex both to comply with and to administer."

In 1997, Price Waterhouse produced a report on income averaging for the Department of Canadian Heritage. The intention of the report was "to review possible new income averaging mechanisms to make the income tax system more equitable for individuals with fluctuating income".¹³ The target group on which the report was based was those who are self-employed, typically in the lowest tax bracket, and realizing a significant increase in income in one year. This description fits over half of those working in the cultural sector to a T. It also describes a growing number of self-employed individuals working in other sectors of the Canadian economy. The report outlines how "in addition to income volatility, the self-employed do not have the same access to the social safety net, such as Employment Insurance. This additional economic vulnerability further supports some measure to improve the fairness of the tax system for the self-employed."

Self-employment, as a percentage of the total labour force, increased steadily throughout the 1970s and 1980s, and by leaps and bounds during the 1990s. Yet Canada's taxation system, by and large, has not only ignored this fact but has actually removed one of the only measures (income averaging) by which self-employed individuals could receive some small measure of fair treatment. The report concludes that "To remove the tax inequity related to income fluctuations, a tax credit could be allowed for the target group. This tax credit could be an actual calculation of the increased tax due to income volatility, or a proxy calculation. This latter alternative is preferred because it is simpler."

Are a tax exemption as outlined in Mr. Riis' motion, or some form of income averaging, the only solutions available for Canada's beleaguered artists and **creators**? The CCA does not believe so. Ireland is frequently held up as a model for emulation in this regard. The Irish government has introduced a tax exemption that applies to **all** income earned through the sale of "original and creative works generally recognised as having cultural or artistic merit. Accordingly, earnings derived from such works are exempt from income tax from the year in which the claim is made".¹⁴ Although the legislation does not actually specify "copyright income", that is what it is. The artistic works in question fall into the categories of a book or other writing, a play, a musical composition, a painting or other like picture, or a sculpture.

The total cost of the artists' exemption in Ireland is about £8 million (Irish) € roughly \$14 million Canadian. Contrary to the Quebec model which has an upper limit of \$30,000, the Irish exemption has no upper limit. (It should be remembered that in Ireland, this tax exemption for artists is part of a global government initiative that, according to Madelaine Drohan of *The Globe and Mail*, encompasses investment in education, cooperation between business, labour and government leaders, encouraging foreign investment, and corporate tax cuts.)

In a 1993 report to the Saskatchewan Minister of Municipal Government (with responsibility for culture), an advisory committee on status of the artist made the following recommendation: "In recognition of the artist's needs for preparation time, during which no income is earned, prior to earning income, revision of regulations to allow deductions for forgone income. An alternative solution to this problem might be reached through introduction of a standard tax credit for professional artists." The report included a quote from Saskatoon poet and fabric artist, Susan Andrews Grace, that "Since the culture industry is so crucial to the Canadian economy, couldn't there be research tax credits for artists as there are in industry, science and technology? Artists spend an incredible percentage of our income in R&D. Subsidies to other industries are so often hidden while artists are seen to be waiting for handouts".

The CCA is constantly examining the question of employment versus self-employment within the cultural sector, looking for better ways to approach and resolve this long-standing issue. On November 22 of this year, the CCA will be convening a meeting of national arts service organizations to discuss the issue further. We extend an invitation to members of this Standing Committee to attend the forum as observers and to hear at first hand the concerns of the sector.

It is also possible, given the new spirit of cooperation at the CCRA and the rise of self-employment in the Canadian workforce as a whole, that an alternative solution might come forward from government itself or one of its agencies.

Conclusion

Why is the CCA concentrating its resources on this one issue, fair and equitable taxation treatment for artists and **creators**, at this time? It is not a new issue and has long been a mantra for the CCA. However, a number of factors have come together in recent months which have persuaded us that the time is propitious for such a submission to the Standing Committee on Finance.

- The Private Members' motion (M259) introduced by Nelson Riis and the debate on arts income which it has generated.
- Release of statistical data which indicate that, despite increased international recognition, Canadian artists' earnings remain well below the national average (*see table above*).
- The recent World Trade Organization ruling that U.S. stores, restaurants and bars must pay copyright on the music they provide to their patrons and clients. In Canada, such institutions used to be governed by a similar ruling but were recently made exempt from paying royalty fees on such music & the WTO decision will be used to urge the Canadian government to reverse this ruling.
- Recent meetings between the cultural sector and the new Canada Customs and Revenue Agency (CCRA) indicate a new spirit of openness, which we see as very encouraging. The CCA anticipates a draft policy from this agency might be available in the near future to clarify the self-employment issue.
- The year 2001 will see a review of Status of the Artist legislation by the Department of Canadian Heritage. Amendments to this legislation would have great impact on the working lives of Canadian artists and **creators**, and could assist in defining exactly who is an artist for taxation purposes.
- The Department of Canadian Heritage has indicated it will be working on a new copyright framework over the coming year.
- The plethora of recent news articles regarding the upsurge of artistic content on the web (both legal and illegal) and the resulting changes in how **creators** will earn copyright income.

Allow us to expand further on this final point. The Canadian government has indicated its determination to become the most wired government in the world within four years & an admirable goal. The CCA cautions, however, that in its rush to do so, government must not become preoccupied with technology rather than

content, and must ensure that artists' rights are not trampled underfoot. The Budget speech delivered by the Minister of Finance on February 29, 2000, outlined a \$75 million initiative over three years "to ensure a significant, identifiable Canadian presence on-line, in French and in English". The principal thrust for this money will be the Virtual Museum and the linking up of the digitized collections at Canada's museums, and expanding the Canada Place website into the Canadian Cultural Internet portal. This brings the question of copyright in electronic or digital works under the spotlight, issues on which the copyright collective of CARFAC and the Canadian Museums Association are currently working.

The Standing Committee members have probably heard more than they ever wanted to hear about Napster and copyright issues; however, to quote the *National Post*: "The advent of the CD-ROM technology and the all-pervasiveness of the Internet have created unprecedented opportunities for the unauthorized reproduction of copyright works."¹⁵ We believe it relevant to quote here part of the testimony of Lars Ulrich, drummer for the band Metallica, when he appeared before the U.S. Senate judiciary committee:

"... just like a carpenter who crafts a table gets to decide whether to keep it, sell it or give it away, shouldn't we have the same options? My band authored the music which is Napster's lifeblood.... Every song by every artist is available for download at no cost and, of course, with no payment to the artist, the songwriter or the copyright holder.... We spend many months and many hundreds of thousands of our own dollars writing and recording. We also contribute our inspiration and perspiration. It's what we do for a living. Even though we're passionate about it, it's our job.... Most artists are barely earning a decent wage and need every source of revenue available to scrape by."¹⁶

And it isn't just musicians who have felt under siege recently. Visual artists are still struggling with the thorny issue of how to be compensated for copyright when a gallery or museum depicts their work on its website. Canada's writers have recently been in the headlines protesting a U.S.-based website called Contentville.com, an e-commerce site that sells illicit reprints of writers' works. Although author Stephen King seems to have had success with his recent e-commerce venture (providing his most recent book in a downloadable format for a mere \$1), it is extremely doubtful that a lesser-known author would have attained anything like the same result. With so many Internet-based cases appearing before the courts, it should be remembered that large companies (the publishers, film and record companies) have big bucks to fight for their copyrights and are using that money liberally to do so. Artists, as a rule, do not. Their lost income from copyright infringement remains lost forever.

In closing, the Canadian Conference of the Arts urges the government of Canada to take a bold step, to "break free of the bureaucratic mindset", "to seek **out** ... the inspired **creators**, and help them ...". We recommend that the government of Canada institute, without delay, fair and equitable tax treatment in support of Canada's artists and **creators**.

Endnotes

Source: Statistics Canada

Canada Council for the Arts website: www.canadacouncil.ca

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6. *Stage-struck* by Kate Taylor, *The Globe and Mail Report on Business* magazine, August 2000
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9. *Promoting Fairness for the Self-Employed Through Income Averaging*, Scott A. Wilson, FCA, Partner, Price Waterhouse (December 1997)
10. Irish Revenue Department web site: www.revenue.ie/artinfo.htm

11. *National Post*, Friday July 28, 2000
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