April 21, 2020

Honourable Steven Guilbeault, P.C., M.P
Minister of Canadian Heritage
House of Commons
Ottawa, ON  K1A 0A6

Via email: Steven.Guilbeault@parl.gc.ca

Object: Urgent assistance to Canadian art galleries

Dear Minister,

The Art Dealers Association of Canada (ADAC) and the Contemporary Art Galleries Association (AGAC) are writing to request your urgent assistance to our members, who are being adversely impacted by the current COVID-19 crisis. The ADAC and AGAC are non-profit organizations founded respectively in 1966 and 1985, and are the largest associations of professional art dealers in Canada.

In addition to the effects of the global market downturn related to the COVID-19 pandemic, our members have been obliged to close to the public, and either cease or reduce operations, resulting in a significant disruption to cash flow and revenue. At the same time, the majority of our members remain obliged to pay rent on their commercial leases. For many art gallerists, rent is their greatest source of overhead.

Additionally, the businesses of our members are generally small to medium sized, and the risks are assumed entirely by the independent owners and their families. While gallery employees and those in other businesses may qualify for unemployment assistance and benefit from wage subsidies through their employers, it is unclear that salaried small business owners may use these programs to pay their own salaries.

Finally, some gallery owners pay themselves and support their families primarily through dividend payouts instead of salaries. In its current form, the Canada Emergency Business Account (CEBA) restricts the use of loans for dividend payouts, resulting in a major or complete loss of income to these small business owners.

The scenario described above results for our members in reduced revenue and cash flow, but continuing and significant financial obligations, and no ability for the owners to support themselves and their families. We request your urgent assistance in addressing the above by:

1. Providing emergency rent relief in the form of forgivable interest-free loans to art dealers and small business owners who are being adversely affected by the current crises;
2. Protecting art dealers and small businesses from eviction;
3. Permitting art dealers and small business owners who pay themselves a salary to use CEBA loans, or the Emergency 75% Wage subsidy, or other assistance programs, to pay their own salaries;
4. Permitting art dealers and small business owners to use CEBA loans, or the 75% Wage subsidies, or other assistance programs, to issue dividend payouts to themselves when these substitute in part or in whole for salaries.

Art dealers play a critical role in a fragile ecosystem, supporting and promoting their artists while ensuring connections between private and corporate collectors, curators, and museums. Without access to commercial rent assistance and income from dividends to support their families, these art dealers, their employees, the artists who depend on them, suppliers and others who rely on our industry, face the very consequences that the Government’s emergency response initiatives are designed to help.
businesses avoid. These negative consequences will endure beyond the current health and economic crises. They include but are not limited to the following:

- Loss of income and investment for art dealers and their families;
- Loss of jobs for art gallery employees, and fewer jobs for art industry professionals;
- Fewer art dealers to promote and sell the work of vulnerable living artists, and fewer professionals to promote arts and culture in Canada;
- Fewer art experts to regularize the art market and protect consumers;
- Fewer art galleries to support associated businesses which include but are not limited to shippers and fine art transporters, framers, conservators and restorers, photographers, printers, auction houses, museums, scholars and academics, commercial landlords, accountants, bookkeepers, website developers, tradesmen, etc.

While the ADAC and AGAC are the largest associations of commercial art dealers in Canada, there are countless non-member galleries which also stand to suffer the consequences of ineligibility for relief, along with their families, suppliers and dependents.

We would appreciate your urgent attention in this regard.

Sincerely,

Hilary Robinson
Executive Director
ADAC

Joseph Rumi
President of the Board of Directors
ADAC

Julie Lacroix
Director
AGAC

Patrick Mikhail
President of the Board of Directors
AGAC