

Government Orders

• (1210)

The legislation provides a tax credit to the donor of the artefact. If that artefact is shown to have a fair market value of \$1,000, the tax credit would be 17 per cent on the first \$200 and 29 per cent on the balance. In total, the tax credit or the reduction of taxes otherwise payable would be some \$266.

It really comes down to a matter of cash. A straight sale would generate \$775 to the taxpayer who sold the artefact to a museum. If a tax credit system is used, the donor only gets \$266. In that regard it is clear that those who are prepared to donate to our cultural and heritage institutions assets of value that have been determined by a rigorous process of review and assessment would be receiving in real cash terms substantially less than if they had sold them directly.

If we are talking about true value, as the hon. member for Winnipeg St. James spoke of so well, since our cultural institutions have very little or no real cash to acquire assets this is really the only way to allow them to acquire those assets. It allows those institutions, the libraries, the archives, the galleries, et cetera, to remain current in terms of the cultural and heritage artefacts and documents that are available. It allows them to be competitive. It allows them, as the hon. member for Winnipeg St. James indicated, to continue to attract Canadians and visitors from around the world to visit our cultural and heritage institutions.

It should be clear to Canadians that in Bill C-93 the mechanism of a tax credit allows our Canadian institutions to acquire these items at substantially less cost than if they had to buy them at their fair market value. Considering also the tourism value that is generated through our cultural and heritage institutions, there is no question that the bill provides a very advantageous arrangement for all Canadians.

The hon. member for Erie might want to amplify or comment on the benefit to Canada that will be generated as a result of the provisions of Bill C-93.

Mr. Maloney: Mr. Speaker, my colleague from Mississauga South put forward in a very clear and concise manner the benefits of the tax credit to the cultural industry, as opposed to the loss of taxes. The difference is minuscule.

When I bring my family to Ottawa there is nothing better than visiting the various museums. It is an interesting way to spend a day. Many people come to Ottawa to do that. They should be encouraged to do it, but not only in Ottawa. In my community of Erie there are small museums which are expanding. It certainly provides enjoyment for all people, not only in the riding of Erie but for the tourists who visit us.

The bill can only amplify and increase the benefits we must ensure our cultural community has, not only for ourselves but for future generations.

I had a conversation with the German ambassador to Canada last week. I was asking him about the reunification of east and west Germany. He said that one of the concerns they have is bringing their art objects back from countries such as Russia, where they were carted away during the war.

• (1215)

Preservation of heritage and culture is important to all countries throughout the world. We must not let it happen in our country where we just cut it off as the Reform Party has suggested. It will flounder and die.

Mr. John Loney (Edmonton North, Lib.): Mr. Speaker, I am pleased to have the opportunity again to speak in support of Bill C-93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

As members will recall, the purpose of the bill is to establish an appeal of decisions of the Canadian Cultural Property Export Review Board to the Tax Court of Canada. Members will also recall that this is the reinstatement of a right that had previously existed. I repeat that it is the reinstatement of a right that had previously existed but was lost when the responsibility for determining the fair market value of certified cultural property was transferred from Revenue Canada to the review board.

Some people have incorrectly called tax incentives for donations to museums, art galleries, archives and libraries a tax loophole for the rich. While some wealthy people do benefit from these credits, there are also many people who donate important objects of Canadiana that have been in their families for generations.

According to the Canadian Museums Association, over 60 million people visited museums in Canada last year. As part of their experience of visiting a museum, these 60 million people were able to view objects that are now in public collections because of the tax credits available for donations. Without these incentives, many of these donations would not have been made and the objects would have instead been exported and sold to museums in other countries.

If Canadians and visitors to Canada are not able to learn about our past by visiting museums, the damage to our history and to our identity as Canadians will be immeasurable. Museums, art galleries, archives and libraries are not just warehouses full of objects that never see the light of day. On the contrary, they are lively centres of education and learning where one learns about the past through objects that have been preserved for the present and future generations.

The idea was perhaps most eloquently stated by Sir Arthur Doughty, Dominion Archivist of Canada from 1904 to 1935,