

this provision. I think that is understandable. However, I do expect the House to recognize the need for focusing public attention on the national debt and to find some method, whether through the Income Tax Act or some other means, to take positive steps to reduce the national debt.

We have heard the Prime Minister (Mr. Mulroney) and members of the Cabinet indicate in the House day after day the necessity of concentrating our efforts and attention on the financial burden that is imposed on Canadians by the national debt and the annual deficit. The national debt is approaching \$200 billion, now standing at \$190 billion. The annual deficit may run as high as \$36 billion for this fiscal year. There is some hope that that figure may be somewhat overestimated, but it would only be by approximately \$1 billion. On a per capita basis, the national debt amounts to \$7,500 for every Canadian man, woman and child. The per capita debt for the approximately 11 million taxpayers of Canada is \$16,000. If all the taxpayers of Canada joined together to retire the national debt they would have to contribute approximately \$16,000 each, which is an impossible burden.

It is relevant to note that in addition to that national debt burden on each taxpayer, we all live in provinces which in turn have debts as well. In my own case, in the Province of Nova Scotia the provincial debt amounts to \$2.28 billion. The per capita share of that debt is \$6,400. When the provincial debt burden, which must be shared by every taxpayer, is added to the national debt burden, in the case of the Province of Nova Scotia the total is in excess of \$20,000. When Nova Scotians go home at night and look over their budget accounts and see what their car payment is, and what their mortgage payment is, and every other payment that is common to Canadian households is, they have to add that to the burden of paying off the national and provincial debt this year and in years to come. Through this motion I want to focus attention on this problem and to attempt to make people realize that if we go on with profligate spending we will simply increase the national debt and our annual budget deficit, carrying the problem into the future.

Let me talk about the provision specifically in the legal sense. I realize that there is now in the Canadian Income Tax Act a provision which permits taxpayers who make donations to the Government of Canada, specifically to Her Majesty the Queen in right of Canada, or to the Government of a province, specifically to Her Majesty the Queen in right of the province, to deduct that donation for income tax purposes.

One may ask how much this will cost taxpayers and whether it is any different from the provision which now permits donations to the Governments of Canada or the provinces to be deducted. I admit quite readily that that is difficult to answer. I have no idea what it would cost to implement a provision like this, but the statistics for the last taxation year indicate that Canadians in total contributed \$1.360 billion to charities and deducted those donations for income tax purposes. I think that we can expect that the figure will not go beyond the amount given by all Canadians to all charities.

Income Tax Act

With regard to the current provision in Section 110 of the Income Tax Act which permits deductions in the case of gifts to the Crown, I can say that pressure is not enough. I would like to see a procedure whereby Canadians can make a contribution to reduce the national debt and know that the money is being applied for that purpose.

We have had public response to the so-called cuts that the Government has been forced to make in spending for this and subsequent years. I think every Member of Parliament has great sympathy for Canadians who are affected by budget reductions, even though we all recognize the necessity of those reductions. I do not want to focus particular attention on any particular group or person that is affected by budget cuts, except to say that they have my sympathy. However, I would like to deal with one particular area which receives a great deal of media attention. Those are the cuts which affect the arts and the cultural community. In that regard I would like to talk about the Canada Council in relation to the duties of Government.

It is a matter of history that the Canada Council was created in 1957 as a result of the Royal Commission on National Development in the Arts, Letters and Sciences which was chaired by Vincent Massey. When the Council was established it was funded to the extent of \$50 million. That money came from the estates of two very well known Canadians, Sir James Dunn and Izaak Walton Killam. Both of those Canadians had a special connection with the Province of Nova Scotia. I am well aware of their history and the contribution that they made to Canada and the arts and cultural communities as a result of the contributions through their estates.

The original purpose of the Canada Council was to use the revenues from those funds for its statutory purpose. That was in 1957. However, in 1964 things changed. The Prime Minister of the day, Mr. Pearson, recognized that the activities of the Canada Council had broadened in their base and that the Canada Council was spending much more than it received from the endowments which were conferred by statute of the Parliament of Canada. In 1964-65, Mr. Pearson contributed an additional \$10 million to assist the Canada Council in carrying out some of its purposes. For the first time public funds were contributed directly to the Canada Council for its purposes.

In the fiscal year 1984-85, Canada Council's budget, including its grant from the Parliament of Canada, was \$72.6 million. Of course, the great portion of that was public funds. This is what happens when one sets out to establish an activity, which is funded basically with moneys that have come from two taxpayers, through the tax system, in this case the Succession Duty Act which was then in force. It grows, with the end result being that taxpayers are spending money on a project—the Canada Council—that was never intended to be the responsibility of the taxpayers of Canada.

● (1710)

Indeed, the Canada Council Act demonstrates quite clearly that the Canada Council was to expend only these endowment