

*Government Orders*

The amendments contained in Bill C-93 should not be reviewed in isolation but rather as part of a comprehensive policy for preserving our heritage. Historic sites, parks, museums, monuments and historic buildings are all symbols of what makes us unique as Canadians. Their preservation is essential as both reminders of the past and sign posts for where we are going in the future.

Part of the greatness of our history and our heritage rests with not only the deeds of past generations but with national treasures, the artefacts, works of art and personal objects they created. By preserving and displaying these objects in museums the past can continue to live in the present.

The influence of American television, movies and printed materials can blur the distinction between Canadians and Americans and cause us to forget the great achievements of previous generations of Canadians. The preservation of our cultural property and museums, archives and libraries ensures the continuation of a distinct Canadian identity.

According to the Canadian Museums Association there are over 2,000 museums in Canada. These museums range from small, seasonal, one person operations to medium size facilities, as we have in several communities in my riding of Erie, to great urban museums such as the Canadian Museum of Civilization, the Art Gallery of Ontario, the Glenbow Museum and the Montreal Museum of Fine Arts.

All of these museums enjoy national and international reputations because of one reason, their collections. Great collections do not occur by accident but instead develop from careful nurturing and the generosity of donors and benefactors who believe in the importance of preserving Canada's patrimony for future generations.

Critics of Bill C-93 like to say tax incentives for donations of cultural property are tax loopholes for the rich. In saying that they are ignoring the rigorous standards museums, archives and libraries apply to get at these acquisitions. Our cultural institutions do not frivolously accept people's junk and offer them tax incentives. If that were the case the contents of my garage would make me a rich man. On the contrary, they make conscientious professional judgment about what objects or collections are worthy of certification because they are, in the words of the act, of outstanding significance and national importance.

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I mentioned earlier that there are over 2,000 museums in Canada. To be eligible to apply to have objects certified as cultural property and therefore made eligible for a tax credit, a gift must be made to an institution that has been designated under the act. But not just any organization that operates a museum or calls itself a museum is eligible to be designated. I

am informed that there are only approximately 300 designated institutions in all of Canada. Only a fraction of those 2,000 museums in Canada are even eligible to apply to receive the tax benefits offered by the legislation. That small number of designated institutions is an indication of one of the safeguards that was built into the original legislation and is further enhanced in the bill now before the House.

To be designated a museum, archive or library, it must be a non-profit corporation and have as its principal activity the acquisition and preservation of cultural property. It must also have a collection that interprets and displays to the public. It must have a professional staff and it must be open to the public on a regular basis. This means that before an institution is even able to apply to obtain a tax credit for an object that it wishes to bring into its collection, the institution must demonstrate that it has the ability to preserve that object in perpetuity. The institution must then apply to have the object certified as a cultural property by the Canadian Cultural Property Export Review Board.

Again, the tax credit is not automatic just because a museum or other institution is designated and wishes to add an object to its collection. It must be demonstrated that the object is of outstanding significance and national importance and that it fits within the acquisition mandate of the institution. After that, arm's length appraisals for the fair market value of the object must be obtained. These are provided by evaluation experts who have no association with either the recipient institution or the person donating the object. Again there is a safeguard in the system.

The appraisals are reviewed by the Canadian Cultural Property Export Review Board and it determines the fair market value for income tax purposes. The review board is composed of experts in all aspects of cultural property: museum personnel who are knowledgeable about its significance and the means to preserve it and dealers and collectors who are active in the marketplace and know the prices at which objects regularly sell.

Establishing the fair market value of cultural property or any other commodity is more of an art than a science, and it is inevitable that disagreements will occur. In 1987 in the Ontario high court a judge wrote in his ruling that fair market value was a notional or hypothetical concept, an opinion arrived at by evidence, assumptions, calculations and judgment in the absence of an actual transaction. In such a situation it is obvious why there may be disagreement about the fair market value of a particular object.

Responsibility of the review board to determine fair market value can at times be very onerous, particularly when dealing with unique objects and donations to a wide range of institutions. The experts on the review board recognize this. That is why they fully support the two appeal processes established by