

*Cultural Property*

The system I am proposing, therefore, is the control of objects which are in the national treasure category. We want to catch those things that should be controlled without making the net so tight that we catch too much and the system becomes oppressive or unworkable, or both. I do not think that any member would seriously question the right of parliament to try to retain cultural property of high national significance in Canada, but there would be wide divergencies of view as to what constitutes a national treasure. Therefore, I should like to examine with hon. members what the act has to say about those who will make these difficult decisions, that is, the local expert examiners and the review board.

Normally, custodial institutions in the location of the Customs office which deals with export permits would be responsible for providing expert examiners. I am talking about local museums, galleries, provincial archives, university libraries, and so on. The Customs office will have a list of these institutions and in some cases the names of individual expert examiners not connected to them. From the description of the object on the application form, the Customs officer will be guided as to which institution or individual he should approach to get professional advice.

Obviously, regulations regarding the duties and responsibilities of the expert examiners will have to be drawn up to ensure that the bill is applied equally across the country yet takes regional or provincial considerations into account. Once again I should emphasize that we will be concerned about avoiding unnecessary delays. The tasks of the Canadian cultural property export review board are threefold. The first is to review applications for export permits as a result of an appeal; the second arises when an owner and a Canadian institution cannot agree on a fair price for an object for which the review board has created a delay period, and in such case the board, calling upon the advice of evaluation experts, will determine the amount of a fair cash offer; and the third duty arises out of the tax amendments proposed to the Income Tax Act.

The review board will have seven members including an independent chairman. It will be small in size to allow for informal proceedings and rapid action. It is to have a built-in parity between the custodial interests on the one hand, and the dealer-collector fraternity on the other, so as to be as impartial as possible. My intention is to set up an independent body under a chairman who would be a person of standing, experienced in administration and having a recognized interest in the Canadian heritage. I like to think of the board as a body of professionals with access to people employed in custodial institutions at the federal level who have the technical and special knowledge to assist it in any matter in an advisory capacity.

It will be seen, therefore, that the system of control is quite fair. Its operation will only affect objects considered to be of a high degree of national importance and so it will not seriously interfere with the normal trade or infringe unduly upon personal rights. It does not expropriate or confiscate property. If an application for an export permit has been received for an object considered to be of national importance, the owner will either obtain a fair price for the object, or at worst—from his point of view—his intention to export will be delayed for a period of a few months. Surely it is not too much to require an individual who has

an object of national importance to wait for a reasonable period before he sells it abroad, in order to provide time for Canadian custodial institutions or public authorities to examine whether the object can be purchased and thus retained in Canada.

● (1240)

The Income Tax Act is to be amended in order to give Canadian institutions a competitive edge in negotiating for important works. One amendment will exempt from capital gains tax, national treasures disposed of to designated institutions or public authorities in Canada. The other concerns gifts of national treasures to designated institutions and public authorities which will be deductible from taxable income on the same percentage basis as if they were gifts to the Crown; that is, on a 100 per cent basis. I wish to personally thank my colleague the Minister of Finance (Mr. Turner) for his sympathetic understanding in agreeing to these tax exemptions which in my judgment are central to the operation of the whole scheme.

Hon. members will note that the tax exemptions are not restricted to cases where owners are attempting to export national treasures. This kind of restriction would be to the disadvantage of Canadians who sold or donated important heritage items to their local institutions. Thus, provision has been made for such cases to be referred to the review board. If the board rules that the object involved in such a transfer should be considered a national treasure, it will provide the owner with a certificate for income tax purposes.

No scheme of export control can be effective without adequate funds for assisting Canadian institutions to buy national treasures for which a delay period has been created. The absence of sufficient funds would negate the scheme. The bill proposes, therefore, that the Secretary of State be given authority, out of moneys appropriated by parliament, to make grants and loans to Canadian institutions to supplement what funds they might have available to purchase such objects. This authority would also extend to making grants and loans to help them repatriate heritage objects that become available for repatriation abroad.

The bill also proposes the establishment of a Canadian heritage endowment fund. Contributions made to the fund by the private sector would be deductible from taxable income as gifts to Her Majesty, and the Secretary of State would use the fund to make grants for purchases of the kind I have just been talking about. The moneys in the fund would not lapse at the end of the fiscal year and any interest earned on the balance would be credited to it.

I have outlined the tax exemptions and financial considerations of Bill C-33. I think, now, it would be appropriate to speak about my consultations with the provinces. Throughout the preparation of this bill, Madam Speaker, I have been very conscious of the important role that must be shared between the federal government and its agencies and the provincial governments and their agencies in the matter of preserving the heritage in cultural property. We have consulted fully with provincial governments and I am happy to report that I did not receive any objections about our intentions or the control system we were going to propose. In fact, I was most gratified to receive expres-