

*Government Orders*

they appear in exhibitions and are made available for research purposes.

Government has a legitimate role to play in these transactions and must facilitate the movement of cultural objects from the private to the public sector by taking reasonable steps that will encourage philanthropy.

Without the tax incentives offered by the Cultural Property Export and Import Act, collectors would cease to make donations to museums, archives and libraries and would instead sell their collections to the international market.

There is a perception that it is only wealthy Canadians who have objects or collections to donate to our museums, archives and libraries and that only the wealthy benefit from the tax credits for donations of cultural property. This is simply not true. It is not true because of the reasons outlined by the hon. member for Erie, the hon. member for Central Nova, the hon. member for Winnipeg St. James and the hon. member for Broadview—Greenwood, all who so eloquently spoke on behalf of this bill and on behalf of Canada's cultural heritage.

As a result, museums in Canada, from the smallest local historical association museum in rural Canada to the major collecting institutions in Vancouver, Toronto and Montreal are the product of a collective belief. The Cultural Property Export and Import Act and the tax incentives it offers for donations nurtures that belief and contributes to a shared vision of Canada.

In 1991 the Income Tax Act and the Cultural Property Export and Import Act were amended so that the responsibility for determining the fair market value of certified cultural property was transferred from Revenue Canada Taxation to the Canadian Cultural Property Export Review Board. Through an oversight the right of appeal that had existed in the Income Tax Act was not transferred at that time. As a result this right was inadvertently lost. Bill C-93 will reinstate the right of appeal that existed until 1991. That is what the bill does. It reinstates the right of appeal that existed before 1991.

• (1335)

It does not extend the existing tax benefits for donations of cultural property nor does it make any fundamental changes in tax policy. The appeal of determinations by the Canadian Cultural Property Export Review Board proposed in Bill C-93 will permit any donor of cultural property who disagrees with a review board determination the opportunity to pursue this first with the board and, if necessary, with the Tax Court of Canada.

The amendments proposed in the bill should also be viewed as a guarantee of the donor's right through natural justice to an appeal to the judicial system that it is warranted. The decision to transfer the responsibility for determining fair market value to the review board was made in haste and without consultation

with the people it affected the most, the recipient institutions and donors.

The government learned from the mistake of the previous government and has consulted widely with the donors, museums professionals, dealers and members of the review board. During this consultative process we learned that many collectors were discouraged from making donations because they did not wish to become involved in a process they had perceived to be unfair.

The museum community is very pleased with the approach that has been taken with this bill and is convinced an appeal is necessary to ensure that donors will continue to support their institutions by making donations of cultural property.

The bill establishes two appeal processes, one that involves a reconsideration of all the relevant information by the review board and another that involves a formal, legal appeal to the tax court. The bill goes even further to ensure fairness with the agreement of the Tax Court of Canada. The appeal to the tax court is made retroactive to January 1992. Every donor who has made a gift since the right of appeal was lost and who wishes to pursue an appeal will have both the opportunity and legal right to do so.

The amendments proposed in Bill C-93 are extremely important because they offer a remedy to a situation that need not exist and should not exist. The right of appeal is a fundamental right and the bill proposes to re-establish a right that was lost through an oversight. These are technical amendments but are critical to the continued preservation of Canada's heritage.

That concludes my formal remarks on the bill. I am very happy to stand in support of Bill C-93. I reiterate the rationale for the bill which is the reason I am here speaking to the House. The debate that has been going on, particularly by the opposition, the third party, has tended to paint those who donate cultural and heritage artefacts to our institutions as people who are doing something wrong, people who are rich, people who are taking advantage of a situation.

In the example I outlined to the House it is very clear that in terms of cash in their pockets, those who have made that wonderful gesture to contribute part of Canada's heritage to libraries, to archives and to museums are doing it for much more than cash in their pockets and for substantially less than they would otherwise receive should they have sold those artefacts for fair market value.

I compliment the parliamentary secretary and the member for Mississauga East for her excellent work on getting the bill through the House. I know of nobody that is more fiercely loyal and supportive of the Canadian cultural and heritage institutions. She has demonstrated that with her work in the House and by her extensive travel across the country promoting Canada.