Canadians will benefit from any future changes extended by Estonia and Latvia to other OECD member countries with respect to the withholding tax on copyright and patent royalties. Trinidad and Tobago will maintain the exemption on copyright royalties. Pension payments and annuity payments in the case of Trinidad and Tobago will be taxed at a maximum rate of 15 per cent in the source country. However, war pensions in Trinidad and Tobago will be exempt.

• (1255)

In addition, social security pensions will be taxed in the originating country and the withholding tax rate on annuity payments will be dropped to 10 per cent.

Also with respect to Trinidad and Tobago, the two-year exemption for visiting teachers will no longer exist and seasonal workers will not have to pay Canadian tax if they earn under $8,500.

I turn now to the protocol negotiated with Hungary. For historical purposes I should mention that Income Tax Act amendments in 1976 increased the rate of withholding tax paid to non-residents from 15 per cent to 25 per cent unless reduced by a tax treaty.

The existing treaty between Canada and Hungary reduced the withholding tax rate to 10 per cent on dividends paid to a parent company and 15 per cent in all other cases. However, that convention was negotiated before the 1992 budget announced Canada's willingness to reduce its withholding tax on direct dividends to 5 per cent. The revised protocol before us today reduces that rate and the rate of branch tax to 5 per cent by 1997. There are no changes in the rates of withholding tax on other dividends.

Tax treaties such as this are important tools for countries. The benefits they provide in helping to stabilize tax systems foster international trade and investment which are very important in today's global environment.

Canada will not lose any revenue from the concessions in these conventions. Not only will Canada gain from increased trade and investment, we will gain from the reduced withholding tax rates and other concessions.

There is nothing in the view of the government contentious in the bill. By passing this legislation the number of countries with which Canada has tax arrangements will increase to 57.

I urge my colleagues to give Bill C-105 speedy consideration so that we may get on with more pressing issues.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to rise to express the Bloc Quebecois' assessment of Bill C-105.

As the government spokesperson said before me, this bill is not controversial, it is a matter of course in trade relations between countries.

The bill concerns the implementation of conventions between Canada and various countries, including Latvia, Estonia, Trinidad and Tobago, and Hungary to avoid double taxation and prevent fiscal evasion with respect to taxes on income.

It is a very technical bill that was first negotiated by officials in Canada's diplomatic corps and public service, and we are ratifying the treaties they concluded, with this bill.

As the government spokesperson put it so well, this sort of thing is standard between sovereign countries, countries that want to promote trade. The bill is based on the standards defined by the OECD, the Organization for Economic Co-operation and Development.

You might be wondering why I wanted to speak on behalf of the official opposition. Because this bill, which has been described as arising as a matter of course, could serve as an example, a point of comparison, for the events that could occur the day after a yes vote in the referendum in trade and economic relations between Canada, the United States, Quebec and other countries in the world.

• (1300)

In their trade, diplomatic and political relations, countries look after their own interests, as the opposition member clearly pointed out. In a proposal like the one before us, before concluding a treaty or an agreement—and there are now such treaties and agreements with 55 countries in the world—, we look after Canada's interests. We look at these countries' investments in the Canadian economy and at Canada's investments in the countries with which we have treaties.

At some point, after assessing our trade and economic interests, we sign a treaty. So there is nothing contentious in all of this. Negotiations take place, the various countries check their laws, and it is quite normal to sign an agreement so that Canada and its partners can maintain and improve their regular trade and economic relations.

In the debate currently taking place in Quebec and Canada on the prospect of a sovereign Quebec, economic and trade arguments are often on the agenda. Just the day before yesterday, the Minister of Finance claimed that Quebec's sovereignty would threaten 1 million jobs in that province. When we examine the finance minister's speech, we see that these million jobs would