

Oral Questions

comments which so far are not supported by any evidence of criminal or fraudulent activities.

I wish to emphasize that we are, of course, reviewing the situation because it is important. Unless the hon. member has specific evidence to submit to us which would point to unacceptable behaviour on the part of Mr. Masters involving criminal or fraudulent activities, I would appreciate it if the hon. member exercised his right to make these accusations outside this Chamber instead of staying here where he is protected.

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[English]

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance.

The minister is well aware that virtually all of the OECD countries now have an inheritance tax for people who inherit, say, sums of money over \$1 million. This would generate hundreds of millions of dollars in revenue at a time when revenue is much in need.

Can the minister tell us, is there some reason Canada does not have an inheritance tax like virtually every other OECD country?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I will answer the question as asked concerning the reasons for not having one. I interpret this question to be not related to the budget, but simply seeking information.

The reason is that we in Canada, unlike other countries, have deemed capital gains disposition on death, which roughly equates to an inheritance tax. Another reason is that we have much higher property taxes than do many other countries. It is felt that does the case. Also, the principal interest most Canadians have is their main residence, which as the hon. member knows, is not subject to capital gains tax and would not be subject to any kind of a wealth tax.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, that is why I suggested a ceiling of \$1 million would be a useful guideline. It would get around the matter of one's principal residence.

The minister has said that not many poor people use tax loopholes. I suggest that not many poor families use family trusts. Can the minister explain to the House of Commons and the people of Canada why a country like Canada would continue to have in its tax system a provision that caters virtually exclusively to the wealthiest families in Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the hon. member knows, family trusts are also used by many small businesses in order to make sure the business can pass from one generation to the other. Where objections have been raised to family trusts is where it really does entail undue tax advantage for those who are using it. This was a position that many on this side of the House took when in opposition and it is a position that is certainly supportable in debate.

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• (1455)

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Many Indian people in my riding are expressing deep concern that the federal government is about to sign a self-government agreement with Gitksan Indian leaders. Their concerns relate mostly to the fact that elected band councils will disappear and will be replaced by an unelected and unaccountable hereditary chief system.

Can the minister confirm that the federal government will not now or in the future allow such a system of government to gain power in Canada?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, no, I cannot.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, if the minister cannot answer my question perhaps the Prime Minister can.

Will the Prime Minister of Canada as the leader of the government guarantee that his government will never sanction undemocratic Indian governments of any kind in Canada?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I can assure the member that the Government of Canada will never sanction undemocratic governments of any nature.

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ATLANTIC GROUND FISH STRATEGY

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The good news is that 27,000 Newfoundlanders are benefiting from the TAGS program. The bad news is that many hundreds of fishermen and plant workers, all of whom have had a long work attachment to the fishery, are being deprived of benefits. I say to the minister that the culprit is the appeal process. There are rumours, for example, that more than 95 per cent of second level appeals are being rejected by HRD officials.