Quebec vote on October 30 I hope they will take that into consideration.

The referendum is glossed over with fancy language. The referendum question should read: Do you want to separate from Canada? Yes or no. If it were worded that way I think we would find that the majority of Canadians living in Quebec, regardless of origin, would vote no. Canada has been twice declared by the United Nations the number one country in the world in which to live. Canada has been identified as the second richest country on the planet, next to Australia.

Why would any Canadian or any province want to separate? It is nonsense. That is why we need bills like Bill C–105 so that all Canadians interested in exporting, be it to Estonia, Latvia or Trinidad and Tobago, have the freedom to do so and at the same time have the protection of not being double taxed, of not losing their profits and of not being taxed unfairly.

These are agreements we have already signed with 55 other countries. It is nothing new. I am pleased that the official opposition and the third party, if I heard correctly, will be supporting the bill.

I appreciate the opportunity to take part in the debate. I remind all Canadians, especially people living in la belle province, that we have something no other country in the world has. Let us keep it that way.

• (1515)

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it is with great pleasure that I stand before the House to speak on Bill C–105, an act to implement tax conventions between Canada and Latvia, Estonia, Trinidad and Tobago, and a protocol with Hungary.

Canada has such agreements with more than 55 countries. This type of agreement is very normal in today's business environment because the global economy is becoming smaller. The barriers for trade are coming down. The fences that were built between countries are no longer in existence. The trend is that there will be more and more trade. There will be more investment among different countries.

When Canadian companies invest in other countries they have to look at the tax implications that exist. Obviously those companies are making a profit there and when they do we have to have certain rules on withholding taxes. The same is true when investments are made here by companies outside of Canada. We have to have rules and regulations to govern how those moneys can be taken out of the country.

Bill C–105 provides the legislative authority for the implementation of the tax agreements which Canada has signed. The tax treaties are designed to alleviate double taxation of income earned in one country by a person resident in another country. Obviously it would not be beneficial for someone to invest in another country only to have to pay the full taxes of that country and then once again pay taxes in their resident country. That would not be an incentive to invest.

This is very good for Canada. We are a trading nation. One out of every five jobs in this country is related to trade. Trade will be increasing.

In the criteria used as to which countries we should and should not have these types of agreements with, three primary factors are to be considered when negotiating a tax treaty with a particular country.

One is how much Canadian investment is planned for that country. Obviously if we have a much larger amount of capital and investment going into another country, there is a greater urgency. If we have very little, then it is not that apparent to have a tax treaty. The second requirement is Canada's desire to encourage economic reforms. If we want to encourage economic reforms, that is an additional reason to ensure there is a tax treaty. Another requirement is a country's interest in expanding its trade and economic relations with Canada.

We are building new relationships all the time with other countries. For example, there are companies investing in the tourism business and mining in Cuba. To ensure that those investments are encouraged and that we have an understanding with Cuba, we need to look at tax treatments, to ensure there is a fair tax treatment for both countries, for the other country and for Canada.

There is also the capital gains situation. There has to be a way to ensure that when a foreign company or an individual in another country comes to Canada that the tax is paid on their profits here but that they are also treated so that there is equity in the tax being paid. In other words, a company paying taxes back home does not have to pay twice. This is an advantage for both countries.

• (1520)

Bill C–105 is neither earth shattering nor housekeeping legislation. Rather, it is workaday legislation which addresses the dual issue of fair taxation and good international relations.

In this era of governments reappraising their roles, particularly their economic roles in an increasingly interdependent open global economy, reciprocal tax treaties make good common sense. They certainly do not hinder economic competition, which for Canada is an important fact of life. Canada is above all a trading nation. We must keep expanding our trading boundaries and our relationships with other countries.

A few items in the bill apply to all four treaties. First, while tax treaties vary from one country to another, because there are special circumstances, each treaty must be negotiated individually. These proposed conventions are similar to other treaties already concluded by Canada. They are patterned on the model