

Government Orders

• (1655)

That is another debate. That is another issue. I bring it up only because of the confusion introduced into the bill by the member for Kamloops and by the member for Gander—Grand Falls. It is worthy of support. The sooner we get it over with, the sooner we can get back to real issues and real bills and get on with our economic lives.

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, it is an unusual day in the House when all parties support a bill. The member for Calgary Centre pointed that out at the beginning and then spoke for almost 16 minutes even though he felt it was a waste of time to talk about the bill, since we all agreed. What is more interesting is that he spent most of that time complimenting a member for the governing party, the member for Gander—Grand Falls. It is indeed an unusual day in the House.

I also want to speak to Bill S-9 and some of the concerns raised with respect to the bill, an act to amend the Canada-U.S. Tax Convention Act.

First I want to say to my colleagues that there is nothing sinister in the bill and no surprises for those who follow these issues. This was pointed out earlier. This matter was the subject of publicity earlier. There was a press release in April 1994 that announced that the protocol had been signed. A copy of the protocol was available. The fact that negotiations were taking place has been known for several years. It has certainly been known among people who practise taxation law and those who are concerned about cross-border investment. There are no surprises and nothing particularly sinister. The bill follows the OECD model tax convention treaty. Provisions of that tax convention model have been followed by as many as 25 countries.

There has been some suggestion that the bill amounts to a huge tax cut for corporations. I want to speak to that misconception. What the bill really does is facilitate cross-border investment. As has been said by others, tax conventions are all about reciprocity. What we are gaining through this tax convention and other tax conventions is enhanced investment in our country. We have to reciprocate for countries that are interested in that kind of relationship with us.

What we have here in the changes in withholding tax is a great incentive for Canadians to invest in the United States and likewise for Americans to invest in this country. Certainly at a time when we are concerned about jobs and growth, that is a very good outcome and a worthwhile goal.

There has been talk, again another confusion, about impact on the treasury, cost to Canadians. We should also focus on offsetting investment in tax revenues that come to Canada from that investment. That is what this treaty will accomplish.

There has also been comment about estate taxes and some sort of opportunity that is being provided to the rich of this country. What is being addressed in the estate tax provisions of the convention is the matter of fair treatment. Canadians will be out from under the burden of double taxation and unfair treatment that has existed to date in the United States for those who have owned property there. That will be cleared up.

There has also been much discussion about the provisions of the convention dealing with the tax treatment of contributions to universities outside Canada. Some have been so confused as to think that this is something that has appeared in our law and is a function of this convention suddenly. It has been a matter of legislation in this country since the 1960s and has been in this convention since the 1980s. What is the result? Certainly the result is that Canadians may make contributions to U.S. universities, but I want to come back to the reciprocity issue and make the following point.

Looking into my own former university, McGill, we discover that over the years countless Americans have attended McGill University. Approximately 1,000 are there right now if we add full time and part time students together.

• (1700)

Here is what is most interesting of all. Let us look at the amount of contributions from McGill graduates in the U.S. and Americans to McGill University over the last five years. In 1990, \$2,452,000. In 1991, over \$3.7 million. In 1992, almost \$2 million. These are U.S. figures. In 1993, \$3 million Canadian. In 1994, the astronomical amount of \$7 million Canadian. In 1995 it is \$3,440,000 to date from American contributors to a great Canadian university. Those who question the wisdom of encouraging Canadians to make contributions to U.S. schools should ask themselves what the impact might be on contributions to Canadian schools.

I am pleased to support the bill and pleased that it has the support of all parties of the House. It is a sensible convention. It is updated from time to time, as it has been most recently by these changes. I look forward to having it passed by the House.

[*Translation*]

I would like to add a word on another point. The hon. member for Joliette used the debate on Bill S-9 to discuss the effects of separation. In response, I would like to say something very clearly.

First, if Quebec needs such a convention, it already has one as a province of Canada. Second, it seems to me that the hon. member does not have a strong grasp of international law, but this is always the way with the separatists. When they get up in the morning, they say: "I want something, therefore I shall have it". But the world does not work this way, and he knows it.