Hon. Mr. ASELTINE: I was not present when the Private Bills Committee of the other house considered these petitions. In the St. Martin case the evidence heard before the Divorce Committee was very strong against the respondent, and at the close of the case for the petitioner, counsel for the respondent asked for a half-hour adjournment in order to decide whether or not evidence should be called for the defence. The committee allowed an adjournment of three hours, and when the hearing was resumed, counsel for the respondent, in the presence of the respondent, advised the committee that he would call no defence. Accordingly, a bill for divorce was recommended.

I understand that at a later date the respondent claimed that her counsel had not handled the case to her satisfaction. When the petition came before the Private Bills Committee of the other house she was on hand and presented a long letter dealing with the matter, and the committee decided to reject the bill. I understand further that a motion was made in the other house this morning to refer the bill back to the committee, but that it was not agreed to.

With respect to the Behocaray case, a petition for divorce was heard last session and a bill was recommended. This bill was rejected by the Private Bills Committee of the other house because, although the respondent admitted being guilty of adultery, the members of that committee were of opinion that adultery had been committed by the petitioner as well as by the respondent. The case came before the Senate committee again this year, and the old evidence was supplemented by some new material. After several adjournments of the hearing your committee came to the conclusion that there was clear proof of adultery on the part of the respondent. Accordingly, the petition was granted. The matter was fought out again before the Private Bills Committee in the other place, the decision was the same as that of last year. The bill has been rejected, and there is not much that we can do about it.

The motion was agreed to.

CANADA-NEW ZEALAND INCOME TAX BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved second reading of Bill 395, an Act respecting an Income Tax Agreement between Canada and New Zealand, signed at Ottawa, in Canada, on the twelfth day of March, 1948.

He said: Honourable senators, the purpose of this bill is to give the force of law to a taxation agreement between Canada and New Zealand, signed at Ottawa on March 12. The agreement is designed to avoid double taxation of nationals of either country who receive income derived from business, or otherwise, in the other country. Provision is also made for the exchange of tax information, to prevent fraud and avoidance of payment.

Hon. Mr. ASELTINE: May I ask the honourable leader of the house if this is similar to the agreements entered into with the United States and with Great Britain for the same purpose?

Hon. Mr. ROBERTSON: I understand that it follows the customary form of agreement entered into between Canada and other countries whose nationals are affected by this tax.

The bill gives the Minister of National Revenue authority to make orders and regulations to carry out the terms of the agreement, and directs that they be published in the *Canada Gazette* and laid before Parliament. In case of any inconsistency between the agreement and some other law, the agreement prevails.

Hon. Mr. HUGESSEN: Honourable senators, I have not had an opportunity of examining this bill in detail, but from a cursory perusal it would appear to follow word for word the agreements entered into two years ago for a similar purpose with the United States and Great Britain.

Hon. Mr. ASELTINE: I have made a brief comparison of the agreements, and I think my honourable friend is correct in his statement.

Hon. Mr. HUGESSEN: I would commend the government for having entered into this agreement. The more arrangements we have between Canada and other countries for the purpose of avoiding duplication of income tax the better it will be for the nationals of all countries concerned.

I am curious to know whether there are similar agreements under negotiation or in contemplation between Canada and other countries with which she has a broad commercial relationship.

Hon. Mr. ROBERTSON: I regret that I am not able to inform my friend specifically on that point; but I believe that there are other agreements in contemplation.

Hon. Mr. ASELTINE: We are all in favour of any measures that will avoid duplicate taxation.

The motion was agreed to, and the bill was read the second time.