

reserve, which they were seeking as pre-tax reserve, would mean \$1½ million less to the treasury. So, on six points it would be about \$9 million. This can be worked down the scale, but it is important. There are various companies differing in sizes and scope, extent of operations and profits, and it was the view of the association that a continuance of this practice that they were urging would be in the best interests of the policyholders.

For these reasons, and because of the importance of the fact that this is a departure from the tax structure as we have known it heretofore which brings this tax to bear on life insurance business income, and while we believed it was a proper tax to impose, we felt that the position of this large segment of the commercial and financial life of Canada should be fully explained to the Senate so that it would be realized they were not begging off but asking for something that they enjoyed heretofore and that precedent would suggest to be a good thing to continue.

**Hon. John J. Kinley:** Honourable senators, I was present at the meeting of the Standing Senate Committee on Banking, Trade and Commerce when this legislation was before it. The insurance people were there in force, and, in my opinion, they received a good hearing. I paid close attention to what they had to say.

I am a friend of the insurance companies. I have always carried life insurance, and I have no complaints. But, the President of the Canadian Life Insurance Association, when he spoke to the committee, referred to their immense investments in business and securities as reserves. It immediately occurred to me that with the rate of interest group up to 9½ per cent, and perhaps higher, no one will benefit more than the insurance companies from the money that must be paid in interest on borrowed money. For this reason I formed an opinion against this supplementary resolution, which is reflected in the report. I think it is untimely and out of place. In general, I favour reporting the bill without amendment.

This morning in committee I had some difficulty following the proceedings. There seemed to me to be some confusion, and I do not think this question was put to the vote. The chairman probably asked: "Is it agreed?", but I certainly did not agree. I am against that part of the report because I do not think it will have any effect. It is a suggestion, but as a member of that committee I was against it, and I am against it now.

**The Hon. the Speaker:** Honourable senators, before I proceed to put the motion for the third reading of the bill I should like to ask whether the honourable Senator Croll in his remarks made a formal point of order, or merely indicated his view that this report was in some way a reflection on the other place.

**Hon. Mr. Croll:** Honourable senators, I merely commented on the report.

Motion agreed to and bill read third time and passed, on division.

### THE ESTIMATES

#### REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

**Hon. T. D'Arcy Leonard,** Chairman of the Standing Senate Committee on National Finance, presented the following report of the committee, to which was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1970.

**Hon. Senators:** Dispense.

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

**Hon. Mr. Leonard:** Honourable senators, with leave of the Senate, I move that this report be considered later this day.

Motion agreed to.

### BUSINESS OF THE SENATE

On the Orders of the Day:

**Hon. Leopold Langlois:** Honourable senators, I ask your indulgence to make a short statement having to do with the agenda for today.

The Special Committee of the Senate on Science Policy and the Standing Senate Committee on Foreign Affairs are scheduled to meet this afternoon. In the past it has been customary for the house to adjourn its sitting in order to facilitate the work of such committees. However, in view of the early adjournment of the Senate and the resultant necessity to give consideration to the dispatch of public business, it has been decided that the house shall sit this afternoon but that its agenda be so arranged as to permit the two committees in question to sit later this afternoon. It is hoped that we will be able to complete our agenda conveniently before 4 o'clock.